Getting Everybody Back On the Same Team: An Interpretation of the Industrial Relations Policies of American Business in the 1940s

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The thesis examines the reactions of policy-making managements of large industrial firms to the challenges to their power and authority accompanying the organization of relatively strong unions in the later 1930s and 1940s.

It describes and explains the transformation in its approach to labour relations forced upon American management during this period, setting this against a background account of the industrial relations strategies large firms followed in the pre-union era. It relates in detail the problems of labour relations American business encountered in the war period and immediately after, and examines the ideology and world-view of management as revealed in its perceptions of its problems.

The second half of the thesis describes a successful 'recovery of the initiative' in industrial relations policy and practice by American management. It examines the contributions of large corporations and their pressure-groups to the reorientation of public policy towards organized labour which culminated in the passage of the Taft-Hartley Act. It goes on to discuss the collective bargaining strategies of large manufacturers (particularly in the automotive industry) in the late 1940s, arguing that they acted with realism and conscious purpose to stabilize in-plant labour relations on terms acceptable to themselves. Management accepted unions - but acted to restrict their power, and compelled them to behave 'responsibly'.

The final chapters examine other means by which management aimed to outflank and undermine unions, and to restore its own power and prestige - methods which have usually been neglected by business and labour historians alike. The objectives and rationales of personnel administration, 'welfare capitalism', in-plant propaganda, and public relations are analysed.

Throughout, the emphasis is on managerial motivation, and on the ideological bases of business policy, as much as on actual practice. This is partly because the sources of the study include the rhetoric of the business community as well as the records of its behaviour. The work is, however, more than a partial intellectual history of American business; it concentrates on practical men's perceptions and analyses of problems which confronted them, and on the rationales they produced for the actions they took.
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GETTING EVERYBODY BACK ON THE SAME TEAM:
AN INTERPRETATION OF THE INDUSTRIAL RELATIONS
POLICIES OF AMERICAN BUSINESS IN THE 1940s.

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# TABLE OF CONTENTS

Chapter I: INTRODUCTION I

The Sources of the Study 3
American Business - a Useful Concept? II
Industrial Relations - A Broader Perspective 16

Chapter 2: AMERICAN BUSINESS AND THE PROBLEM
OF INDUSTRIAL RELATIONS: FROM THE RISE OF THE
LARGE CORPORATION TO THE SECOND WORLD WAR 20

Before the Deluge: ca.1680-1932 21
The New Deal 31
The Spectrum of Business Response 38
Persistent Anti-Unionism: the Belligerents 39
Persistent Anti-Unionism: the Sophisticates 41
The Realists 43
The Progressives: Divergent Responses to the Challenge of Unionism 54
Conclusion: The New Tactics for Labor Peace, 1939-40 63

Chapter 3: PROBLEMS OF LABOR RELATIONS IN
TOTAL WAR AND RECONVERSION, I: THE LOSS OF
LABOUR DISCIPLINE AND THE UNION CHALLENGE TO
MANAGEMENT CONTROL 68

Business, Labour, and the Political Economy of War 69
The Wartime Labour Relations Problems of American Business, II: The Union Challenge to Management Control 91
The National War Labor Board and the Institutionalization of Union-Management Relations, 1942-1945 93
The Union Challenge: Achievement and Ambition 110
The Managerial Rationale 128
Conclusion 135

Chapter 4: THE ISSUE OF SUPERVISORY UNIONISM 136

The Foreman in Mass-Production Industry: the Evolution of a Role, ca. 1880-1930 138
The Impact of Rank-and-File Unionization 139
The Impact of War and the Rise of the FAA 143
'Is You Is O' Is You aint My Baby': the Unitary Ideology of American Industrial Management 148
Conclusion 163

Chapter 5: THE RECOVERY OF THE INITIATIVE, I: BUSINESS AND THE POLITICS OF LABOUR RELATIONS POLICY IN THE 1940s 164
Business and the Politics of Labour Relations Policy in Wartime 165
Reconversion and the President's Labour-Management Conference 175
The NAM and the Legislative Struggle 185

Chapter 6: THE RECOVERY OF THE INITIATIVE, 2: 'REALISTIC' COLLECTIVE BARGAINING IN THE 1940s 199
Collective Bargaining: Strategies and Tactics 201
The Context: Big Business and Big Labour in the Postwar Years 207
The Strategy of Realism: Management's Programme for Making Collective Bargaining work 212
Big Business and the Implementation of the 'Realistic' Strategy 219
Conclusion 245

Chapter 7: BEYOND COLLECTIVE BARGAINING: PERSONNEL ADMINISTRATION AND WELFARE CAPITALISM IN THE MANAGEMENT OF MEN 250
Human Engineering: the Ethos and Activities of Personnel Administrators 252
Welfare Capitalism in the 1940s 267
Welfare Capitalism and American Politics 276
Conclusion 282

Chapter 8: COMMUNICATIONS IN INDUSTRY AND THE GREAT FREE ENTERPRISE CAMPAIGN 285
Conclusion 305

Chapter 9: CONCLUSION 310

Appendix: The General Motors Strike of 1945-1946 316

BIBLIOGRAPHY 318
# LIST OF ABBREVIATIONS USED IN TEXT AND FOOTNOTES

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AFL</td>
<td>American Federation of Labor</td>
</tr>
<tr>
<td>ANA</td>
<td>American Management Association</td>
</tr>
<tr>
<td>AALH</td>
<td>Archives of American Labor History</td>
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<tr>
<td>BAC</td>
<td>Business Advisory Council</td>
</tr>
<tr>
<td>Bus.H.R.</td>
<td>Business History Review</td>
</tr>
<tr>
<td>CPMA</td>
<td>California Personnel Management Association</td>
</tr>
<tr>
<td>CCUS</td>
<td>Chamber of Commerce of the United States</td>
</tr>
<tr>
<td>CED</td>
<td>Committee for Economic Development</td>
</tr>
<tr>
<td>CIO</td>
<td>Committee for/Congress of Industrial Organization/s</td>
</tr>
<tr>
<td>CAI</td>
<td>Congress of American Industry</td>
</tr>
<tr>
<td>DPL</td>
<td>Detroit Public Library</td>
</tr>
<tr>
<td>FM&amp;M</td>
<td>Factory Management and Maintenance</td>
</tr>
<tr>
<td>FAA</td>
<td>Foremen's Association of America</td>
</tr>
<tr>
<td>GE</td>
<td>General Electric</td>
</tr>
<tr>
<td>GM(C)</td>
<td>General Motors (Corporation)</td>
</tr>
<tr>
<td>IRRA</td>
<td>Industrial Relations Research Association</td>
</tr>
<tr>
<td>LMDC</td>
<td>Labor/Management Documentation Center</td>
</tr>
<tr>
<td>NAM</td>
<td>National Association of Manufacturers</td>
</tr>
<tr>
<td>NDB</td>
<td>National Defense Mediation Board</td>
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<tr>
<td>NICB</td>
<td>National Industrial Conference Board</td>
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<tr>
<td>NLRB</td>
<td>National Labor Relations Board</td>
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<tr>
<td>NWLB</td>
<td>National War Labor Board</td>
</tr>
<tr>
<td>PSB GID, MLIC-</td>
<td>Policyholders' Service Bureau, Group Insurance Division, Metropolitan Life Insurance Company</td>
</tr>
<tr>
<td>SPP</td>
<td>Studies in Personnel Policy</td>
</tr>
<tr>
<td>UAW</td>
<td>United Automobile (etc.) Workers</td>
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<tr>
<td>UE</td>
<td>United Electrical (etc.) Workers</td>
</tr>
<tr>
<td>WPR/PPM</td>
<td>Walter P. Reuther Pre-Presidential Materials</td>
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Chapter I
Introduction

This study of the industrial relations policies of American business is an examination of the reactions of senior managers of medium and large-scale manufacturing firms to the challenges to their power and authority accompanying the organization of strong industrial unions in the later 1930s and 1940s. This is a subject outside the normal interests of business historians and of students of the American labour movement. My aim is to make up for past omissions, and to provide a framework for understanding the nature of business' contributions to the evolving American industrial relations system.

This research originated in an interest in the American labour movement. I wanted to understand the processes of its transformation from the 'turbulent years' of the 1930s to its present incorporation as a junior partner in the workings of a modern, liberal capitalist political economy. The critical years in which to look for an explanation of the 'domestication' of the American labour movement appeared to be the relatively unexplored period of the mobilization of the war economy, ca. 1939-45, and of peacetime prosperity in the first Truman administration. Unions grew in numbers and strength, became entrenched and firmly institutionalized; industrial conflict reached a high point in 1945-46, but was generally orderly; the political alliance between most unions and the liberal wing of the Northern, urban Democratic party became close and organized. Within the newer Congress of Industrial Organizations (CIO) unions, power became more centralized, established leaders more secure, and the tolerance they extended to rank-and-file militancy or political radicalism declined. In fine, many of the distinctive features of the contemporary American industrial relations system emerged during the period in question.

I began research into the internal political life of the unions and their administrative development in 1973; but initial research convinced me that the important determinants of the evolution of the modern American industrial relations
system were to be sought outside the labour movement rather than within it. It came to appear as a reactive, rather than an initiating, force in the process of social change; a weak and in many respects non-conforming institution in a powerfully-organized, pervasively capitalist society. My attention therefore shifted to the environment within which the labour movement existed. The dynamic force in shaping that environment was the business community. The bargaining strategies of the big firms with whom industrial unions dealt, and the political action of the business elite’s pressure groups involved in influencing public policy towards unions and labour relations, became the focus of my interests. I looked to the outlook, experience, problems, and power of the managements of America’s large manufacturing concerns for an understanding of their attempts to influence the circumstances with which unions and their leaders had to reckon. This dissertation provides an account and an explanation of some of those attempts.

The substance of this work consists of an examination of the problems American management thought it faced, of the ways in which they were perceived, and of the manner in which they were handled. It is, in general, a success story. What the business community and its constituent firms did may not have been well considered in every case; and the favourable outcomes observable by the end of the 1940s resulted from something more than the business community's realistic exploitation of its opportunities. However impressed one may be by business hegemony and by the general astuteness of the managerial elite, one has to acknowledge that the situation was not in fact under the control of all-wise businessmen. Business did not determine the climate of international relations in the war and early Cold War years, which had such an immense effect upon American domestic politics and, even more directly, upon the economy. Business actions affected public policy and the climate of public opinion: but one is speaking of influence, not control, and of only one influence among many. Business did not create its opportunities, but in the postwar collective bargaining rounds, in the drive for the Taft-Hartley Act, and in the propaganda offensive against the labour movement and its liberal allies which I shall describe, it certainly seized them.
The Sources of the Study

The problem of finding adequate material for a worthwhile study of a relatively recent area of business policy is fundamental. Thirty years ago, the doyen of American business historians wrote:

"Business men have not left large collections of "public papers" deposited in libraries for perusal by graduate students; their debates have not been preserved in congressional records or legislative journals; their policies were not broadcast for the benefit of constituents. They went quietly, often secretly, about their tasks."

Since Cochran reached those conclusions about nineteenth-century businessmen, the situation has eased. Some larger businesses have liberalized their policies on scholarly access to historical files. Some important businessmen have bequeathed their papers to libraries and foundations,

"but it remains the case that practical obstacles in the way of attempting to rely on corporate archives for material for reconstructing the pattern of business thought and action are considerable. The latter cannot usually be as well documented as the history of other public institutions of equal or lesser importance - a political party, a pressure group, an agency of government, or even most labour unions."

Regrettably, one cannot imitate the modern political historian, with his customary use of the Congressional Record and Hearings, departmental and agency records in the National Archives, and papers of public figures deposited in the Library of Congress, the great presidential libraries, and in the collections of elite universities. Without access to the kinds of material one can imagine and desire - interoffice memoranda, position papers, confidential reports, minutes of executive committee meetings - it is impossible to design a research project resting on a series of microstudies of particular corporations, their problems and their policies.

It is worth exploring why the intimate material for recent business history should be relatively scarce. Business in

America has generally been a secure and legitimate institution, privileged with a protective privacy. Hostility, in the shape of legal or administrative harassment, systematic investigation, or enforced disclosure of sensitive information, and the consequent need to justify the existence, objectives, and actions of one's organization before the public, can have a very beneficial effect on the creation of an accessible and rewarding archival record. To some extent this is true of the materials for recent business history. The subpoena power and diligent investigators of the La Follette Committee uncovered evidence of practices previously only suspected. But, for the most part, large corporations and business organizations have been private and, in the twentieth century, generally perpetual. Important decisions can be taken within the managerial group, behind closed doors, free from the pressures of public responsibility and accountability, and of the need to make a case to influence a wider constituency than the decision-makers. And large corporations have endured remarkably well over time. The great firms established in the merger movements of the turn of the century, or created to exploit the new technologies of its first quarter, were mature by the time of which I write, and are still vigorous today. The records of transitory or defunct organizations, or of small firms absorbed by larger ones, are more likely to enter the public domain than those of the long-lived giants.

In addition to these general considerations, which limit the availability of archival material for the study of the large firm, there are additional problems if the subject in which one is interested is both recent and sensitive. Finally, even when business archives are freely available, one must remember that the purposes for which corporations keep and preserve records are not those the historian and archivist might prefer. Records are kept to satisfy the law's requirements and for a corporation's own administrative reasons. They may be excellent for a study of some phases of its developing structure and procedures, but otherwise useless.

To illustrate these general points, my personal experience in trying to track down materials on automobile companies' industrial relations policies - which bulked large at the time,
and will do so in my account - is instructive. Of the 'Big Three' carmakers, Chrysler simply refused to answer even preliminary requests; Ford has donated most of its records to the Ford Historical Archives, but material on industrial relations in the 1940s is in a reserved classification. Specific requests to the company for information on documents known to exist, or to have existed, produced denials that the material was in Ford's hands. General Motors, in contrast, was courteous and helpful. I was informed that the materials I wanted were available, in the next room, but was denied access. GM instead answered some requests for specific documents of which I was aware from other sources, and was generous in giving copies of contemporary material which it had published or circulated privately at the time. Much of this was in any case to be found in good research collections. The Studebaker Company, largest of the 'independents' in the 1940s, went out of the automotive business in the 1960s. All of its records, several railroad boxcars full, were donated to Syracuse University. But for the student of industrial relations, they are disappointing. One could reconstruct statistical series on manpower utilization from them, but not managerial motivation in industrial relations policy.

My experience of knocking my head against a brick wall was shared with other researchers. According to the senior archivist of the Walter P. Reuther Memorial Library at Wayne State University, Detroit, no file was ever dead as far as managements of the Big Three firms were concerned. A middle-ranking executive of GM's Labor Relations Staff further explained that there was material in its own files of which the corporation was still somewhat embarrassed. It enjoyed a good relationship with the United Automobile Workers now: it wanted nothing published to disturb the civilized state of affairs between itself and the UAW, whose top leaders had been on the scene in the late 1940s when things had been rather different.

I. Conversation with Warner Pflug, Detroit, 3 November 1974; interview with Ralph Deedes, Labor Relations Section, General Motors Corporation, Detroit, 5 November 1974. Some of GM's sensitivity may have resulted from the recent publication of William Serrin's The Company and the Union: the 'Civilized Relationship' of the General Motors Corporation and the United Automobile Workers (New York, Alfred A. Knopf, 1973) - a rather 'muckraking' study.
Attempts to remedy some of these deficiencies by selective interviewing were equally frustrating. Most senior executives active in the later 1940s were in their fifties or sixties, with those in heavy manufacturing—steel, automobiles and automobile parts, and the metal trades—older than the average. Where death had not thinned the ranks of those in whom I was interested, retirement, separation from their firms, and migration from the industrial North-East to Florida, Arizona, or even Alaska, had effectively rendered them untraceable or inaccessible. Some interviews with former businessmen and retired labour leaders were quite rewarding, but in general the information they provided was only of marginal or incidental value.

For intimate detail on the industrial relations policies of the automobile manufacturers, it was necessary to turn to the voluminous, but necessarily one-sided, records of the UAW. The union has established and funded a major independent research institute and archival centre for the history of automotive industry unionism and the labour movement in general. All UAW records are donated to this Walter P. Reuther Memorial Library once they are inactive, and there is a thirty-year rule, relaxed in certain cases, on scholarly access. The contrast between company and union behaviour is large.

Had time, distance, and money not been constraints, I could certainly have acquired patchy, but original material on some large firms. But they were, and so, like other frustrated researchers, it was necessary first of all for me to produce a research design allowing legitimate use to be made of the kinds of material that were available. The results may not satisfy the purist. He may not find the quality of analysis of the entrepreneurial and managerial mind in action to compare with Alfred D. Chandler’s Strategy and Structure; and he certainly will not find any detailed explanation of the practices of any individual firm to set alongside Robert Ozanne’s A Century of Labor-Management Relations at McCormick and International Harvester.

What he will find, rests heavily on the published and privately circulated material which reflects what Arthur Cole called the 'stream of information' within the business community. Organizations which generated the contemporary evidence I have used include large corporations, business associations, the business press, and firms supplying specialised services to the business community.

Not all of the material is the product of impersonal agencies. Much of it is written by, or issued over the signature of, the chairman, president, or vice-president of a company or business association. It can be identified with them as individuals expressing their own opinions and, sometimes less surely, with the organizations in which they function. In addition, many expert commentators and advisors on business affairs are associated with particular magazines, research agencies, and consultancy firms.

The largest single category of documentation which was available

2. General Motors, Ford, and General Electric were especially important contributors of information from the ranks of large firms. Of business associations, trade-based bodies like the Automobile Manufacturers Association and the National Metal Trades Association were of some importance, but those crossing industry lines were much more so - the Chamber of Commerce of the United States (CCUS), Committee for Economic Development (CED), National Industrial Conference Board (NICB), and above all the National Association of Manufacturers (NAM) and the American Management Association (AMA).

From the huge output of the business press, I selected for particular attention periodicals emphasizing industrial relations matters - Factory Management and Maintenance, Modern Industry, and Industrial Relations (Dartnell Corp., Chicago); NICB publications from the Studies in Personnel Policy series, and the Management Record; AMA periodicals Personnel and Management Review, and transcripts of its conference series - the Personnel, Production, and General Management Series. Some general interest business periodicals were studied in depth - Fortune, the Harvard Business Review, and Nation's Business (official CCUS publication).

Consultancy and business-service firms providing material included the Policyholders' Service Bureau of the Group Insurance Division, Metropolitan Life Insurance Company, Industrial Relations Counselors, Inc., Opinion Research Corporation, the Research Institute of America, and the National Foremen's Institute.

The above list is illustrative rather than exhaustive.
to me consists of the information, analysis, and advice produced by members of the business community for other businessmen. Where I have discovered confidential material developed and used in policymaking within particular corporations or business associations, I have considered myself exceptionally fortunate. But in general I have had to rely on what businessmen and commentators on business affairs said and wrote for a variety of business audiences.

There is a problem here: one may expect records of the private deliberations of an identifiable group of policymakers to include specific evidence, analysis, and authoritative proposals. From such materials one can reconstruct the workings of the 'official mind'. But my kind of evidence must be used with sensitivity and conscious modesty. Questions insistently arise: who is saying this? Who is he speaking to? What is the character of the forum in which communication is taking place? What lessons does the speaker want the audience to receive, what actions on their part does he want to produce by his presentation of his case? These are familiar problems in the use of sources which are more or less rhetorical in nature.

The specific questions I have had to ask include: is this man speaking authoritatively of and for his company? If he is speaking for a business association, what is its constituency? How representative is it? Is the speaker engaged in 'consciousness raising', or is he giving practical advice? Much discussion at business conferences and in the business press served the former purpose: it selected and distorted the 'facts' it presented, encouraging in-group unity by exaggerating the seriousness of out-group threats, creating and exploiting a paranoid extremism of the right. It was designed to increase the sense of shared interests, shared dangers, and common obligations on business men to support one another and to follow uniform and consistent courses of action. The associations themselves, the conferences they held, the rhetoric they employed, were deliberate attempts to increase the centripetal tendencies within the business community and attain the objective of
'Unit Thinking and Unit Action' to which the NAM, for example, was committed.1

If one turns from rhetorical to 'practical' inter-business communication, care is still required. Largely it consists of descriptions of general and particular situations in industrial relations - mostly of situations defined as 'problems'. Their causes are analyzed, importance discussed; what should be done about them is explained, and expected results of corrective action given. Some of the material is apparently pure reportage - 'We in company A had this problem; after deliberation, this is what we did about it; and this is what happened.' Some is more obviously didactic - 'This worked for us; it can work for you, too, and you should try it.' On the face of it, the evidence is detailed and factual. But one cannot check that the 'facts' as reported are accurate, rather than selected to make a particular case, or even something less than factual. For, on closer examination, even 'practical' arguments are supported by estimates, predictions, received opinions, value judgements, and the courses of action proposed are frequently justified by reference to ideological distortions of the past and present, and apocalyptic visions of the future.


Unit Thinking and Unit Action was the title of a NAM pamphlet (New York, 1935). On this aspect of the NAM, see in particular Richard T. Gable, 'A Political Analysis of an Employer's Association' - the National Association of Manufacturers (unpublished Ph.D. dissertation, Univ. of Chicago, 1950), pp. 280-85.

2. Magazines in particular are full of this sort of material. See, for example, M.J. Murphy and R.C. Smyth (Assistant Director and Director, Industrial Relations, Bendix Radio Div., Bendix Aviation Corp.), 'Discipline: A Case Study in the Development and Application of a Discipline Procedure', E&M, 103:7 (July 1945), 97-104; and A.V. Larson (Asst. Personnel Director, Victor Adding Machine Co., Chicago), 'Worker Opinion Survey Did a Good Job for Us', E&M, 104:9 (September 1946), 156-7.
Proceedings and publications of the American Management Association contain much of this mixed material. The AMA's conferences were regular assemblies of men with special interest in or responsibility for aspects of industrial relations. It was dominated by large and technically advanced companies. Its proceedings were concerned with the current preoccupations of practical men. Its object was to increase the effectiveness of member companies' policies by diffusing information, experience, and advice about best practice. The AMA's purpose was, in a sense, to promote unit thinking and unit action in a way similar to the NAM. In so doing, it did not rely on strictly 'practical' reasoning. AMA speakers and writers, like those of the NAM, used ideological appeals in calling on the rest of the business community to engage in a struggle for power and authority within and outside the workplace.

The difficulty with so many of my published sources is, therefore, one of disentangling fact from opinion. I have not had to rely entirely on business sources or business rhetoric for information on what was going on in industrial relations in the 1940s - on the 'objective' character of the problems business perceived, and on the courses of action they pursued. I have been able to treat the business version of events in a critical spirit. But I rest most of my interpretation on this kind of source material. As an inevitable consequence, certain things have had to be neglected. One cannot prove how such-and-such a policy worked out in practice; one cannot often determine the

I. See discussion of AMA below, Ch. 2, pp. 34 - 35. In addition, see List of Officers, Management Review 31:5 (May 1941), back cover, and pamphlet, "Training for and by Management in the Principles and Methods of Management" (New York, AMA, n.d. but late 1940s in format).

reactions of workers or the public to attempts to influence them; even where one can observe outcomes which were what business policymakers intended, one cannot be certain that they were not in large measure fortuitous. These are admittedly large defects.

But it would be wrong to make too much of them. With General Motors management, I shall try to 'accentuate the positive' without entirely 'eliminating the negative'. What one can do is to reconstruct the 'view from the top' - the matrix of perceived interests, threats, and opportunities in which policy was formed; the ingredients of American management's view of the world, including its folklore, subjective experience, expectations, anxieties, attitudes, values, and beliefs. Within this framework, the courses of action business men pursued and advocated can be properly understood, their objectives identified, and one may end up with something which is rather more than another study of 'business ideology', without being a fully satisfying examination of business practices in the industrial relations field.

Evidently, the character and method of this study have been largely determined by the nature and extent of available sources. But it would be incorrect for me to leave the impression that I have been entirely constrained to produce a piece of research whose contents, scope, and explanatory value depend on the evidence for business thought and action which has entered the public domain. To aid the analysis, I have developed two important working definitions - of 'American business' and of 'industrial relations' - in searching for significant information and in making sense of what I found.

American Business - a Useful Concept?

In discussing my sources and their provenance, I assumed that there was such a thing as an American 'business community', a collectivity sufficiently homogeneous in interest and outlook to enable one to take the remarks or actions of some member of it as, in some sense, representative of all.
I assumed that its component parts were large corporations, the organizations they control, and the agencies (the trade press, consultancy firms) which exist for their service. I further assumed that its viewpoint was articulated, strategic decisions taken, and interests advanced, by senior executives in large firms and 'peak associations' like the NAM and the Chamber of Commerce. If these assumptions are false, undemonstrable, or implausible, it would be impossible to treat the statements of such executives very seriously. There would be no point in asking, is this typical? Is this representative? Is this significant? — of any item of 'evidence', because such 'spokesmen' might be considered to be speaking for themselves alone.

Fortunately, firm evidence on the structure of power within large business firms and within peak associations exists. There is also plentiful support for the view that senior executives constituted a distinct social type. In geographical and ethnic origins, in their parents' class and occupational backgrounds, in education, career experience, and age, in life style and even in personality and values, the American business elite displayed a remarkable degree of homogeneity. I


Possession of many common interests and occupation of a similar role and milieu naturally led to measurably high group consciousness. One may think of the members of the business elite in more human terms - as like-minded middle aged men, sharing many of the same clubs and the same gossip, associating with one another in work and leisure, circulating between one another's companies and sitting on one another's boards.1

But the business community is also made up of complex economic organizations: corporations, not their senior executives, are the members of the business community, so viewed. But considerable effort on the part of historians and political scientists has been devoted to demonstrating that there is no common ground between different corporations and their managements on a whole host of issues. Each corporation, it is said, is unique in its market situation, and hence in the interests its managers seek to protect and advance. There are big and little businesses, consumer and producers' goods industries, transport users and transport suppliers, all with their own particular problems. That must be accepted; but so must V.O. Key's assertion that 'it cannot be denied that on some types of questions considerable cohesiveness prevails'.2 What one must do to forestall pluralistic objections is, first, to define the centripetal issues on which one will concentrate and which highlight the measure of agreement within the business community, and secondly, to narrow down one's definition of the business.


2. Of historians' contributions, see particularly Robert H. Wiebe, Businessmen and Reform: A Study of the Progressive Movement (Chicago, Quadrangle Pbk. ed., 1968); the literature of pluralistic political science is reviewed in Robert A. Dahl, 'Businessmen and Politics: A Critical Appraisal of Political Science', American Political Science Review, 53 (1959), 1-34, from which I take the Key quotation, at p. 16, note 36.
community so as to minimize, if possible, the degree of heterogeneity likely to be present. If one can identify shared problems, commonly perceived by men responsible for the affairs of corporations with a large measure of similarity, then one may fairly speak of the existence of a community of interest and opinion within a significant segment of the whole entrepreneurial and managerial class.

This is what I hope to do by dealing with subjects on which a large measure of business class unity prevailed, not with issues that divided corporation from corporation (as, for instance, the celebrated 'Basing Point Cases' of the 1940s.) The relative strengths of Labour and Management, considered as collectivities, the status and power of businessmen as a distinct group, the legitimacy of their authority - these were the preoccupations which generated the words and actions I have used as evidence of the business community's state of mind, and which cut across corporate boundaries. ²

More significantly, I have concentrated on firms with many common characteristics, and upon their senior executives - in general, representatives of what Averitt calls the 'center firms' of the American economy, the bases of its productive strength.

The center firm is large in economic size as measured by number of employees, total assets, and yearly sales. Center firms excel in managerial and technical talent; their financial resources are abundant. Center managements combine a long-run with a short-run perspective. Their markets are commonly concentrated. ³

1. David Rogers and Ivar E. Berg, 'Occupation and Ideology: the Case of the Small Businessman', Human Organization, 20 (1961), 103-108 esp., gives a useful critique of earlier studies which have assumed the existence of such a community of interest and opinion without either demonstrating, or convincingly arguing for it, and which have not questioned the nature of their sources, nor the 'representativeness' of their chosen spokesmen.
2. Theodore Lowi, 'American Business, Public Policy, Case-Studies, and Political Theory', World Politics, 16 (1964), 678-715, provides a helpful discussion touching on this point.
Such firms include U.S. and Bethlehem Steel, General Motors and Ford, Standard Oil of New Jersey, General Electric, General Foods, and their less eminent brethren in Fortune's two hundred top industrial companies. Many of these, whilst not dominating whole sectors of the economy, were important in their own field - Allis-Chalmers in heavy electrical and mechanical equipment, Carrier Corporation in air conditioning, Thompson Products in automotive parts - or preeminent in certain city regions - Caterpillar Tractor in Peoria, Ill., and National Cash Register in Dayton, Ohio.

In industrial relations matters, companies like these shared certain common problems to do with controlling large bodies of workers. They were necessarily bureaucratized, and used similar techniques to integrate and motivate the activities of rank-and-file production, maintenance, routine technical and clerical workers, and non-executive grades of supervisory staff. They were inevitably powerful in their home communities or in national affairs, and their managements had to adopt a definite political strategy to advance their interests and reputations, and to protect themselves against unwanted governmental interference. They had the resources to devote to fringe activities in the areas of personnel administration and public relations. They provided the bulk of funds and leadership for important inter-firm and inter-industry national business associations.

Large manufacturing firms had other common characteristics important in relation to this study. Market leaders in the steel, automotive, electrical equipment, rubber, agricultural machinery, petrochemical, machine tool, shipbuilding, non-ferrous metal and flat glass industries established patterns of industrial relations practice which lesser firms in the same industries tended to follow. Policies on union recognition, wages, hours, working conditions, and non-wage benefits tended to be established in 'center firms'. Moreover, the relationship between different industries became increasingly formalized over time. By the late 1940s, the 'pattern' established in key bargains between the Steel or Auto Workers and U.S. Steel, Bethlehem, General Motors, or Ford was followed more or less quickly and closely by 'center' and
When I speak of a 'business community', I am not trying to embrace everything from the mom-and-pop grocery store upwards; I am not insisting on perfect homogeneity of interests and perceptions amongst all corporate policymakers. I am speaking instead of the large and medium-sized manufacturing firms for whose senior managements problems of industrial relations were most similar and salient. The subjects of this study are the key policymakers and staff advisers of such firms and, to a lesser extent, of organizations like the NAM which they dominated. Such firms also generated the news which, entering the trade press, provides a further source of evidence.

**Industrial Relations - A Broader Perspective**

When I began this study, I was disposed to confine it to business policy and practice in labour relations - the more or less conflictual relations between managers and workers in the day-to-day business of production, between corporations and unions in collective bargaining, and between Business and Labour in the struggle to win the state's support for their objectives.

I should have concentrated on management's response to the organization of its blue-collar production and maintenance workers into relatively strong and militant industrial unions, enjoying the qualified patronage of government agencies. I should have surveyed the contests for control within the plant and the collective bargaining relationship, and for a climate of public policy in which that struggle might be prosecuted most effectively. That remains the hard core of my study, indicating the scope of most of Chapters 2, 3, 5 and 6.

But I became increasingly aware that, although blue-collar workers and CIO unions were the focus of most managerial efforts aiming at the restoration of control, labour relations policy could not be properly understood in isolation. For there were other categories of workers who evoked managerial attention - the non-unionized blue collar, and lower white collar and supervisory employees. And there were less direct ways in which large corporations attempted to bolster managerial authority against challenges than were involved in, for example, the renegotiation of collective agreements and the redrawing of public policy towards industrial conflict. Indeed, I became convinced that industrial management's pursuit of power and authority through the use of manipulative devices was a subject that had been even more neglected than labour relations policy itself.

It is, of course, even more difficult to assess the impact and effectiveness of such indirect approaches than it is to gauge the importance of business' contribution to the development of the collective bargaining system. But, as I am attempting in this work to gain a full understanding of the problems business perceived, of the policies it followed, and of the rationales for action it developed, I conclude that attention to the less precise aspects of industrial relations is justified. This involves the strategies of personnel administration and welfare capitalism, and the manifold attempts to indoctrinate workers and the public at large into an acceptance of the legitimacy of business leadership and its objectives in American society. In so
doing, I shall be faithful to the outlook of the articulate senior executives I have studied, who considered themselves to be engaged in a complex struggle for moral authority as well as in a contest for power between interest groups.

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I have now discussed my sources, their limitations and potential, my approach to their interpretation, and the two major working definitions I have used to delimit the scope of this study. The plausibility of my account depends on the execution of the work, not on my conception of the reality to which it relates. The outline of the study is as follows: in Chapter 2, I sketch in the industrial relations policies of American business before the watershed of the Depression, and go into more detail on its response to the rise of organized labour in the later 1930s, taking the story as far as the beginning of the economic mobilization for the Second World War.

In Chapter 3, I describe and analyze the essential labour relations problems American business encountered in the period of total war and reconversion to a peacetime economy. I investigate how businessmen perceived them, and what can be learnt about the managerial world view therefrom. In Chapter 4, I concentrate on one specific problem - the unionization of supervisory staffs - and use it as a key to a deeper understanding of management's outlook on challenges to its power and authority.

Chapter 5 deals with the part business played in the reorientation of public policy towards collective bargaining and industrial conflict in the Taft-Hartley law, and Chapter 6 with the recovery of the initiative in collective bargaining by large firms in the postwar years. Together, they deal with what I take to be a successful counter-offensive by American business in the last years of the war and the period of reconversion against the central challenges to its power from the industrial and political strength of organized labour.

In Chapter 7, I turn my attention to management's use of stratagems outside of the labour relations field for the
recovery of control and authority vis-a-vis workers, unions, and the public. In Chapter 7, I discuss personnel administration and welfare capitalism; in Chapter 8, I deal with even less direct approaches to the problem of producing acceptable attitudes and behaviour on the part of employees and the general public - the techniques of the 'communications in industry' movement, and business-sponsored public 'education' and 'information' campaigns.

In Chapter 9, my brief conclusion, I shall not be aiming to summarize all that I have said, nor yet to reach particular reasoned judgements of the significance of the courses of business policy and action I shall have described. Each Chapter of those from 5 to 8 has its own conclusion to serve this purpose, and carry the argument along. I shall instead simply be aiming to draw together the threads of the story, and to communicate my own overall impression of the character of the business community whose actions, policy, and rhetoric I have been studying these five years.
Chapter 2

American Business and the Problem of Industrial Relations: from the Rise of the Large Corporation to the Second World War

It is probably safe to say ... that no business generation in the history of the United States has had to cope with so many crises ... as the generation that first sat down to its office desks as young men in the days of Woodrow Wilson. No generation has had trouble thrust upon it so fast or in so many different forms. And no generation with so much trouble safely behind it has had so much obviously ahead. The men who were twenty-three in 1912 are now approaching their fiftieth year. They are not old. On the contrary they are just in the process of inheriting the ultimate responsibilities and rewards. Yet the nature of their inheritance is not what the orators of the early twentieth century had led them to expect. They do not inherit an American dream. They inherit scarcity.

Introduction

The purpose of this chapter is to provide a necessary historical grounding for this study of the problems of control America's key business elite, the top managers of large industrial corporations, experienced in the 1940s, and the ways in which they dealt with them. These men did not spring into action full-grown in the late 1930s: they had the experience of successful careers in business and, sometimes, in public life to draw on in understanding the problems of the large private corporation. The ways in which they viewed those problems, and the courses of remedial action they deemed appropriate, are only fully comprehensible if one bears in mind the career experience of the generation of policy-makers who had to confront the successive challenges of the Depression, New Deal, rise of organized labour, and war mobilization.

In addition, business policies, whilst strongly influenced by individuals at the top of America's corporate hierarchies,

I. 'Government Spending is No Substitute for the Exercise of Capitalistic Imagination', *Fortune*, 18:3 (September 1938), 63.
are also produced within institutions which have, in a sense, a life of their own, a collective memory. Corporations possess distinct managerial styles, distinct approaches to the handling of problems, resulting from the character and policy of their founders, perpetuated by the selection and training of successors in their own image, and from the more stable elements in each enterprise's objective situation - the nature of its technology, its product, its market position. Furthermore, business bureaucracies do not operate in isolation from one another; and their personnel is exposed to the same tidal forces of political opinion and intellectual fashion as sweep the middle class and even the mass public along.

Business thought and action in the 1940s cannot properly be viewed in isolation from what went before, as the latter contributed heavily to the techniques available for the solution of industrial relations problems, and largely determined the world-view of policy-makers. In the area of labour relations, it is especially necessary to explain business policy in the 1940s starting from an understanding of the immediate responses of large manufacturing corporations to the shocks of the Depression, Wagner Act, the rise of the Committee for Industrial Organization (CIO) and the rebirth of the AFL (American Federation of Labor). The first part of this chapter will sketch in the policies of large firms in industrial relations before the watershed of the Depression; the second will treat, in rather greater detail, of the labour relations policies of American manufacturers in the New Deal years.

Before the Deluge: ca. 1880-1932

For American businessmen looking back from the troubled decades of the 1930s and 40s, the 1920s seemed a close approximation to the Golden Age. Since the turn of the century, business had made massive strides in improving the technical processes of production and distribution. The degree of control over the economy possessed by a relatively few large corporations increased. Relations between government and business became close, harmonious, and
productive. And the influence of business men, attitudes, and institutions was pervasive. In the period of Coolidge prosperity and Hoover's New Era, it seemed that there was no serious threat to the power or status of business. Both parties were led by conservative men, thoroughly imbued with an ideology broadly representative of the great middle class and little distinct from that of the business community. The administrations of Harding, Coolidge, and Hoover could hardly have been more in conformity with the objectives of business. Hoover, in particular, conceived of his role as Secretary of Commerce and President alike to be the provision of assistance, services, information, coordination, and leadership to the business community. He was, in very many ways, a representative of the progressive strain in managerial thinking, whose political goals had advanced far beyond the simple laissez-nous faire of the late nineteenth century businessman. His inauguration promised a consummation of the close and effective collaboration between the federal government and the business community which had been developing since before the First World War, a partnership in which the power of the state was to be at best coordinate with that of business.

What had befallen the opposition to business hegemony from the labour movement, assorted radical parties, and liberal reformism, which had all seemed so important and threatening from the 1890s until as recently as 1919-1922? Liberal reformism was weak, leaderless, and lacking in purpose; not by any means extinct, but certainly in decline, and able to win only minor victories. There was no important radical

movement since internal divisions and brutal suppression in and after the Great War had smashed the Socialists. As for the labour movement, represented by the AFL and some unaffiliated international unions, principally the railroad Brotherhoods, it had lapsed into impotence and insignificance. Between 1917 and 1919 in particular, favourable federal legislation, high levels of economic activity, and worker militancy had increased its membership and bargaining power, and given it some penetration of the crucial mass-production industries. But the short, sharp depression of 1921-22, and the employers' American Plan anti-union offensive of the same years, had stripped it of most of the important gains it had registered. Thereafter, the labour movement sought to regain a reputation for respectability and a safe conservatism. It aimed to win a secure place, however small, in a corporate-controlled economy, by showing how helpful it might be in fighting radicals and in cooperating with managements in the solution of production and personnel problems. In fact, it demonstrated its powerlessness and the fact that it could safely be ignored.

In the absence of effective opposition, business was free to build and dominate an industrial relations system in which independent unions and the free collective action of employees had no place. Unions were confined to the railroad operating crafts; sick industries, such as coal mining, the garment trade, and Northern textiles; and local market industries, principally construction and some service trades. In the steel, automobile, rubber, electrical equipment, I. I. Bernstein, *The Lean Years: A History of the American Worker 1920-1933* (Baltimore, Pelican pbk. ed., 1966), Ch. 2; Lyle W. Cooper, 'The American Labor Movement in Prosperity and Depression', *American Economic Review*, 22(1932), 641-59; James O. Morris, 'The AFL in the 1920s: A Strategy of Defense', *Industrial and Labor Relations Review*, II (1958), 572-90; Mark Perlman, 'Labor in Eclipse', in John Braeman et al., *Change and Continuity in Twentieth Century America: the Twenties* (Columbus, Ohio State Univ.Pr., 1968), pp. 147-78; Ronald Radosh, 'The Corporate Ideology of American Labor Leaders from Gompers to Hillman', *Studies on the Left*, 6(1966), 66-88.
public utility, oil, chemical, and food processing industries, the labour movement had either failed to make headway, or had been driven out after brief successes in and after the War.

What was the nature of the industrial relations policies American business pursued whilst it had a free hand? Detailed study reveals a wide range of practice. For a mass of small to medium-sized manufacturing and processing firms, and some of the very largest concerns, particularly those in the steel and automotive industries, well-organized and vigorous use of the manifold weapons of industrial warfare that their power in American society afforded them constituted a sufficient response to the 'labor problem'. Their opposition to unionism had hardly advanced beyond the belligerent reaction of the late 1890s and early 1900s. Belligerency was the typical employer's response to an organizing drive or a strike, and the facts of labour impotence in the 1920s witnessed to its success. Unionism was considered to be ideologically unacceptable and practically dangerous, introducing another centre of power and loyalty, a potential for challenge and disruption, and restrictions on the pursuit of efficiency, into the business firm where owners and managers fought to preserve the absolute authority and unilateral decision-making power they thought to be rightfully theirs.

It can be argued, however, that belligerency was not the most significant response. An alternative approach originated in a strategic minority of firms, primarily very large operators in the basic industries at the heart of the technically advanced, oligopolistic sector - especially oil refining, electrical manufacturing, public utilities, meat packing, farm equipment, and some branches of the metal trades. But

some of the pioneers were small and owner-managed. They had been experimenting with new approaches to the problem of controlling industrial labour since the 1890s, and by the 1920s they had developed a unifying rationale and a battery of techniques which promised a comprehensive solution to American management's industrial relations and larger political problems. This minority constituted a self-conscious movement, with its own recognized leaders, organizations, and formal and informal networks for the exchange of information. I shall call these firms, organizations, and their representatives and spokesmen, 'progressive', following contemporary usage.

What was the nature of the progressives' programme, and what was its achievement? The key elements were scientific personnel administration, welfare capitalism, and employee representation through the institution known as the 'company union'. Each had developed independently, in individual pioneering companies, in the 1890s and 1900s. The First World War, with its labour shortages and worker militancy, was largely responsible for their unification into a common approach enjoying considerable business support.

Scientific personnel administration was the result of a long-term imperative towards systematization in the use of human resources within the 'new factory system'. It aimed at building an efficient, orderly, predictable, and controllable organization of the workforce. In addition, it promised that the objectives to be achieved—higher productivity, lower costs, and reduced levels of conflict—would satisfy both management and workers. Workers would

I. Bernstein, Lean Years, Ch. 2; Stephen J. Scheinberg, 'The Development of Corporation Labor Policy, 1900-1940' (Univ. of Wisconsin Ph.D. thesis 1966), pp. 152-66.

be more productive, more tractable, and more contented. They
would neither need nor seek free self-organization and
collective action to better their lot, because they would
enjoy improved working conditions, increased real income,
fair access to promotion opportunities, a limited guarantee
of economic security, and a more consultative, less
authoritarian, supervisory style— all as the result of
unilateral management actions.

Welfare capitalism involved unilateral action by management
to improve working conditions and the lives of employees
out of working hours, beyond the factory wall, as well as
within the factory. Simple humanitarianism, straightforward
paternalism, or some elementary idea of noblesse oblige
had underpinned many early welfare programmes. In addition,
unilateral action by employers had offered a way of
mitigating the hardness and insecurity of life under
American industrialism. Sometimes it was the criticism of
reformers and threat of governmental action that spurred
business to take the initiative in meeting some of the
evident social problems of the early twentieth century,
and curbing unrest without the dangerous intervention
of positive state action. This was a factor in the
industrial safety movement, for example. But a contented
workforce was reckoned to be an asset worth the expense
of welfare efforts whether or not workers or reformers
were putting pressure upon management. Contented employees
would be more efficient, more stable, and less receptive

I. On scientific management and the rise of personnel
work, see H. Braverman, *Labor and Monopoly Capital:*
*The Degradation of Work in the Twentieth Century* (New York,
S. Haber, *Efficiency and Uplift: Scientific Management in*
the Progressive Era (Chicago, U. of Chicago Press, 1964);
D. Lescohier and E. Brandeis, *History of Labor in the*
and Labor Legislation (New York, Macmillan, 1935), Chs. 16-17;
Henry Elbirt, *The Development of Personnel Management in*
the United States*, *Bus. H.R.*, 33 (1959), 545-64; Nelson,
Managers and Workers, esp. Chs. 4, 6, and 8.
to union and radical agitation. By the 1920s, with external pressures upon business of lesser importance, welfarism had become an integral part of comprehensive personnel programmes, designed primarily to attach workers to their company.

The first two elements in the progressive programme aimed to make workers feel that unionism was unnecessary by providing them with most of the benefits they might seek through collective action under conditions acceptable to, because defined by, management. The company union, however, was offered to workers as a substitute for independent, 'outside' organization. It would provide machinery for consultation and communication between management and men, meeting some of the demands of the latter whilst leaving the control of the former not only unimpaired, but actually enhanced. In its inception, the employee representation movement was largely an expedient reaction to outside pressures and threats. But as it developed and became consolidated in the 1920s, it represented a much more important managerial attitude: that an acceptable form of employee representation could make substantial contributions to worker satisfaction and organizational efficiency. Channels of communication in large, hierarchical corporations needed to be unblocked: in so doing, managements might acquire a new source of information and a new means to influence their subordinates. Most companies in the employee representation movement established a justifiable reputation for offering their workers good conditions, especially in terms of fringe (non-wage) benefits and the physical work environment. This was

partly a result of the development of corporate personnel and welfare policies in response to workers' expressed desires.

Together with the unsophisticated, but successful, anti-union efforts of the belligerents, these three elements in the progressive approach seemed to constitute an unassailable, corporate-controlled, industrial relations system. The AFL was unable, and seemed disinclined, to compete with the strategic minority of progressive corporations for the allegiance of the mass of semi- and unskilled workers in mass production industry. In this situation, the latter had no apparent choice but grateful acceptance of the benefits of unilateral management action. Throughout the 1922-29 period, as long as moderate unemployment, and relatively high living standards for those in employment, persisted, then the level of workers' protests remained controllable. As long as business' political supremacy lasted, so also would the legal and other barriers to effective worker self-organization and collective action.

Imperfections in the progressives' industrial relations system were largely ignored by business observers, who were more impressed by their achievements and apparent success. The rationalizing approach to management organization and operations, of which scientific personnel administration was one aspect, offered a model for


purposeful business action to solve any important problem. Large corporations, possessing a substantial measure of market control and huge resources, would use the applied expertise of the human and natural sciences to eliminate uncertainty in their present and future functioning. Organized research and development would deliver material progress; economic forecasting and appropriate corrective action by large corporations and the state, acting individually and in concert, would guarantee that no recession on the scale of that of 1921 would ever recur. I

Faith in the technical competence and market and political power of organized business was part of the ideology of the managerial progressives in the New Era. This faith was accompanied by confidence in the farsighted, socially-responsible purposes to which business would put that power. Welfare capitalism was one of the key proofs of this 'new business statesmanship'. In addition, the leaders of many of America's largest corporations substituted a broad vision of their duties as an authentic ruling elite for a narrow, short-term and economizing view, and a standpat conservatism in reaction to reformist political and social movements. They saw that they had to preserve and justify a social system whose essential claim was that its performance in satisfying the needs of the entire community was superior to that of all possible alternatives. In so doing they developed a sensitivity to social problems and political pressures, and habits and techniques for attempting to deal with them within the business system, thereby minimizing the importance of autonomous government action. ²

I. Henry S. Dennison, 'Management', in Committee on Recent Economic Changes of the President's Conference on Unemployment, Recent Economic Changes (New York, Mc Graw-Hill, 1929), II, Ch. 3

As long as prosperity lasted, it was possible to believe that this strategy was succeeding, in industrial relations as well as in politics. American business was conscious of its power, and claimed the credit for progress and plenty. The air was full of self-satisfied talk about improved business ethics and the professionalization of management, of business as service and management as trustees.

But when prosperity disappeared, the deficiencies in even progressive businessmen's programme and understanding were clearly revealed. As businessmen had claimed credit for the good times, they had to accept the blame for the bad. The inability of the managements of even the largest corporations to isolate themselves from the effects of general economic collapse was demonstrated. And the business community acting in concert, with Hoover as conductor, was no more able to counteract the inexorable decline in production, employment, and payrolls. The 'new business statesmanship' was put to a severe test, and found wanting. Large corporations put out unprecedented efforts to maintain workers' incomes and to cushion them against the effects of the depression, but even the boldest experiments failed. As the depression persisted and deepened, corporations were forced to curtail activities and cut costs to the bone. In the process, welfare capitalism's hopes died, and personnel departments were axed altogether, or continued in shrunken form. Businessmen lost faith in Hoover, and confidence in themselves. They had been as oversold as the great American public on their own ability to keep the American economy running at a high and rising level, and were as lacking in suggestions for remedial action as the majority of politicians. I

The American voting public turned upon the Republican party, which had administered prosperity and disaster, and upon business also. The former lost power in Congress in 1930; the latter lost prestige and its position of unquestioned authority on all matters, the economic in particular. As a result of the crisis, a revolution in public opinion and public policy was under way. Despite brutally high levels of unemployment and vicious repression, radicalism and worker militancy began to revive. The stage was set for a decade of unexpected and disquieting social change.

The New Deal

Roosevelt and his new administration entered office in March 1933, at the very pit of the depression. Businessmen had begun to recover from the shocks of 1929-32, and their organizations and leaders were ready with programmes of action to remedy the problems of the economy and reverse the decline in power and standing of the business community. Leaders of progressive management advanced their idea of a corporate state upon the administration, claiming to offer a solution to the problem of regenerating the economy, and stabilizing it for the future. The National Association of Manufacturers (NAM), traditional coordinator of business' conservative political action, propaganda, and belligerent anti-unionism, was simultaneously being revived by a small group of senior executives, largely recruited from the smaller steel companies. The 'Brass Hats', as they were called, anticipated hard struggles to come, and prepared the NAM to lead the fight. They contributed funds and started an energetic recruitment campaign which was to bring the NAM the support of many large manufacturing concerns by the end of the decade. I

The Roosevelt administration listened to the progressive 'industrial statesmen' and based its economic strategy on their suggestions. The new administration had little confidence in the labour movement as an agency for social reform and economic recovery. But in the drafting of the National Industrial Recovery Act of 1933 there was an opportunity for the AFL and its friends in Congress to win some federal recognition of labour's right to organize and bargain collectively. The previous year, this coalition had taken action to reduce the legal obstacles in the way of organized labour's growth in securing the passage of the Norris-La Guardia (Anti-Injunction) Act. Now it acted again, to lay the basis for the New Deal's revolution in public policy towards the organization of labour, the celebrated Section 7 (a). This stated

(I) That employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection;

(2) that no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing.

It was the first guarantee of labour's rights, outside the railroad industry. It had been passed without the support of the administration, which remained cool and hesitant about taking labour's part in ensuing industrial conflicts. 7 (a) condemned, in general terms, the strategies of anti-unionism, belligerent and progressive alike. But an increase in the labour movement's numbers and strength

I. I. Bernstein, The New Deal Collective Bargaining Policy (Berkeley and Los Angeles, Univ. of California Pr., 1950), Chs. I-3; idem, Lean Years, Ch. 2; Grant N. Farr, 'The Origins of Recent Labor Policy', University of Colorado Series in Economics No. 3 (Boulder, Colo., February 1959), esp. Ch. 4; US Statutes at Large 48, p. 195.
was by no means guaranteed. The outcome would depend on the relative strength, tactical skill, and determination of particular contestants.

Industry representatives - the NAM in particular - had lobbied for the protection of the 'Open Shop' (closed to all but undiscovered or inactive unionists) and the company union, but they had failed. They were forced to accept 7 (a) as part of the price for federal sanction of business' favourite scheme of cartellization. However, the company union *per se* had not been outlawed, and the non-statutory boards which were eventually set up to administer the Act's labour provisions lacked the power to oppose even the less subtle anti-union tactics of managements effectively. The basic industries became united, as never before, in the manner of their opposition to independent, 'outside' unions. Management succeeded in exploiting its own strength and the ambiguities in 7 (a) and in the administration's attitude towards its implementation. A combination of corporate violence and company unionism, both more vigorously and widely deployed, succeeded in heading off the upsurge of unrest in the basic industries which were to form the centres of CIO strength. From 1933 to 1935, few substantial gains in terms of members, bargaining power, or contractual relations, were registered in 'center firms'. Open shops, individual bargaining (i.e. no bargaining at all), and company unions survived and prospered. Where independent unions did win a foothold, it was only grudgingly and temporarily conceded.

Businesses had to pay much more attention to their industrial relations problems, but a very acceptable solution seemed to be available. Companies did not have to alter their policies and practices fundamentally; as well as devoting increased

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resources to traditional union-busting activities, more firms began to apply the 'best practice' of progressive companies' anti-union tactics, particularly in the areas of formalized personnel administration and employee representation. Central personnel departments were established, and progressive-sounding policy statements issued to employees and the public. And in 1933-34, many companies which had held to the belligerent anti-unionism of the Open Shop movement, with its ideology of individualism, were willing to adopt the company union as a device for meeting the letter of the law and stemming workers' own organizational efforts. U.S. Steel and General Motors, the most important of those companies which had preferred unmodified unilateral control in the 1920s, joined the employee representation movement at last. But this did not entail a wholesale adoption of the progressives' strategy: GM, paying the first systematic attention ever to the labour problem throughout the corporation, also became an excellent customer for industrial espionage and munitions supply agencies. I

The progressives and their agencies—the American Management Association (AMA), the Special Conference Committee of very large firms (SCC), and the Rockefeller-funded Industrial Relations Counselors, Inc.—provided leadership, a useful cadre of specialists, a battery of techniques and procedures, a pattern of managerial organization for the systematic handling of industrial relations problems, and a less objectionable, therefore more serviceable, rhetoric for the defence of managerial authority. 2


The extension of progressive influence was not accidental. The NAM Employee Relations Committee organized a scheme to provide member firms with leadership and technical assistance in setting up company unions under the auspices of the National Industrial Conference Board (NICE) and the AMA. The NAM's hand in the affair was, however, concealed.

The activities of the American Management Association were apparently so satisfactory that it came to be recognized by the early part of 1936 as "the organization best qualified to give Nation-wide impetus to sound industrial relations policies".

More understandably, given the previous overlap in membership and approach, the SCC also used the AMA as a means of enlarging the influence of its own activities for the encouragement of company unionism. With such important backing, AMA conferences became much more broadly representative. The message of progressives and belligerents, and of their respective organizations, became very similar: "Put your house in order". Progressives thought they had the answers to business' industrial relations problems, and until 1935 it remained perfectly possible to believe that unilateral management action and the wider application of the progressives' programme provided a sufficient response to the requirements of the federal government and the pressures of workers.

The events of 1935-37 demonstrated that this was not so. Changes in public opinion and public policy, and in the relative strength of business and organized labour, invalidated many of the techniques of belligerents and progressives alike, and their common objective of freedom from outside unions became generally unattainable.

In May 1935, the National Industrial Recovery Act, already eviscerated by lower court decisions and business resistance, was declared unconstitutional by the Supreme Court. But almost immediately Section 7(a) and the first, weak National Labor Relations Board (NLRB) were replaced by the much stronger, more comprehensive, and more definite Wagner Act. By September, a new and vigorous NLRB was in operation. Labour's allies in Congress and the administration had learnt their lessons from the experience of 1933-35. The principle of sole bargaining rights for representatives of a majority of workers in appropriate bargaining units was unequivocally endorsed, and the NLRB was given power to interpret the Act and enforce its decisions. A list of unfair labour practices, derived from experience of employer behaviour, formed Section 8 of the Act. The NLRB applied these in such a way as to develop a code of positively acceptable practice. Interference of any sort with workers' exercise of their rights was enjoined, thus outlawing the old-style company union as well as more directly coercive tactics.

Until 1937, when the Supreme Court found for the constitutionality of the Wagner Act, the NLRB had to tread softly in the implementation of the new policy. Thereafter, until 1939-40, it was in its most active and interventionist phase. Its only powers were to investigate, publicize, and to find for one or other contestant in cases of representation, and to order managements to cease and desist from unfair labour practices. Its only penalty was reinstatement, with back pay, of workers found to have been unfairly dismissed for union activity. But, in addition, the NLRB brought managements and unions together in conference, and brought about

managerial compliance with its code of conduct in countless informal cases. And the mere presence of a statute was enough to bring many companies, however reluctantly, to conform. For recalcitrants, there was exposure, sometimes procedural harassment, and the difficulty and expense of protracted hearings. Gradually, the extent of blatant antiunionism subsided, as managements either complied with the developing code of practice, or became much more subtle in their violations.¹

The contributions of the federal government to the changing character of industrial relations in the late 1930s should not, however, be overestimated. Only the effective struggle of organized workers could prevail against obdurate employer resistance. NLRB procedures were too slow, its remedies inadequate, and the course of judicial review added years and uncertainty between its orders and their enforcement in many of the worst cases of stubborn and repeated violation. The organization strike, or the real threat of it, remained the most persuasive weapon in labour's armoury. And the labour movement became more able, and willing, to use it.²

In and after October 1935, when the Committee for Industrial Organization (CIO) was formed, the defects in the organization and leadership of the American labour movement, which had weakened it in the 1920s and reduced its effectiveness in exploiting 7(a) and the spontaneous upsurge in worker militancy, were corrected. The established unions of the CIO—the Miners, Clothing, and Ladies' Garment Workers—provided invaluable financial, research, and staff assistance to its organizing committees in steel, textiles, and meatpacking, and to the rank-and-file unions in the automobile, rubber, and electrical equipment industries. AFL unions, such as

¹ R.R.R. Brooks, Unions of Their Own Choosing: An Account of the National Labor Relations Board and Its Work (New Haven, Yale Univ. Press, 1939), Ch. I; Bowman, Public Control, Chs. 4, 5, 7, 13, 16.

the Machinists and the Teamsters, entered fully into the competition for members and bargaining rights. They used traditional and novel means - in particular, the sit-down strike and recourse to NLRB procedures - to bring about a great increase in labour power in the basic and strategic industries between 1935 and 1937. Corporations found themselves up against strong unions, supported by their members, public policy, and very frequently public opinion. Where the power of the union to be an effective disruptive force was sufficient, its pressure for recognition and contract negotiation could not long be safely ignored. The new and reinvigorated unions were formidable opponents for industrialists unprepared to deal with them.

The Spectrum of Business Response

In this third part of the chapter, I shall describe and account for the different strategies corporations adopted to meet the labour relations problems of the post-Wagner Act period. There were clear continuities between the thinking and practice of the 1920s and the later 1930s, and it was in the latter period that the policies American business implemented much more generally in the postwar era began to take shape. I discern three broad categories of corporate policy, allowing for considerable internal variation. These are: persistent antiunionism; realistic accommodation and adaptation; and varieties of 'progressive'. Most large manufacturing firms find a place in such a classification system, but not necessarily the one one might expect, on the basis of their performance in the 1920s or the later 1940s.

I. Two long interpretative articles by David Brody are among the best things to have been written on the rise of labour in the 1930s. Both have proven immensely useful, though this chapter was drafted before reading the first, 'The Emergence of Mass-Production Unionism', in J. Braeman et al., eds., Change and Continuity in Twentieth-Century America: Modern America No. I (Columbus, Ohio State U.P., 1964), pp. 221-68. 'The Expansion of the American Labor Movement: Institutional Sources of Stimulation and Restraint', in S.E. Ambrose, ed., Institutions in Modern America: Innovation in Structure and Process (Baltimore, Johns Hopkins U.P., 1967), pp. 11-36, is more specifically relevant here.
The problems to be dealt with changed over time; so also did the character and outlook of some senior executive groups - sometimes with quite dramatic effect, as at Ford and General Electric.

Persistent Anti-Unionism: the Belligerents

A large and significant minority of industrialists replied to this challenge to their power within their own establishments with belligerent tactics and a reactionary political strategy. They were able, at considerable cost, to fight a determined rearguard action from 1937 until America's entry into the Second World War. Articulate opposition to the New Deal and the organization of labour was led by the NAM and the American Liberty League (ALL). Funding and direction of the two organizations came from many of the same sources, particularly the du Pont clan (and its corporate cousins in General Motors), Ernest T. Weir of National Steel, and J. Howard Pew of Sun Oil. The NAM, along with other employers' organizations, had testified against the Wagner Bill in 1934-35. After it was passed, the NAM Law Department and the ALL National Lawyers' Committee reached the same conclusion - that the Act was unconstitutional. Their advice to business was to resist, to appeal to the courts for injunctive and other relief, and await the certain overthrow of the Roosevelt administration by the electorate, or the Wagner Act by the Supreme Court. I

But hoped-for deliverance was not forthcoming, either in November 1936 or April 1937. Litigation to test the NLRB's interpretations of the Act continued, but the higher federal courts usually sustained it. The NAM, along with industry

associations and the conservative press, made outspoken attacks on the Board, its members, and its decisions, and lobbied hard for repeal or restrictive amendment of the Act from 1937 until 1941. All this effort had some effect: the NLRB was forced onto the defensive and into moderation. But the strategy of reaction was largely a failure.

The strategy of reaction accompanied a wave of employer anti-union belligerency. All the old weapons of coercion were deployed, and some, in particular the use of vigilante groups and the mobilizing of community pressure to defeat strikes and organizing drives, reached new peaks of refinement, seem to best effect in the 'Little Steel' strikes and the Southern textile organizing drive of 1937. Industrial conflicts in the late 1930s continued to be bloody affairs. Some industrialists, like Weir and Tom Girdler of Republic Steel (both 'Brass Hats'), seemed to relish the fight. But others, like the Fisher brothers of GM, were unwilling to accept the destruction of life and property, and the poisoning of community feeling, that belligerent anti-unionism entailed. 2

There were other reasons for avoiding belligerency. It was expensive, and the results were uncertain. And the costs went beyond the balance sheet: at a time when business was attempting to rehabilitate its public image and improve public opinion towards the key institutions of


2. 'The Industrial War', Fortune,16:5 (Nov.1937), 104-10; Fine, Sit-Down, pp. 235-6.
a capitalist economy, belligerent antiunionism won business few friends. The mass media seized on industrial violence and disseminated news and pictures of it which often, as in the case of the Battle of the Overpass at Ford's massive River Rouge complex, or the Memorial Day massacre, made it obvious that company thugs or the forces of 'law and order' in anti-union communities were instigators. In addition, crude belligerency was certain to result in complaint to the NLRB and thorough investigation - or, still worse, in exposure by the La Follette Committee of the Senate. The latter's pro-labour crusaders added their efforts to the production of a partisan, but thorough, account of patterns of behaviour which were increasingly unacceptable to the general public and to large sections of the business community. Sometimes the Committee's very presence was enough to limit anti-union violence. And the labour movement was given important public relations assistance when the Committee revealed corporate violations of federal law to set against business publicity protesting violations of property and public order by strikers in general, and sit-down strikers in particular.

Belligerency might well be emotionally satisfying, but it was a costly, dangerous, and crude weapon for business to deploy in the labour and public relations struggles of the later 1930s. As a result, most antiunion firms relied on less bloody, coercive, and counter-productive tactics.

Persistent Anti-Unionism: the Sophisticates

The objective of companies like Goodyear Tire and International Harvester - both Special Conference firms - was to resist 'outside' unionism, as with the belligerents. The strategy of reaction was endorsed, and violence was used, in the

1. Jerold S. Auerbach, 'The La Follette Committee: Labor and Civil Liberties in the New Deal', Jnl. of American History, 51 (1964), 435-59; idem, 'La Follette Committee and the CIO'.

proper circumstances, but the less objectionable and
detectable 'unfair labor practices' were preferred.
Discriminatory hiring, firing, layoff, and recall of union
members and activists, surveillance of union activity,
man-to-man pressurizing by foremen, and anti-union
propaganda, were effective obstacles to union organization
and collective action. In addition, there were yet more
subtle evasions of the NLRB's code, principally assistance
to company unions to become 'independent' of employer,
AFL, and CIO alike, and refusal to bargain with a duly
selected, representative 'outside' union in the hope that
a demoralized membership would fall away once the futility
of their action was demonstrated. Finally, individual and
collective grievances were sometimes conceded, to show how
unnecessary a union was. I

Companies were able at least to delay union penetration
and the inauguration of collective bargaining. Some, like
the subsidiary companies in American Telephone and Telegraph,
Standard Oil, and the du Pont empire - all of them Special
Conference firms - were able to steer their long-established
employee representation plans towards lasting independence.
The NLRB was able to investigate and disestablish 'independent'
unions which were nothing more than old company unions
under another name, but some survived - as at American
Rolling Mills, Weirton. Steel, and Armstrong Cork, all
of whose chief executives were NAM activists. In the case
of corporate prevarication and refusal to bargain, the NLRB
worked out a number of procedural tests of satisfactory
performance - most important, the readiness to enter into
a written contract - but this took until early 1941.

Subtle breaches and evasions of the NLRB's code remained
possible and popular for many large employers, who were

I. Roberts, Rubber Workers, Chs.7,8; R. Ozanne, A Century of
Labor-Management Relations at McCormick and International
Harvester (Madison, Univ. of Wisconsin Pr., 1967), Ch.9;
Bernstein, Lean Years, pp. 646-63; Brooks, Unions of Their
Own Choosing, Chs.4, 6.
thereby able to hold off their union rival, where the latter was insufficiently strong to demand some form of recognition, or to weaken and demoralize it, wherever it had succeeded in making an entrance. As a result, substantial minorities of all of the basic and strategic industries were able to resist unionism until the coming of the war introduced a new factor. Belligerent and sophisticated anti-unionism kept Ford Motor, the 'Little Steel' companies, all but Armour of the large meatpackers, Goodyear and (in a different sense) Firestone Rubber, and many other large firms from having to recognize and bargain with organized labour. And the existence of such important non-union sectors made labour organizations insecure even where they had managed to establish workable relationships.

The Realists

We signed up for two reasons. First, we believe the union has come to stay in our industry; and second, we knew we were the next citadel for assault by the CIO, and, in point of fact, we had to sign. Financially, we were in no position to stand a two or three months' shutdown of production or to carry the ball for the rest of the industry.

A majority of American 'center firms' were compelled to accept unionism as a fact, but only because the strength unions were able to attain, often despite steadfast opposition using all of the techniques of belligerents and sophisticated, made it impossible, or too expensive, to continue with nonrecognition. There was no welcome for unions: they were accepted reluctantly, under pressure, and with ill grace. Contractual improvements and increased security for the union as an organization were both strongly resisted, in the hope that, some day, the union

I. Nelson Nauen Lichtenstein, 'Industrial Unionism Under the No-Strike Pledge: A Study of the CIO During the Second World War (Univ. of California, Berkeley, Ph.D. thesis, 1974), Ch. 2; Roberts, Rubber Workers, Ch. 10.

2. 'The Industrial War', Fortune, 180.
might wither away. Managements were acutely conscious of the union as an infringement upon their power, and supported political action to amend public policy, and propaganda to reorient public opinion. General Motors is probably the best example of a large firm compelled to recognize and deal with a militant industrial union, despite its management's wishes.

Realism was a result of the intersection of two complex forces: the union's relative bargaining power, and the management's determination to resist. The union's strength was affected by the economic condition of the firm or industry with which it had to deal, and by the state of opinion of the workers and of the communities where they lived. The size and militancy of a union's membership were partly determined by the success of industry's opposition, and in turn affected management's calculation of the costs and benefits of particular courses of action. Continued resistance might very well mean a strike, or a great deal of interruption to production by workers on the job. Signing a contract promised some stability and continuity. Dealing with a union, either for its members only, or on behalf of all workers in the bargaining unit, signing a contract, and adjusting grievances by formal negotiation, were objectionable practices. But the law seemed to require them, and the costs of managerial obduracy in terms of loss of control over the workforce in the workplace could be very high.

But two firms could very easily be faced with apparently-similar circumstances - workers with power and unity, collective consciousness and purpose; the threat or actuality of a costly strike; local media, influencers, and law enforcement agencies either pro-labour or

I. F. H. Harbison, and J.R. Coleman, Goals and Strategy in Collective Bargaining (New York, Harper, 1951), Ch.2; Richard C. Willcock, 'Industrial Management's Policies Toward Unionism', in M. Derber and E. Young, eds., Labor and the New Deal (New York, Da Capo repr. of 1957 ed., 1972), pp. 277-315 esp. 303-II. Willcock's is an excellent short study to which I am heavily indebted for some of the inspiration for this research in general, and as a foundation for this chapter in particular.
neutral — and still reach different conclusions about
the proper, 'realistic' course of action management should
follow. This is because of the other determinant of the
course of action any particular firm pursued in response
to the challenge of labour: the basic outlook on
industrial relations matters of its management. 'In no
area ... is the character and personality of the controlling
executive or group more clearly reflected than in policies
dealing with labor relations.' I

Managers are people, rather than calculating machines.
They are influenced by more than cost factors in making
industrial relations policy. Unionization and conflicts for
control were very sensitive issues. Reactions to them
were not necessarily 'rational'. To many businessmen,
anti-unionism was a matter of principle.² Realism, practicality,
problem-solving activism, and a readiness to try new
approaches are important elements in the self-image of
American management, and affect its behaviour. But so
does a deeply-rooted, consistently-conservative belief
system.³ The labour problems of the 1930s produced
conflicting reactions from business, but certainly indicated
that managers were far from being a 'purely neutral
technocracy'. On the contrary, they had a large stake in

I. C.J. Hicks, My Life in Industrial Relations: Fifty
Years in the Growth of a Profession (New York, Harper, 1941), p. III

2. Walter Galenson, 'The Unionization of the American
Steel Industry', International Review of Social History,
(I (1956), 8-40 at 24-5, and 'The Industrial War',
IO5-7, 168, for assessments of the 'contributions of
managerial principles to persistent antiunionism'.

3. For studies of business ideology, see R. Bendix,
Work and Authority in Industry: Ideologies of Management
in the Course of Industrialization (New York, Wiley, 1956),
pp. 254-87; Gable, 'A Political Analysis of an Employers'
Association', Ch. 2; J.W. Prothro, The Dollar Decade:
Business Ideas in the 1920s (Baton Rouge, Louisiana State
Univ.Pr., 1954); F.X. Sutton et al., The American Business
a system of power and status which was under serious threat and which they had been brought up to consider natural and almost God-ordained. They found themselves living in 'a nightmare world where the laws of capitalism, if they operated at all, worked the way the laws of gravity do in a dream.' Some saw in industrial conflict and legislated social change the portents of a revolutionary conspiracy against American freedoms. Cool counsel to 'get wise' and face realities could hardly prevail where issues were emotion-charged and value-laden. I

Or at least, it could hardly prevail generally and immediately. The outraged paternalism of the Kohlers, discovering the 'disloyalty' of their pro-union workers; the stubborn, entrepreneurial individualism of Ernest Weir, determined to keep strict control over the organization he had built; the reactionary, republican, almost Federalist attitudes of the du Ponts and their political allies - all of these elements of character and ideology intruded themselves into managerial decision-making in matters of union recognition, contract negotiation, and everyday industrial conflict. Anti-union employers were willing to go to extraordinary lengths, and to incur substantial costs in their fight against labour. But no major American firm was willing to continue the fight into the last ditch, though some threatened to. 2

I. 'The Industrial War', 162. R.E. Lane, The Regulation of Businessmen - Social Conditions of Government Economic Control (New Haven, Yale Univ.Pr., 1954), is the best systematic study of the ideological framework within which businessmen responded to the New Deal; Thomas R. Wimpenny, 'Henning Webb Prentis and the Challenge of the New Deal', Jnl. of the Lancaster County Historical Society, 81 (1977), 1-24, is an excellent analysis of a prominent NAM activist, Liberty Leaguer, and president of an anti-union firm.

The most anti-union employers, resisting weak unions, could evade the NLRB and the labour movement for years. But for even the stubbornest corporations in the steel, automotive, electrical equipment, rubber, farm equipment, and meatpacking industries, 'realism' became a distasteful, hopefully a temporary necessity, in the late 1930s or the war years. The traditional armament of belligerency had been effectively depleted by law and public opinion, and countered by the organization of strong, relatively militant unions. Unions were present as a disruptive force, and were not going to go away soon. It was no use waiting for Congress to make a new law, or for a strong conservative shift in public opinion. Business was very actively in pursuit of both these objectives, but recognized that they were unlikely to bring immediate deliverance, whereas the labour problem had to be dealt with in the here-and-now, within the plant. Even if the power of labour should be reduced at a later date, there would still remain important new operating problems in labour relations. What could be done about them? Once a corporation had rejected, or been forced to abandon, belligerency or stubborn evasion of the Wagner Act, what course was open to it?

'Swords may be beaten into plowshares, but even a plowshare can be used to clobber an opponent into insensibility'.

The answer was to use corporate resources and available expertise to get the better of the union in orderly, institutionalized confrontations. General Motors and Allis-Chalmers typified this approach, developing a combative, hard-nosed, but fundamentally legal labour relations strategy. They put great efforts into managerial organization for contract negotiation and administration, with the aim of confining the union's intrusions into management's domain.

'Management prerogatives' - the traditional authority

of the employer to determine the conditions of work unilaterally —
were defended, in principle and in daily practice, even at the
cost of 'taking a strike'. The union was denied prestige,
security, and legitimacy. Such a course was open and natural
to a company faced with a militant union and possessed of
large reserves of strength and determination to carry on
the fight against it, even after the question of recognition
and collective bargaining was settled. 1

In GM's case, the company was brought to its position of
narrow and legalistic acceptance of the union by the bitter
experiences of the great sit-down strike of 1937, which
forced the corporation to recognize the UAW; the turmoil
of wildcat strikes over unresolved grievances from 1937
until 1939, as the corporation refused to accept the
necessity of day-to-day negotiations over grievances, or to
recognize the UAW's shop steward system; and the 'Strategy
Strike' of 1939, by which a weak and divided union compelled
the corporation to continue dealing with it. At last, GM
management understood that it was going to be troubled by
the UAW for a long time, and decided to follow a 'tough
but fair' labour policy of not interfering with (or supporting
in any way) the UAW's drive for members; insisting upon the
protection of management's right to manage; and putting
pressure upon the union leadership to discipline its own
members or not interfere with managerial discipline of them.
GM 'put its house in order': industrial relations became
a top management function; contracts were negotiated, and
their local administration was controlled, by a strong
central staff; the wage structure was rationalized. As
a result of these policies, GM, alone of all major
automobile manufacturers, managed to stabilize its labour
relations on terms more or less acceptable to it before
the outbreak of the war. 2

1. Harbison and Coleman, Goals and Strategy in Collective
Bargaining, Ch. 2.
2. F.H. Harbison and R. Dubin, Patterns of Union-Management
Relations : United Auto Mobile Workers (CIO) - General
Motors - Studebaker (Chicago, Science Research, 1947), Chs. 1,2,4.
GM's strategy of 'realism' was what came to be known, after the war, as the establishment of an 'armed truce' relationship with the union. But few companies matched the speed and thoroughness of GM's adoption of this course: General Motors was a corporation with immense resources, a tradition of technical progressivism and managerial excellence, and an ingrained habit of 'management by policy' - the development of a programme of considered action - to handle all important problems.

In contrast, the Chrysler Corporation's management was ideologically anti-union and politically reactionary, as were most top GM men, but it never translated its attitudes into organization, policies, and procedures calculated to secure the common objective of uninterrupted production and unimpaired control. Chrysler handed its labour relations problems over to the corporate attorney in New York. At the plant level, there was lasting chaos. Chrysler continued to be affected, into the 1950s, by unofficial workers' actions which were often successful in securing informal adjustments by production supervisors and plant management over such critical issues as discipline and working loads. The 'policy', if it can be called that, which Chrysler represents is one of half-hearted defensiveness against the union, in which the avoidance of labour trouble by making expedient concessions got the better of the aim of defending managerial authority. GM adopted some of the techniques of progressive personnel administration at the same time as it developed its basic labour relations policy, trying to reduce the sources of employee dissatisfaction by unilateral management action. Chrysler did little or nothing until 'labour problems' became acute, with an

organizing drive or a strike. In consequence, in the 1940s, Chrysler was particularly troubled when the frontier of organization advanced from the rank-and-file into the automobile industry's white-collar and supervisory forces. As a result of its considered preemptive action, GM was relatively untouched by this new problem. I

Many managements which had been compelled to follow the path of realism and deal with unions were not as thoughtful or articulate about it as GM, and did not put as much corporate energy into the fight. For many, it was doubtless little more than an attempt to change as little as possible in the aftermath of unionization; to carry on as before, confining union penetration to the very minimum and granting as little recognition as possible. In the late 1930s, such a course was relatively easy to follow. It would become much more difficult once the economy got moving again. But few corporations had the foresight, time, and resources to follow GM's example and put their labour relations on a 'sound business footing' before the war broke out.

Why was this? Unions were still in the process of completing the organization of all the important units of mass-production industry when the defence period began in 1940, and their successful extension of organization into many smaller companies and smaller cities had to await favourable

wartime conditions. For many corporations, then, the time of decision on strategy and tactics for living with, rather than holding off, a union was delayed until the peculiar strains of wartime made it impossible for managements to choose freely amongst its options or act to secure its desired objectives. Even for corporations unionized in 1935-37, the time of decision and action was often deferred until too late.

It is easy to understand why this was so. The constitutionality of the Wagner Act was still undecided until 1937 was half over. The short, sharp recession of 1937-38 faced companies with more immediate and severe problems even than the labour movement. And, as unemployment ravaged the new unions and industrial conflict declined, the challenge with which business had to deal appeared less serious. The formation of a conservative coalition in Congress, and its strengthening in the 1938 elections, offered new hope of a legislative solution to the labour problem. The NLRB's interpretation of the Wagner Act developed quickly in 1937-39, but judicial confirmation of such crucial issues as the necessity of reaching written agreement had to wait until the defence period. The code of practice about which an employer had to be aware, even if he was intent on breaking it, was only in the process of being formed. Contracts and the machinery of collective bargaining were similarly in flux. Faced with the speed and complexity of change, and the temptation to wait for Congress to turn up with a panacea, it is understandable that GM's self-critical, self-reliant approach to its industrial relations problems was untypical.

In addition, the resources out of which a tough, successful approach to labour relations problems might have been

fashioned were scarce. Only a minority of firms had been organized to deal systematically with personnel problems in the 1920s, and many personnel departments had been scrapped in the cost-cutting disorganization of the Depression. Those which survived were neither prepared nor equipped to handle the problems posed by the organization of labour and the burden of new legislative requirements. Their objectives had either been routine administration of manpower policies, or the construction of an industrial relations system in which unions played no part. The shock of transition to the new age of strong unions was great, even for such an unusually well constructed personnel department as International Harvester's. There was a shortage of knowledge and expertise to apply to new industrial relations problems, and in any case managements had other, often more important preoccupations in the depression as they searched for strategies for corporate survival. Companies were going through the throes of expansion and contraction of personnel and operations, centralization and decentralization of management structures, and the problems of managerial succession (of which Ford provides the best example). In these circumstances, adoption of new policies and structures for the handling of industrial relations problems was understandably difficult.

Even where progress was made, it was generally taking place in an atmosphere of crisis, as managements reacted to immediate pressures. There was little time for strategic thinking. Rather, companies were adopting what came to be called a 'fire fighting' approach, looking for ways to comply with increased governmental regulation, and consequently higher personnel record-keeping requirements.

and for staff to supply these needs and cope with contract negotiation and administration in recently-unionized plants. I

It is understandable, then, that General Motors provided, as it was well aware, a rare example of a corporation that was able to get over the turmoil of 1935-37 before the war. GM was giving a lead many other corporations would follow in time. But most large and medium-sized firms had reached some of the same 'realistic' conclusions: that unions were going to be around for the foreseeable future, and that they must be dealt with, within the law, in such a way as to preserve as much order, efficiency, and control as possible. Unfortunately, as I have made clear, developing policy and procedures for making 'living with the union' tolerable was a difficult matter, which many firms were only beginning in the years 1937-40.

The policy of 'armed truce', though the most important, was not the only strategy for living with the fact of unionism that existed in the late 1930s. For the most liberal and constructive response to the problems of unionization, we must look to some of the heirs of 1920s-style managerial progressivism. But, as I have explained, not all progressive firms, by any means, accepted change gracefully. Many, like Special Conference firms Bethlehem Steel, Standard Oil of New Jersey, Du Pont, Goodyear, and International Harvester, practiced a sophisticated anti-unionism, in the later 1930s as throughout the 1920s; some, notably Westinghouse Electric, General Motors, and U.S. Steel, followed the course of realism. But a few, notably U.S. Rubber and General Electric, accepted the labour movement with little hesitation or apparent regret. In the penultimate section of this chapter, I shall describe and explain what became of managerial progressivism in industrial relations in the 1930s, and what were its

I. Milton, Ethics and Expediency, Ch. 5.
contributions to the developing industrial relations strategy of American management.

The Progressives: Divergent Responses to the Challenge of Unionism

Managerial progressivism in the 1920s had not entailed any readiness to recognize independent, i.e. 'outside', unions as legitimate representatives of employee interests and attitudes, and to give them some status in the firm. On the contrary, it had been a way to avoid the necessity of union recognition. It had also involved a certain readiness to alter industrial relations policies as a result of consultation with workers' representatives in company unions, or of some consideration of employee sentiments. But managerial authority and discretion had been unimpaired. The new facts of the 1930s - an interventionist federal government, a stronger labour movement - produced markedly different responses from progressive firms. The essentially authoritarian objectives of progressive management, rather than its realism and tactical resourcefulness, inclined most Special Conference firms, for example, to resist the challenge of truly independent unionism. But the deficiencies of the old solutions, and the challenge of a new situation, prompted some companies to change their tune.

They insisted that the company union remained good in principle: its dedication to harmony between management and workers in each individual plant and firm must be recreated, if possible, in the relations between companies and 'outside' unions. But if workers wanted to organize their own unions, and the law supported them, then the company union must be abandoned. Management's task was one of constructive accommodation to the new circumstances, not outright resistance. Cyrus Ching, U.S. Rubber's Director of Industrial and Public Relations since 1919, developed a convincing rationale for a new progressive programme of attempting to build an acceptable, cooperative, union relationship.
In our company — I am going to try to impress this on industrialists here — we are going to get about the type of labor leadership that we develop by our own actions. If, in dealing with labor organizations, we are ethical, are entitled to the confidence of people, use fair tactics and use friendly attitudes, we will get that in return; if we are going to be militant, use underhanded tactics, and fight all the time, that is the type of organized labor leader we will get. So I think that we all must realize that, where we are dealing with organized labor, we are going to get about the type of leadership that we are ourselves.

Ching did not promise overnight or automatic success. But his aim was to win fellow-industrialists away from belligerence, and to stir others out of inaction and fatalism in the face of the challenge of organized labor. He spoke from the tradition of welfarism and corporate liberalism, advising against overreliance on political action as a solution, and in favour of rapprochement at all levels between responsible leaders of business and organized labor in order to build a workable union-management relationship plant by plant, company by company, and perhaps to create a new federal policy based in top-level consensus. Commitment to the politics of consensus and the avoidance of conflict was Ching's hallmark. Ching asked his fellow businessmen to strip the subject of union recognition and bargaining of its overburden of emotional and ideological clutter, and to treat the labour leader or negotiator as just another trading partner or sales prospect, realizing that the fellow on the other side of the table has his troubles and trials and tribulations also, and that you are going to try to work this thing out as well as you can.

At U.S. Rubber, this is exactly what Ching did, putting no obstacles in the way of Rubber Workers penetration of the company's plants and representation plans. Ching and United Rubber Workers (URW) president Sherman Dalrymple met on neutral ground, secretly, each with a second, and worked out an agreement: Ching would prevent plant managers from resisting the union; Dalrymple would do all in his power to make sure that elected local union leadership was responsible, avoiding wildcat strikes and harassment of the management. The agreement worked: U.S. Rubber proceeded slowly towards recognition of the URW, plant by plant, avoiding unfair labor practices and staying clear of the NLRB, even in cases of representation, where possible. In return for its policy of enlightened voluntarism, the company was spared the sit-downs, mass pickets, wildcat strikes, slowdowns, and industrial violence that troubled the other three large rubber companies for years, and Goodyear worst of all.

Ching did not see independent unionism as dangerous and ideologically unacceptable. Provided it had the responsible leadership management could work to make, it promised to replace the company union as a communications device and as a means for peaceful grievance settlement. And the achievement of constructive and harmonious industrial relations could also assist in 're-selling' the American public on the power and social responsibility of big business.

Be realistic about it. If you have a union organization in your plant, there is no use ignoring it and failing to see it. You have it there with you. Why not utilize the union organization as it comes in to build confidence on the part of that organization, on the part of your employees, and on the part of the nation generally? Use it as one other avenue to demonstrate that industry has

P.W. Litchfield, The Industrial Republic : Reflections of an Industrial Lieutenant (Cleveland, Ohio, privately printed, 1946), pp. 95-104 esp., by Goodyear's president; Roberts, Rubber Workers, esp. Ch.7
character, has intelligence, has integrity, and is entitled to the confidence not only of its own employees but of organized labor and the public generally.¹

U.S. Rubber was the second largest firm in the rubber industry, part-owned by the du Ponts and closely associated with GM as a primary supplier of tyres as original equipment. In consequence, its management had to proceed carefully towards recognition of the URW, so as not to antagonize its powerful, fundamentally anti-union associates.² The other notable 'corporate liberal' firm, General Electric, (GE), was under no such constraints. It dominated its industry. In addition, its bargaining power against its union was greater than that of U.S. Rubber. All the latter's main operations were concentrated in Detroit, whereas GE's plants were already quite decentralized and it had diversified into a number of different product lines. GE's decision to recognize the United Electrical Workers (UE) was partly triggered by UE's success in taking over company unions from the inside, as in the case of the Steel Workers Organizing Committee (SWOC) and US Steel. But, more than that, it reflected GE management's confidence in its own power and the weakness of the UE. GE believed it could co-opt UE leadership from the very outset, and obtain a legal substitute for the company union which fitted in well with GE's liberal and progressive public image. The substance of GE's employment relations policies at plant level hardly had to change at all: UE had insufficient membership to have won NLRB elections, and attained recognition that way, had not GE graciously conceded; and, in the stagnant economy of the late 1930s, the UE/GE master contract was little more than a formalization of the liberal personnel policies GE had long instituted. At small cost to itself, GE's constructive response to the problems of labour organizing appeared to

¹. Ching, 'Problems in Collective Bargaining', 42.
have entirely succeeded by the end of the 1930s. It had
avoided belligerency and militancy alike.

The examples of U.S. Rubber and GE were well known: both firms were active in the progressive management movement, in the Business Advisory Council (BAC) of the Department of Commerce, and in preaching their message to less enlightened business audiences. They were not afraid of organized labour, and they were confident that management had the power, the intelligence, the expertise, and the techniques to get itself just about the kind of labour and/or industrial relations it wanted. Sources outside of the business community reinforced this progressive message, turning it into the common currency of 'enlightened' labour leadership and academic industrial relations specialists.

The contribution of such men was more than just commentary. They played an active part in teaching management that it must get down to the serious business of building a workable industrial relations system in which responsible unions played a key part. Industrial relations specialists from the universities came to fill the difficult positions of final arbiter or impartial umpire in grievance procedures in mass-production industry. This was much more a development of the 1940s, but GM blazed the trail in 1940, agreeing to an umpire system in the endeavour to introduce order into its labour relations. Its first umpires, Harry Millis and George Taylor of the Universities of Chicago and Pennsylvania, were men with long experience in the labour relations of the garment, hosiery, and anthracite industries. They

believed in the contributions of collective bargaining through responsible unions to industrial efficiency and social stability. They and their like, increasing in numbers and influence in the 1940s, played their part in prodding managements to develop proper organization, policies and procedures for getting their contractual labour relations onto a sound footing.

Men with first hand experience of the labour movement and federal policy assisted management in other respects: Radio Corporation of America, having decided to recognize the UE after years of bitter struggle, handed over its industrial relations problems to Edward F. Mc Grady, Assistant Secretary of Labor, experienced mediator, and former AFL legislative representative. Ralph Lind, director of the NLRB in Cleveland, and one of Mc Grady's assistants in the adjustment of labour disputes in the crucial industrial Midwest, left the federal service to join an established firm of management consultants as their labour relations specialist. Both these men made their move in mid-1937, when an increasing number of firms responded to the Wagner Act's validation by accepting public policy and the labour movement as facts with which they had to live. 2

Active members of the new unions' bureaucracies chipped in with their suggestions. Sidney Hillman, Clothing Workers president, helped persuade GM president 'Engine Charlie' Wilson, to institute an umpire system, citing the clothing industry's experience of its usefulness as a stabilizing factor in institutionalized conflict. The Steel Workers, centralized, bureaucratized, and responsible from the outset,

1. On the occupational ideology of labour arbitrators, see below, Ch. 3, pp. 94-5. Millis went on to become Chairman of the NLRB; Taylor, Vice-Chairman and Chairman of the National War Labor Board. See also Slichter et al., Impact of Collective Bargaining, pp. 781-3.

actively propagandized to try to convince managements to accept unions and grant them security, in return for the assistance the international union's officials could give in taming radical local leadership, moderating contract demands, and even helping marginally-competitive employers to improve productivity. Organized labour's social democratic leaders and intellectuals - Hillman, Walter Reuther, and Phillip Murray, Clinton Golden, Harold Ruttenberg and Joseph Scanlon of the Steel Workers - were able to reach a large measure of agreement with managerial progressives on the desirability of building an efficient, orderly industrial relations system in which collective bargaining through responsible unions would play a key part.

The labour relations strategies of U.S.Rubber, General Electric, and some other firms was the work of a small, but prestigious minority of American business. It gained more supporters in the 1940s, and won great attention in the early 1950s. The supporting firms and their strategy were given much exposure in the case studies conducted and published under the auspices of the National Planning Association, a research agency in which liberal businessmen, academics, and union officers came together. But it was never the modal strategy of American industry. Nor was it even the most significant response to the rise of labour from the ranks of managerial progressives.  


2. C.S. Golden and V.D. Parker, Causes of Industrial Peace Under Collective Bargaining (New York, Harper & Bros., 1955); see also discussion at pp. 201 - 207 below, Ch.6.
Thomas Spates, who moved into the direction of General Foods' first corporation-wide industrial relations programme in December 1935 from a background with the progressive Industrial Relations Counselors, Inc., taught his fellow-managers the same lessons of optimism and activism as Ching, but with aim of stopping, or even reversing, the rise of organized labour. General Foods top management was extremely active in the NAM and in the organization of nationwide anti-New Deal and anti-labour propaganda. In his long service with it, Spates developed an integrated personnel and labour relations programme which succeeded in keeping it weakly unionized. Spates represented the predominant, authoritarian brand of managerial progressivism, committed to the rational development of an orderly industrial relations system responsive to workers' pressures but remaining under executive control. He explained workers' discontent and union-consciousness as the results of management's poor industrial relations policy and practice. 'If there is any single cause for "labour trouble", it is to be found in the inferiority of our administrative intelligence.'

As that was Spates' analysis of the causes of the problem, his prescription for managerial counter-action followed naturally. He looked at the figures for union membership, and concluded that 'the normal thing for the American workman to do is not to join a trade union' and that 'We have not missed the last boat. We still have a chance to do a good personnel job and thereby preserve our fundamental American institutions.' He was 'convinced that if a greater percentage of employers in this country will do an honest-to-goodness industrial relations job, things do not have to go the way they have been tending during the last three years.'

1. Organization of Personnel Administration: SPP No. 73, p.40; Cleveland, 'Some Political Aspects of Organized Industry', pp. 233-1

Spates' line of argument pointed towards the further application and perfection of scientific personnel administration, not towards the encouragement or willing acceptance of union recognition and bargaining. Unionization was neither inevitable nor in some ways desirable, but an indication of managerial failure. It was unnatural, illegitimate, unAmerican and to be resisted, within the law, by the more intensive practice of the sophisticated anti-unionism of the 1920s progressives. Spates' prescription was important: it offered an anti-union course the NLRB could not touch, and one which was increasingly adopted in the 1940s, by firms like Fred Crawford's Thompson Products, and General Electric, after the departure of its progressive top management. Spates' and Ching's analyses and prescriptions were equally 'progressive': their differences simply indicate the divisive nature of the new and intrusive challenges of unionism and the Wagner Act. 2


2. Scheinberg, 'Development of Corporation Labor Policy', was almost as important as Willcock, 'Industrial Management's Policies Towards Unionism', in the writing of this chapter. But he leaves one with the impression that union-management accommodation was the sole important progressive response. Willcock, and Douglass V. Brown and Charles A. Myers, 'The Changing Industrial Relations Philosophy of American Management', in L. Reed Tripp, ed., Proceedings of the 9th Annual Meeting of the Industrial Relations Research Association (1956), pp. 84-99, are much more balanced, and I have rather preferred their kind of more complex interpretation.
Conclusion: The New Tactics for Labour Peace, 1939-40

In 1939 the NICB began a new membership service, the monthly Management Record. It was expanding its efforts to improve management's knowledge of best practice and current developments in industrial relations, adding a topical publication to its occasional series, the Studies in Personnel Policy. Harold F. Browne, chief of the Management Research Division, kicked off with a cool evaluation of the background to industrial relations strategy. In the aftermath of the Supreme Court fight and organizing drives of 1937, the recession of 1937-38, and the exhaustion of the New Deal, afflicted by economic crisis, intellectual bankruptcy, and reinvigorated, red-baiting conservatism, the 'pendulum' of public opinion swung back. A conservative coalition formed in Congress, and was strengthened in the 1938 elections. Resolutely anti-labour Republicans and Southern Democrats prevented further legislative social change, and began to pick off the New Deal's exposed positions. The La Follette Committee expired, and its place as a source of meaty investigative reporting was taken by the Dies (UnAmerican Activities) Committee, whose political colour could not have been more different. In industrial states like Pennsylvania, Michigan, and Wisconsin, pro-labour administrations were ejected, and anti-labour statutes enacted, reflecting successful business agitation at the local level. Law enforcement agencies moved more vigorously against strikers, and the Supreme Court, in the Fansteel case, effected one of its very rare reversals of the NLRB in condemning the sit-down strike as an illegal tactic, and excluding sit-down strikers from the Wagner Act's protection.

This was the background against which Browne wrote:

time and the sobering effects of business depression have been working in the direction of greater discipline of union members and the acquisition by their officials of better control over them.¹

The Auto Workers, ravaged by unemployment, torn asunder by factional fights, almost displaced from General Motors in 1939, still excluded from Ford, moved against wildcat strikes by their members. They made it difficult for the union to acquire a necessary and desired public image of 'responsibility'. Its bargaining partners, especially GM, were putting pressure on it to stabilize labour relations and deliver continuous production in return for recognition. The Rubber Workers had many of the same problems, and its officials offered the same answers. As for the Steel Workers, the failure of the Little Steel strikes and the recession had so weakened the union that the only way it could hope to increase its membership was by the dual strategy of utilizing federal machinery, particularly that of the NLRB, and appealing to employers to recognize it as a 'responsible union'.²

Whatever the appearance and the potential of the rise of labour in 1933-37, it was clear by 1939 that not even the new unions of the CIO constituted any sort of revolutionary vanguard. In response to internal forces - the 'iron law of oligarchy' - and external pressures - the necessity of dealing with federal agencies, large corporations, the mass media - even those industrial unions which had started life as rank-and-file organizations, rooted in activist militancy, were becoming bureaucratized and responsible. It was the only way they could survive in an essentially-hostile environment, and meet the demands of the mass of their members for services, improved contracts, and protection against managerial arbitrariness.³

This was a kind of labour movement the business community could live with. Business was also coming to accept the Wagner Act:

More and more managements are adopting a broader philosophy of industrial relations, one in which there is no place for even indirect interference with employees' freedom of decision, and one in which belligerency is not the instinctive reaction toward anything having to do with a union. Managements are becoming accustomed to a situation that at first seemed intolerable, and are now taking in stride (sic) the various problems that arise in negotiating with established unions or in dealing with situations connected with organizing activity in the plant.

This was good policy for employee relations and business' external, public relations alike. Overt coercion, violence, and law-breaking hurt both.

By ruling out fruitless opposition to a condition that, however unwelcome, exists, it clears the way for the application of management's energy and ability to working out a sane and mutually profitable modus operandi in labor relations.

Outmoded policies had led to industrial conflict, loss of public confidence in business, and legislative intervention and restriction. Now Browne was optimistic that managerial activism could deal with the problems left by the events of the 1930s, and prevent any recurrence of what another, hotter-headed observer called 'the so-called social revolution, now burning out.'

Management's new tactics for labour peace included the progressive proposal that business should work to achieve working harmony with organized labour, but, more important, many firms were formulating industrial relations policies leading towards 'armed truce' of the kind that prevailed in the postwar years. Belligerency was on the wane: it would not disappear completely, but became rare in large, city-based firms in the basic industries. More sophisticated

2. Ibid., 4.
anti-unionism remained an option some firms were able and willing to take, coming to rely increasingly on the intensive practice of 'scientific' personnel administration and 'human relations' rather than on the non-violent unfair labor practices which prevailed in the later 1930s.

All of the important strands in the postwar industrial relations policies of American business were visible by 1939. In the area of political action, the growing sophistication of the business community was also clear. Business organizations like the NAM and numerous employers' associations were belatedly recognizing that reaction and belligerency were no longer a sufficient response to challenges to business' hegemony. In the late 1930s the NAM moved from mere reaction towards assisting its members with the difficult task of living with the new circumstances, whilst attempting to change them. The Labor Relations (once Open Shop) Bulletin provided members with important information on changes in government attitudes, policies, and administrative decisions, and on developments in collective bargaining. Biannual Industrial Relations Institutes were organized nationally, and many local 'clinics' were held. The NAM made itself more useful to a growing membership, and the character of the guidance it provided became much less distinctive. It came to incorporate firms and points of view which had been 'progressive' in the 1920s but would only go as far as a provisional acceptance of the new public policy and the labour movement, and then only under duress. I

This was the path of realism. Under the presidency of Charles Hook of American Rolling Mills (ARMCO), a long established, lawfully and successfully anti-union 'progressive' firm, the

I. NAM Labor Relations Bulletin, nos. 29 (Jan. 1939) and 30 (Sept. 1939); Gable, 'A Political Analysis of an Employers' Association', pp. 287-88.
NAM altered its legislative objectives from the impossible, repeal of the "Wagner Act, to the attainable, thoroughgoing amendment so as to make it acceptable to a business community now more dedicated to building stability in industrial relations than to continued union-busting. I

In 1939 the economy was still stagnant, barely recovered from the recession. The labour movement was divided, hesitant, defensive, and as stagnant as the economy. The CIO had lost its elan. Mopping up the large unorganized sectors of industry, and improving contract terms, the working of grievance machinery, and the quality of union recognition and security, were daunting problems to which no immediate solutions were available. Business and labour were settled down to a long slog, with business probably more optimistic about its prospects of winning political support.

This was the situation when belligerent demand - particularly from Britain and France - began to revive the heavy and agricultural industries. There are powerful continuities between the industrial relations policies American business was developing in the later 1930s and those it pursued in the 1940s and after. But in the period between, the scale and character of industry's labour relations problems were transformed as a direct consequence of total mobilization of the economy for war. In the next two chapters, I shall set out and explain what those problems were, and how business perceived their seriousness.

I. See pp. 164 - 5, Ch.5 below.
Chapter 3

Problems of Labour Relations in Total War and Reconversion, I: the Loss of Labour Discipline and the Union Challenge to Management Control

Introduction

In this chapter and the next I shall detail the problems of controlling rank-and-file workers and their unions which managements encountered in the years of war and reconversion, ca. 1940-47. As in the previous chapter, I shall situate events and developments in labour relations in a larger political and economic context, within which alone they acquire their full meaning. And I shall concentrate both on what was 'actually' happening and on what executives thought was happening. Labour relations problems of the managements of large-scale enterprise will be examined in this chapter and the next; policies advocated or adopted to deal with them in those which follow.

This chapter begins with a brief discussion of the political economy of war and its impact on labour relations. The loss of control over labour discipline and productivity during the war is examined in some detail, but much more attention is given to the causes and the significance of the development of the formal institutions for orderly industrial conflict. The chapter closes with an attempt to explain management's perceptions of its industrial relations problems in terms of its world-view and its ideology. Chapter 4, on the issue of supervisory unionism, is closely connected with this one in substance and purpose, focussing on one specific labour relations problem of the basic and strategic industries, and using managerial comment on this one most sensitive issue to deepen my own and my readers' understanding of the ideological framework of American management.
Business, Labour, and the Political Economy of War

The coming of war ended a decade of economic stagnation and replaced an already-weakened social reformism with other political concerns. In so doing, it drastically altered the context in which workers and managers, Business and Labour, competed. When America emerged from the war, Labour had extended and consolidated many of its gains of the later 1930s, and Business had made more progress towards a new sophistication in its handling of industrial relations problems. But the developments of the 1940s are not mere projections of what was happening in 1939. Continuity there is, certainly; but the intervention of a period of total mobilization left lasting imprints on the character of America's industrial relations system, as well as creating serious short-term problems with which Business, Labour, and Government had to grapple.

The pace of mobilization, and of consequent re-employment, quickened after the summer of 1940. The amount of slack in the economy was great, and initially the civilian and war-production branches of the durable goods industries expanded side by side, as business strove to meet the demands of a newly-prosperous home market as well as to fulfill government contracts. In 1941, unemployment fell from 7.7 to under 4 millions, and factory workers began working large amounts of overtime. By the fall, existing economic capacity was fully utilized. Further expansion of war production would have to come at the expense of civilian demand, or as a result of increased investment. I

The consequences of the mobilization effort were advantageous to the business community in general, and the largest corporations in particular. Organization of the war effort was at first halting and ramshackle, in part because the

administration had to secure the active cooperation of some of its bitterest political opponents in the business community. The power and expertise of the private controllers of the productive system had to be won over. The administration's strategy was to make the necessary political and economic concessions. Domestic reformism and reformers were abandoned for the duration; little leadership was provided in matters of domestic economic and social policy, and a conservative Congress was left free to snipe at the New Deal's exposed and undefended flanks. Conservative anxieties that perpetuation and increase of the federal government's control over the economy might result from the war emergency were further allayed by passing control over the important War and Navy departments into the hands of conservative Republicans, and by filling the ranks of the mobilization agencies with businessmen. Industrialists' influence increased as the Office of Production Management (OPM) succeeded the National Defense Advisory Commission (NDAC) in January 1941, and was itself in turn replaced by the War Production Board (WPB) in January 1942. By 1943 America had a fully workable defence production system largely under business control, so administered as to protect and even strengthen peacetime patterns of oligoply.


Political concessions, by themselves, were not enough. Businessmen were reluctant to convert their plant from civilian to military production, or to expand capacity, in the months before Pearl Harbor. They expected the war to be short, and anticipated serious reconversion difficulties if industries had deserted their peacetime markets or imposed additional burdens of overcapacity upon themselves. In addition, they were loath to lose the best, most profitable, undisruptive civilian business in over a decade. But their opposition faded away as liberal investment grants, tax and amortization policies, and a cessation of antitrust prosecutions, came to provide an extremely favourable operating environment. Lingering opposition was also countered by federal investigation and public condemnation of industry's restrictive practices. Finally, and especially after Pearl Harbor, businessmen felt the same powerful, win-the-war patriotic imperative, as other groups in society. When the war effort began to wind down in 1944, business enjoyed liberal treatment at the hands of Congress and the administration. Compensation for contract termination, the refunding of excess profit taxes, and the inexpensive purchase or even free acquisition of modern facilities created by government investment, cushioned them from financial discomfort in the immediate reconversion period, ca. 1944-47. Business did extremely well out of the war, building up investment reserves for peacetime and having its security well provided for by the federal government. 1

For the unions and their members, the picture was not quite so rosy. Organized labour's participation in the direction of war production was limited to - at best - an advisory status, and declined over time. 2 The fortunes of the labour movement, and of the liberal reformism to which it had

1. In addition to sources cited above, p. 70 n. 1, see also the enjoyable and impassioned contemporary account, Bruce Catton's The War Lords of Washington (New York, Harcourt Brace and World, 1948).
become attached, were rather sorry in this increasingly conservative political environment. On the one hand, the ties between Labour and the administration wing of the Northern, urban Democratic Party became unprecedentedly close, nationally and in many localities. In the 1944 presidential campaign, the CIO's Political Action Committee (PAC) acted as an influential assistant to the Democrats' party machinery in many districts, and made powerful (but ineffective) propaganda for the resumption of federal intervention to secure full employment, social justice, and the general welfare in the years of reconversion. The PAC's programme was, in effect, an Americanized version of the Beveridge Plan. Its efforts to counter the conservative drift in public opinion were valuable. But the spectre of a revived New Deal and a lib-lab alliance served also to revitalize congressional conservatives and their allies in the business community.

The labour movement was politically vulnerable in wartime, both because of the direct wounds inflicted by conservative legislatures, state and federal, which made so many important domestic policy decisions, and because of the propensity of the mass media to depict it as the perpetrator of unpatriotic obstruction of the war effort. In addition, the administration's own policies of domestic economic management rested on the tight control of wages and salaries - tighter than the controls over prices and profits. An instructive measure of the relative influence of Business and Labour is provided by an examination of the very different treatment Congress meted out to the latter's programme for domestic reconversion and economic security, as compared with the generous attention

given to the claims of organized business and agriculture.  

But the picture was not all black. The labour movement's cooperation in the war effort was also required, so a sort of synthetic social harmony prevailed in which serious and permanent restrictions on labour's legislative gains of the later 1930s were debarred. Organized labour was on the defensive, and business had the political advantage, but the balance of public favour and political influence between them was still unsettled at the end of the war. The conservatives' programme of attacking the central pillars of the New Deal's institutional legacy, including the Wagner and Fair Labor Standards Acts, remained to be achieved. And the labour movement emerged from the war with considerably greater ability to defend itself.

Organized labour's numbers rose from less than nine to almost fifteen millions. More important, it had the strength arising from the near-completion of the task of organizing blue-collar workers throughout the basic and mass-production industries. In 1939-40, unions had still been struggling to win members, bargaining rights, and some basic guarantee of their future security. By 1945-46, almost 70 percent of workers in manufacturing industry were covered by union

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2. For studies of the labour movement in wartime, see Sidney Lens, Left, Right, and Center: Conflicting Forces in American Labor (Hinsdale, Ill., Harry Regnery Co., 1949), Ch. 19; Aaron Levenstein, Labor Today and Tomorrow (New York, Alfred A. Knopf, 1946); Lichtenstein, 'Industrial Unionism Under the No-Strike Pledge'; Art Preis, Labor's Giant Step: Twenty Years of the CIO (New York, Pathfinder Press Pbk. ed., 1972), Chs. 10-22; Joel Seidman, American Labor from Defense to Reconversion (Chicago, Univ. of Chicago Pr., 1953); Warne et al., War Labor Policies.
agreements. In the transportation and mineral extractive sectors, and in the agricultural equipment, aircraft (and parts), aluminium, automobile (and parts), electrical machinery, meat packing, nonferrous metals, rubber, shipbuilding, and basic steel industries, between 80 and 100 percent of wage earners worked in unionized plants. The machinery, petroleum, and steel products industries were also between 60 and 80 percent organized. Furthermore, as a result of negotiations agreements in 1940-41, and of wartime developments (below, pp. 76-7), unions in these industries were now much more firmly entrenched, with either closed or union shop provisions, or maintenance of membership clauses, to guarantee them security of income and membership and a greater influence in the plant.

The different political fortunes of Business and Labour were reflected in their fate in the wartime marketplace. Nevertheless, industrial workers did comparatively well out of the war. Real disposable incomes increased rapidly, particularly in the 'Defense' period, 1940-41. By 1943, a vastly expanded active labour force was more than fully employed. Opportunities were created for those at the margin of the interwar labour market: women, blacks, other minorities, country and small town dwellers, the young, the old, the handicapped. Money wages rose, despite federal controls on direct increases, personal taxation policies, and restrictions on the free mobility of labour and the use of collective power. Earnings rose more, because of overtime working, the upgrading of workers into more skilled occupations, the expansion of the well-paid durable goods industries, and extensive wage drift. 2


2. 'Money and Real Weekly Earnings', passim; Douty, 'Review of Basic American Labor Conditions' in Warne et al., eds., War Labor Policies. See also ibid., Chs. 7, 10, 11.
The failures of price control—quality deterioration, and changes in manufacturers' product-mixes in consumer goods—meant that real wage increases were substantially less. Even so, workers emerged from the war with immediate experience of full employment and relatively high standards of living which their unions sought to protect, in bargaining strategy and political action, during the reconversion years.

To complete this outline of Business-Labour-Government interaction in time of all-out war, I shall turn my attention to the matters of wartime industrial conflict and some less public aspects of wartime industrial relations. Unions' political actions are reflected in collective bargaining and day-to-day struggles on the job, as well as in their interest in large issues of public policy. Similarly, their success in gaining 'economic' objectives cannot be measured simply by a study of earnings data.

Despite the fact that the official strike was almost eliminated between Spring, 1941 and VJ Day, industrial conflict was a real problem for the federal government, union leaders, and industrialists in these years. Wartime strikes were generally viewed as unpatriotic and inexcusable, but they remained as a powerful, but dangerous weapon in labour's hands: powerful because, as the Mineworkers proved in 1941 and 1943-44, only the use or real threat of the strike could force major concessions from employers or the federal government; dangerous, because it brought the full coercive weight of the state down on the offending union, and aroused the righteous indignation of the general public against the labour movement, further contributing to the erosion of public support for the objectives of the Wagner Act.

1940 was a relatively strike-free year. Unions made substantial organizational and economic gains, and the federal government relied on the cooperation of both sides of industry to see to it that no disputes should be allowed to interfere with defence production. But in winter 1940—spring 1941, there was a serious upsurge of strike activity, over wages-and-hours
issues and the completion of union organization in the heavy industries. In consequence, the government established a tripartite administrative tribunal, the National Defense Mediation Board (NDMB), to settle all serious defence-related disputes. Until the fall it succeeded, but then it collapsed over a crucial issue of power and principle which was not susceptible to mediation: the miners' demand for the union shop in the coal mines wholly owned by the steel companies (the so-called 'captive mines').

The 'captive mines' issue was recognized by all concerned as likely to set a precedent. Organized business demanded that the issues of union strength and security be frozen for the duration, as in the First War: no union should be able to exploit a period of national emergency in order to further its own selfish interests, either as a result of collective action or of the award of an administrative tribunal. Union leaders, cooperating fully in the defence programme, assisting the federal government in keeping their members on the job and in limiting their use of their very real bargaining power, believed that they needed and deserved some formal security of membership and income as a quid pro quo, and in order to maintain their organizations and exert some control over the rank-and-file. I

After Pearl Harbor, the federal government looked for a replacement of the NDMB. Roosevelt convened a conference of AFL, CIO, and business representatives to thrash out disputed issues. They were irreconcilable, so all matters of wartime labour relations and, initially, wage control policy were passed on to a new tripartite agency, the National War Labor Board (NWLB), which began to operate in January 1942. I

I. All the sources cited at n. 2, p. 73 discuss this period, but see also Bernstein, Turbulent Years, pp. 752-67 and William H. Davis, 'The Influence of the NDMB's Experience on the NWLB' in National War Labor Board, Termination Report, (Washington, D.C., USGPO, I947-3 vols.), I, xi-xv.
During the 'Defense' and war periods, from spring 1941 until August 1945, most unions were in theory bound by a voluntary pledge not to strike, but instead to take all their unsettled disputes over contract negotiation and administration through the machinery of private arbitration, state and federal mediation and conciliation, leaving the NDMB or NWLB to rule on the remainder. But as the war progressed, and the crisis atmosphere of national unity and industrial harmony following Pearl Harbor became less real and compelling, the voluntary participation of union officials and their members in the time-consuming and unsatisfactory procedures of the NWLB became increasingly qualified and reluctant. Some whole unions - the Mineworkers in particular - abrogated their no-strike pledge, and engaged in official strikes. More general was an upsurge of rank-and-file unrest, directed against their employers and managers, against their 'responsible' union leaders, and against the NWLB and its policies. The federal government took no chances, and added the coercions of the Selective Service (draft) system, the Armed Services, the War Manpower Commission (WMC), and an orchestrated public opinion to the efforts of the 'labor lieutenants of capital' devoted to keeping members on the job. Despite all of these efforts, the problem of unofficial strikes, 'quickies', and 'wildcats' grew throughout the war years, particularly in the strategically-important automotive and rubber industries, until it posed a serious challenge to the control of managers over their workers, and union officials over their members. 1

Throughout the war period, then, workers were restricted in their use of collective power, and never, in the mass-production industries, had the assistance of official union services and machinery in the actions they did take.

Undoubtedly, this limited their ability to improve their contractual terms of employment. But workers had more effective and immediate means than going 'responsibly' through established machinery to protest management's actions and to secure control over their own conditions of employment, even if formal terms were fixed elsewhere. Official levels of the union were hamstrung by their collaboration in the war effort: as far as possible, they increased their centralized, bureaucratic control over the bargaining process, to hold rank-and-file pressures in check. But such control was far from perfect, particularly in young unions like the Auto and Rubber Workers, with their traditions of local autonomy and activism.

As a result, there are two levels at which one can study wartime labour relations: the formal and official, at which union bureaucracies cooperate, however reluctantly, in limiting their members' demands and gains, in institutionalizing industrial conflict, and in domesticating their own organizations; and the informal, local, and unofficial, at which individuals take their own courses of maximum advantage in a time of overfull employment and intrinsically high workers' bargaining power. Groups of workers, very often using local union machinery, worked for extra-contractual control over the conditions of their employment and over the effective power of management. Clearly, the problems posed to management by these two sorts of action were quite distinct, and the reactions they evoked were characteristically different.

In the second section of this chapter, I shall describe and account for the wartime problem of wildcat strikes and 'job actions', seen from management's perspective. In the third, I shall treat of the much more serious problems they perceived as the result of the institutionalization of industrial conflict and the bargaining strategies and objectives of 'responsible' unionism.

I. Of all the secondary literature, Lichtenstein, 'Industrial Unionism Under the No-Strike Pledge', provides the fullest account of these matters.

In recent years, the wildcat strike wave of 1942-45 has received considerable attention from labour historians, generally of the New Left-ish persuasion, whose analyses of the causes of these strikes have generally revived the conclusions of contemporary critics of the no-strike pledge within the unions themselves. Wildcat strikes and informal pressures for job controls have been viewed as a natural and rightful response to managerial provocation, to NWLB delays and unsatisfactory orders, and to the desertion of their members' interests by official union hierarchs.  

Wildcat strikes were a serious problem for responsible unions and managements in the automotive, steel, rubber, farm equipment, and electrical manufacturing industries in particular. They indicated a loss of influence with the membership, because of a too-faithful adherence to the no-strike pledge and the orderly procedures of collective bargaining and the NWLB. And they were costly: in order to escape either the loss of 'union security' contractual provisions, or some more serious NWLB-imposed penalty, unions had to intervene strongly to further repress dissident sections of their membership. Union leaders faced an uncomfortable choice: in order to avoid inciting public opinion and the Congress to take harsh anti-strike positions, and to maintain that collaboration in the war effort to which they were committed, they had sometimes to take measures they knew to be alienating members' loyalties and not serving their interests. The NWLB's requirement that unions should not support or condone strike action even against managerial provocation was especially galling, as this was a real problem:

in the automotive industry, for example, both Ford and Chrysler managements, compelled to deal with the UAW but by no means reconciled to it, exploited the union's no-strike pledge to the company's advantage by 'stalling' or 'stonewalling' on grievances over matters of discipline, discharge, production standards, safety, job rates, etc. They were confident that their workers would not generally strike, and that, even if they did, the union not the company would have to suffer public condemnation and put out its best efforts to get the men back to work. I

The size of the wartime wildcat strike movement should not be exaggerated. Wildcat strikes were concentrated quite disproportionately in the greater Detroit automotive industry and in the Akron rubber plants. The peculiar organizational histories and internal character of the UAW and the URW, and the explosive community settings of Detroit and Akron, help account for this. Most wildcat strikes were affairs of the moment. Their support, even within plants badly affected, was often small and qualified. In the long term, they were not particularly significant. Nevertheless, they were a serious immediate problem, particularly for those managements in the politically-active and highly-articulate automotive industry. They created practical difficulties of workplace


On similar problems in the steel industry, see 'What's Itching Labor?' Fortune, 26:5 (November 1942), 101-2, 228-36.

For a rather different interpretation of the nature of wildcats, see Jerome F. Scott and George C. Homans, 'Reflections on the Wildcat Strikes', American Sociological Review, 12 (1947), 278-87. But much of their information is not inconsistent with the above analysis.
discipline and productivity, and seemed to be one part of a worrying struggle for power and authority in labour relations. Management's expressed anxieties reached a crescendo - as did wildcat strikes - in 1944-45, and helped stimulate a determined effort to recover control over the workforce in the workplace during the reconversion years.

From a managerial perspective, the causes of wildcat strikes were straightforward: laxity, not provocation, on the part of management, particularly those of its representatives in daily and intimate contact with workers; and immoral pressures from workers, individually or in groups, led or supported by their unions' local officers. This latter viewpoint is most clearly expressed in the extremely important testimony of automotive company representatives before the Senate War Investigating (Mead) Committee in March 1945.

General Motors' position is especially noteworthy. GM's problem of wildcat strikes was only one-fourteenth as serious, in terms of man-days lost, as the industry average. But it was increasing throughout the war. Because of GM's well-known policy of disciplining ringleaders and participants in wildcat strikes, instituted before the war, and perhaps also because of a more intelligent, less provocative management attitude towards the administration of its contractual rights, the company was able to assist Walter Reuther in maintaining discipline within the UAW's GM Department. However, GM was not satisfied with the less-than-perfect outcome, and its explanation of the reason for the strikes and for other, less open, challenges to managerial control tallies with that of more seriously affected companies.

1. For the background to these Hearings, see Automobile Manufacturers' Association, Freedom's Arsenal: The Story of the Automotive Council for War Production (Detroit, The Association, 1950), Ch.6.
This barrier which disturbs me so much is represented by the apparent reluctance of too many of our production employees to work as hard as they could without undue strain on them physically. Too many employees are loafing and wasting their time despite the fact that they are getting high pay for their efforts. . . .

Most of the serious strikes which have occurred in General Motors' plants during the war were caused by the refusal of small groups of our workers to meet production standards which we know to be very reasonable.

If management was silent about its role in the provocation of wildcat strikes, it was at least openly self-critical about the extent to which companies had conceded to individual and collective pressures. The problem of managerial relaxation of its controls over the workplace was much more general than the wildcat strike. It affected, in particular, the durable goods and heavy metal-working industries, only recently unionized and especially strained by wartime expansion and conversion to all-out war production. This problem was the most serious of the hidden costs of the so-called 'miracle of production' which caused Westinghouse Electric's vice-president Newbury to speak of such industries as 'war casualties'.

What determined management's actual behaviour in much of workplace industrial relations in wartime was the fact that the peculiar circumstances of the war economy weakened its inclination to resist union or worker demands which increased costs, lowered labour productivity, and eroded managerial authority and control. Cost constraints were relaxed, and continuous production was the primary objective.


Production costs are relatively unimportant during a war. Quantity and quality are uppermost in everyone's mind. Military products wholly new to industry are placed in production with little or no idea of what they should cost, and the customer cares little about their actual cost so long as the goods are delivered. Yardsticks for cost measurement do not exist in most cases. Cost controls are relaxed or even abandoned. The manufacturer is usually assured the return of his full cost, regardless of inefficiency, with a fixed profit to boot. Renegotiation confiscates a major share, if not all, of the reward for reduced costs. These conditions soon destroy the cost-consciousness of any organization.

Packard's former local union president asserted that the company had hoarded labour and tolerated loafing from 1941 until late in 1944, whilst NWLB chairman George Taylor believed that the major breaches in the counter-inflation policy had been made by management, pursuing labour peace and adequate manpower by the maladministration of wage systems as a way of getting around strict NWLB prohibitions against direct wage increases. Widespread practices included the 'demoralization' of incentive schemes and production standards, misclassification of jobs, rapid upgrading of workers to supposedly more skilled positions, and allowing excessive overtime. Such practices might result from workers' pressures, but they were also the natural response of management to conditions of manpower shortage in a controlled, but overheated, economy.  

More serious than wage drift, by itself, was the underlying fact of managerial adjustment to a situation in which 'labor was scarce, independent, articulate, impatient of delay or restraint.' Business had to cope with 'green help', not conditioned to accept industrial discipline, and with general changes in workers' attitudes and behaviour once freed from the fear of unemployment. There was a rather general lowering of employee morale ... reflected in absenteeism, tardiness, early wash-up, disinterest in application to the job, lessened pride of workmanship, insubordination, and just plain soldiering.

The old disciplinary sanctions - temporary unpaid suspension, or layoff - lost their effectiveness. The first might provide a welcome break from continuous overtime, or the opportunity to 'moonlight'; the second, an opportunity to change jobs, free from War Manpower Commission Controls.

In many cases, what management saw as indiscipline - what one might term a unilateral renegotiation of the effort bargain, a disinclination to work 'whistle to whistle excluding rest periods' - was allowed to increase by foremen and supervisors as they learned the difficulty or futility of taking remedial action. Faced with demands of higher management for continuous production and labour peace, and with the likelihood of opposition by workers and their union stewards, members of management actually in contact with workers caved in. As a result, the enforcement of shop rules prescribing management's ideas of 'reasonable and orderly' behaviour, the setting and enforcing of production

1. Irving J. Phillipson (director of Industrial Relations), address given at Joint Botany Woollen Mills- Textile Workers Union of America, CIO, Training Program, 18 Sept. 1946, p.7 (mimeographed).
3. Hill, 'How Can We Meet This Challenge', p.6
standards, and the exercise of traditional controls over the disposition of the labour force, all suffered. 43 percent of a sample of manufacturing firms questioned by the NICB in 1943 agreed that implementation of discipline had been relaxed, though most added that the slackening was only slight.

The effect of such pressures was to encourage the development of unofficial job controls which went far beyond the areas sanctioned by the language of contract, and also of some formal agreements enshrining these controls in companies which had neither the bargaining power nor the determination to resist. One major problem for management - and for federal agencies interested in maximum output - was the setting and enforcement of production quotas by groups of workers. Numerous instances of this practice were disclosed or alleged in the Detroit hearings, and two important cases of wildcat strikes to enforce such quotas led to the noteworthy decisions of the NWLB and of Ford's umpire, Harry Shulman, to endorse in ringing terms the necessity of orderly procedures in industrial relations, backed by management's exercise of the right of summary discharge.

At the Muskegon, Michigan plant of Borg-Warner Corporation's Norge Products Division, forty-one workers had walked out because the management refused to discipline a 'ratebuster'. They were fired, and the case was appealed to the Detroit Regional War Labor Board, which ordered their reinstatement, without backpay but also with unimpaired seniority. The NWLB overruled the lower board, giving a classic and simple statement of management's right to discipline 'for cause', leaving the union the right to question such action through the grievance procedure, as far as arbitration. Arbitrators,

meanwhile, followed the NWLB's lead in deciding what constituted 'proper cause', and in limiting the rights of workers to seek redress immediately, without recourse to formal procedures.

Production control and attendant matters were the thorniest problem, but there was a similar pattern of extra-contractual job controls in less sensitive areas, as, for instance, the making of promotions to better paying jobs within the ranks of production workers on the basis of seniority. Management made little resistance to allowing seniority to rule in cases of layoff and rehire, but the de facto extension of the seniority system to cover matters of manpower utilization and placement within the plant was viewed more seriously. The contract might state that only where 'merit or ability' were equal would seniority rule, but faced with the likelihood of a shop steward's protest, and the difficulty of proving one worker superior to another, foremen often conceded the right of the more senior worker.

Perhaps the best way to understand the extent to which this process of extra-contractual compromise between steward and supervisor might develop is to read the testimony of Packard foreman Richard Bone, instructed by his superiors to cooperate with the union in the interest of maximum production, but given no firm guidance:

> There is never a move I make in the department that he (the steward) doesn't know it. We talk things over, seniority, raises, movement of men. If the night shift is short a man, he even allows me to put an extra man in there, running, say, three men on two machines.


Similar arrangements between local unions and plant managements had the same effect, increasing the degree of actual job control exercised by workers and their locals. Sometimes such arrangements were formalized; at other times, they remained as 'understandings'. They reflected managerial adjustment to the unpleasant reality of having to take the fact or probability of union resistance into account before determining on a policy or attempting to implement it.

(There has been a tremendous change in labor relations. You don't run your factory if it is unionized; you merely cooperate with the union and try to get it to do the things you would like to have done.)

In the automotive industry, it was marginal companies like Packard and Studebaker, or parts suppliers forced to meet their powerful customers' demands for firm delivery dates, who caved in most completely to union demands for a voice in the determination of production quotas and the administration of personnel procedures. Murray Body agreed to union participation in work measurement; Packard discontinued time studies altogether in its Naval Engine department; Studebaker shop stewards enjoyed a veto on questions of work standards and line speed; Bundy Tubing Co., forced to discontinue piecework by the UAW before the war, turned to a form of measured daywork, abandoning that in turn in May 1944, as 65 percent of its grievances involved time studies and standards. Instead, it asked simply for a 'fair day's work... I can't honestly say that the results were better, but they were no worse, and we eliminated one type of grievance.'

Between 1937, when the union entered, and 1945, when joint action was taken to save the company from closure, productivity declined by an estimated 55 percent. 

Undoubtedly I take my examples from the best source in concentrating on the automotive industry's problems, but they were simply an exaggerated version of a commonly-experienced crisis of productivity and authority in the durable-goods industries in the war years. The compromises many managements had to make with their employees and local unions left them worrying problems of lowered labour productivity and demoralized workplace discipline which they would have to confront in the postwar years. I

The opportunity for tightening up on discipline and abandoning the policy of making concessions to guarantee interrupted production came in 1944, as the war production programme passed its peak. With the termination of contracts and the first large reconversion layoffs, management was again in a favourable position both to provoke and to take strikes as the cost of reimposing control, and to launder its workforce of inefficient or disruptive workers and their leaders. For example, the Williamson Heater Co. of Cincinnati chose that time to institute a model programme of retrenchment. It understood well the direct connection between the manpower shortage and war economy, on the one hand, and the slippage in its productivity and workforce discipline. Actual labour costs were 65 percent over computed standards. Partial reconversion to civilian production began, and a new works manager was installed to supervise the implementation of the new hard line. Rules and regulations were reduced to writing, for uniform enforcement and compliance. Explicit penalties were prescribed, including 'separation' after two fair, written warnings. The results were valuable.

I. R. Herding, Job Control and Union Structure: A Study on Plant-Level Industrial Conflict in the United States, With a Comparative Perspective on West Germany (Rotterdam, Univ. of Rotterdam Pr., 1972), esp. pp. 30-1, 41-2, 346-9; Mangum, 'Taming Wildcat Strikes', passim, and Slichter et al., Impact of Collective Bargaining, pp. 331, 492-5, 666, 818-20; see also W. F. Whyte, Pattern for Industrial Peace (New York, Harper & Bros., 1951), Chs. 2-5, for an interesting study of a militant steel fabricating local.
Enforcing a rule which puts a man at his post of duty at the starting time, holds him there throughout the day, and prohibits leaving his post to wash up before quitting time, contributed importantly to a full day's work for a good day's pay.

Reconversion, and the anticipated return of unemployment, were expected to help management solve many of its wartime problems. Workers would feel less secure in violating managerial directives, or in resisting its attempts to tighten up. At Packard, union officers believed their management toughened in late 1944. The company stalled on grievances, after years of cooperation with the union. It engaged in a large-scale job reclassification programme, to lower overall wage costs on civilian production. It made discriminatory recommendations to local Selective Service boards, to have difficult shop stewards reclassified as I-A instead of being essential war workers. Its objective? "(D)isintegration of the union'. The reason? 'I think they would (go bankrupt) if they followed the same line of thought they followed on the cost-plus contracts they are now operating.' 2

Other reports of automotive industry intentions bear out such UAW allegations. A number of companies had decided to make an issue of productivity and disciplinary matters before the war's end. Unrest was expected to ensue over layoffs, the reduction of overtime working, transfers and downgradings of workers, retiming and reclassification of jobs, and other steps designed to raise the amount of output per unit of labour cost, and to recover control after years of disorder. It would be no easy task. As one industrial relations director put it, in the words of the 1918 hit song, 'How Ya Goin' To Keep 'Em Down On the Farm, After They've Seen Paree? ' 3

Management considered the actions of informal work-groups and unofficial union pressures as only a part - and not the most serious - of a general 'Union Challenge to Management Control'. The return of normal circumstances - a euphemism for unemployment - was expected to provide a suitable context for managements wishing to tighten up on question of labour cost, discipline, and productivity. A happy outcome was not likely to be entirely automatic, but there is a large element of simple 'What goes up, must come down' reasoning in management's predictions for the future of workplace labour relations. The strains of war had exacerbated problems inherited from the organizing phase of industrial union activity in the late 1930s, and had postponed managerial action for their solution. But management was confident that it had the resources to stabilize the situation on acceptable terms.

Radical labour historians of recent years have concentrated their attention on wildcat strikes and other efforts at job control. Contemporary managerial observers, however, were much more impressed by the serious and lasting limitations on their freedom of action resulting from the orderly collective bargaining achievements of bureaucratic unionism, assisted by the orders of arbitrators and the NWLB. The crisis of authority which worried them most was not the temporary, reversible loss of control and productivity at the workplace, but the almost political, highly formalized challenge offered by industrial unions, no matter how 'responsible'. They realistically expected to have to continue to deal with a historically-strong labour movement. They attached great importance to the formal industrial conflict in which they were active participants, and which was much more visible to them than the pattern of day-to-day accommodation at the workplace. Following their judgement, I shall now turn to an examination of the formal 'union challenge to management control', and their perception of it.

I. Hill, 'Production Problems and Policies', esp. pp. 10, 12; 'Where to Trim Those War-Swollen Costs'; 'What Will Happen to Wages', F&M, 103: 6 (June 1945), 82-7 at 87.
In the labor leader's way of thinking, there is no conceivable concession which the employer should not make, no obligation which he should not assume. Annual wages, private social security systems, early retirement, twenty-five hour weeks - all are completely within the realm of economic possibility. Of course, control of management is possible, too; and so is the distribution of profits; and advertising policy; and marketing and production methods . . . . If you ask for a lot, you can always get some; and if you keep asking long enough, you get the whole thing.

But there is a limit to everything. The limit here might be the relinquishment of the stockholders' last right - the ownership of the corporate stock. The one-way operation would then have achieved its ultimate goal. If this is not to be countenanced, then some limit has to be set before that end is reached. What is that limit, and who will set it?

Formal confrontations between organized labour and the business community were a very important feature of the social landscape during the late war and reconversion years. In the negotiation and day-to-day administration of contracts, in propaganda and in political action, conflicts were frequent, serious, and rhetorically bitter. To contemporary business observers, the stakes appeared to be high.

Industrialists interviewed by E. Wight Bakke in the fall of 1945 were angered by unions' tendencies to incorporate extraneous considerations of 'aggregate purchasing power, full employment, human rights, the American standard of living' into the justification of their wage claims, and irritated at the specific restrictions unions imposed on management's control over the workforce in the workplace. They were possessed of a general uneasiness - 'anxiety ... about the future; uncertainty as to where this process will end.' Another investigator reported that, for executives

In several large corporations whom he had questioned, the issue of management prerogatives had 'significant characteristics of a power struggle', with the stakes being not simply the reversal of trends which had led to 'a lessening of efficient production' but also the preservation of the 'general concept of authority' - against wildcat strikes and other direct challenges to supervisory control, and against an 'unwanted economic order.' Corporate lawyers and management spokesmen published volumes of analysis of the problem, and prescriptions for dealing with it - some of them rather quixotic, others intensely practical. 2 Neil W. Chamberlain produced his indispensable work - similar in many respects to those of Bakke and Turnbull, but including a survey of practice in labour relations - from which I have drawn the title for this section, and to which I acknowledge my debt. 3

What were the realities of union infringement on management control, potential or already achieved? What was its significance? Why did some of the most articulate spokesmen for 'center firms' in American industry take the threat of growing union power so seriously, and describe it in such apocalyptic terms? These are the questions to which I shall address myself in the remainder of this chapter and all of the next. I shall then detail and explain what they did about it.


The National War Labor Board and the Institutionalization of Union-Management Relations, 1942-1945

As well as the wartime pressures for contract improvements that organized labour could exert, there was one critically-important engine behind the increased joint regulation of matters which had, a few years previously, been management's exclusive preserve. This was, of course, the NWLB. The NWLB came into operation on 12 January 1942 and remained the most important influence on the pace and, to some extent, direction of the evolution of the American labour relations system until VJ Day. Its powers were based in the formal consent of the representatives at the December 1941 Labor-Management Conference, in the war powers of the president, and, after the Smith-Crack (War Labor Disputes) Act of 1943, in statute law. As the war went on, the NWLB developed from a dispute-settlement into primarily a wage-control agency, was subordinated to the Office of Economic Stabilization in developing policy in the latter area, and encountered mounting opposition from Business and Labour, dissatisfied, for different reasons, with its performance. The administrative and political history of the NWLB has been well - though not completely - written.

What concerns me here is its impact on the industrial relations system.

The NWLB was tripartite in structure: initially, it had twelve members, four each representing Labour (two AFL, two CIO), Industry, and the Public. The public members had a continuous,


In addition, the NWLB plays a leading role in all of the accounts cited at n. 2, p. 73 above.
expert presence on the Board. Theirs was the casting vote in the frequent cases, often the most important, where the partisan representatives were at odds. Their work complemented that of other forces - the NLRB, the growing band of arbitrators, senior union officials, parts of the business community - with an interest in, or a commitment to, the orderly institutionalization of industrial conflict. As a result, the NWLB left lasting imprints, not ephemeral traces, on America's labour relations. In the account that follows, I shall emphasize the public members' role and contribution, and begin my explanation with a brief description of America's first generation of labour relations experts to possess real power.

Public members were generally experienced labour lawyers or economists, skilled in mediation and arbitration, committed to the development of an industrial relations system in which the triple virtues of efficiency, order, and representative democracy would be served. They believed in the Wagner Act's legislative philosophy, and in strong, responsible unions as agents in its implementation. They believed in decentralized and voluntarist dispute settlement by negotiation between unions and management as a preferable alternative to both unilateral determination by employers and the imposition of terms by the state.

They worked for the creation of a 'common law' of industrial relations, formalized in contract, interpreted and enforced by negotiation between the parties and by the forceful intervention of expert outsiders, the Impartial Umpires or Arbitrators who followed NWLB public members' lead and were often, in any case, public members or NWLB staff members themselves. Public members were not outright partisans of organized labour, although they were sometimes accused of being so. They paid full recognition to the rights of owners and managers to direct their enterprises, but qualified the arbitrary exercise of that power by insisting on the rights of responsible unions to a voice in the determination of the conditions of employment of their members. Such determination was to be as orderly and non-disruptive as possible: written contracts were to be negotiated for fixed periods; disputes arising during their life, over their meaning or application, were to be settled by negotiation and arbitration. The NWLB wrote into law the contract-policing role of unions in collective bargaining: management acts and the Union grieves. To management lies left the right of initiative and a broad discretion. The union can seek redress, but not at the cost of disruptive industrial conflict.

How did public members - given that world-view, and having to produce workable settlements in the disputes with which the Board was presented - deal with the prickly question of union security, which had proved too difficult for the NEMB? They and the Board felt their way towards an acceptable compromise in the early months of 1942, and finally developed lasting policy in the 'Little Steel' case. After four years of NLRB pressure, litigation, piecemeal organization, and some strikes, the four 'Little Steel' companies had been forced to recognize the Steel Workers in spring 1941. Negotiation of the first contracts, however, stalled, and the disputes were handed over to the NEMB for settlement.

The combined 'Little Steel' case was by far the most important the NWLB inherited. National counter-inflation policy required that the workers should be denied any substantial wage
increase. But the NWLB was fully cognizant of the union's problems of internal control, troubled as it was by a dwindling and disaffected membership, disappointed at the small gains from unionization. As compensation for a disappointing wage award, and as a reward for the union's responsibility in not pressing its members' interests more vigorously, the Board granted a 'maintenance of membership' clause in the final contract, together with a 'checkoff' provision. Those workers who already were, or subsequently became, union members must remain so for the duration of the contract, and have their dues deducted by their employers at source. In return for its full-hearted cooperation in the war effort, the union was granted organizational security and an enhanced measure of disciplinary control over its members - at least for the duration.

The 'Little Steel' formulae - for strict control on direct wage increases, and for maintenance of membership - were the twin pillars of the NWLB's policy. Maintenance of membership was less than the labour movement had wanted (the 'union' i.e. post-entry closed shop). But it was offensive to the libertarian principles of industrialists who had been brought up to believe in the 'Open Shop'. It went against the grain to have to recognize the institutional existence and legitimate rights of organizations widely considered un-American, anti-management, Communist, and not truly representative of the good body of loyal employees.

1. James McGregor Burns, 'Maintenance of Membership: A Study in Administrative Statesmanship', Jnl. of Politics, 10(1948), 101-16; Frank P. Graham, 'The Union Maintenance Policy of the War Labor Board' in Warne et al., eds., War Labor Policies, pp. 145-59; Lichtenstein, 'Industrial Unionism', Ch. 4. Graham was the public member who wrote the 'Little Steel' opinion.

Before the war, no large corporation except Ford Motor (in mid-1941) had gone very far beyond recognizing unions either as representatives of their members only, or of all workers in the bargaining unit for bargaining purposes only. Formal union security was rare. But under the NWLB, managements were compelled to agree to union membership as a condition of their workers' continued employment, and to assist union administration and discipline by 'checking off' dues, fines, and assessments, and sacking workers ejected from their union, often for internal political opposition. The rights to hire, fire, and work were well and truly violated. This was objectionable, but in addition the more formally secure the union, the less likely any hope of deliverance from it at some future date, when a conservative Congress might drastically amend the Wagner Act and the return of high unemployment, postwar, would surely lower workers' ability to strike effectively in defence of their union's rights.

Union security went far beyond mere membership maintenance. NWLB public members also recognized that union officials and machinery had an important part to play in in-plant grievance handling and orderly contract policing. The NWLB encouraged the development of decentralized dispute-settlement institutions both because of its members' beliefs and because of the pressing need to settle disputes as near their origins as possible, rather than impose an excessive workload and delay on the NWLB's already-overburdened structure. But if responsible unions were to take their part in orderly contract administration, then employers ought to grant them, by contract, the status and facilities to enable them to perform their job adequately.

However, one aspect of industry's traditional ideological approach to the problem of unionism had been to regard

'our men' as essentially sound, though ill-informed and easily misled, and to see the roots of industrial conflict lying outside the plant, in the workings of labour agitators and union officials. When a company was forced to deal with a union, despite its principles, these convictions were reflected in resistance to the efforts of national unions to make labour relations anything more than a matter of negotiation between a single management and its employees, or their direct representatives who were also employed in the same firm - preferably, in the same plant. In this schema, union officials are the stimulators of discontent, not its mediators and moderators.

Of course, union officials often did perform an agitational role, particularly in those CIO unions which had scarcely emerged from the insecurities of the organizing stage. But, as applied to a responsible union, one cooperating in the war effort and assisting management with its personnel problems, any such characterization was manifestly unfair. Businessmen's principles (or prejudices) and the realities of wartime industrial relations as they experienced them were often at variance, on this and other similar matters. For example, many industrialists, in practice, went along with NWLB public members, union officials, and progressive management spokesmen like NWLB industry members Ching and Roger Lapham, who understood that only a strong, secure union could afford to be cooperative and thus contribute to the development of sound labour relations. But the libertarian-individualistic principles remained: management must adhere to its conscientious opposition to union security, 'except that nothing is more hopeless than to have to deal with a weak union, irresponsible because of its weakness'. Similarly, efforts of the union hierarchy to entrench itself must be fought, but 'the international and local officials are often less radical in their demands than the rank and file who

I. R.S. Livingstone, 'Settling Disputes Without Interrupting Production', Management Record, 4 (1942), 385-91, for an especially good statement of this position by NAM activist Thompson Products' vice-president for personnel.
roll the snowballs for them to throw."

As a result, the NWLB had to fight against a stubborn rearguard action by managements far from reconciled to the fact of having to deal with a union, and attempting to maintain a 'hands off' or 'arms' length' policy, confining recognition of the union's institutional existence and legitimacy to an absolute minimum. The NWLB had to give such firms an education in the practical and procedural necessities of labour relations, just as it had 'instructed' them in the political role and difficulties of responsible union officials.

If union officials were to perform as 'fire fighters', processing difficult grievances and holding the lid on local unions' discontent, they had to be allowed access to their members at work.

Employers sometimes objected to this practice on the ground that they alone have the right to decide who may enter the plant and under what circumstances. They sometimes contended also that such visits ... disrupted production and lowered morale.

The NWLB supported union demands for access, as long as the company was given prior notice and/or allowed to have a representative accompany the outside official. Similarly, the Board recognized the part local officers had to play in grievance handling, and would require that they be paid or in other ways compensated — as, for instance, by enjoying automatic top seniority — for this important activity.

The case of General Motors well illustrates the attitudes and practices the NWLB had to confront, and try to correct. In its 1942 contract negotiations with the UAW, the company called for the halving of the number of local union committeemen, the elimination of their special privileges —


paid time for grievance handling, relative freedom of movement within the plant, extra job security in the form of a preferential seniority rating — and the general reduction of what it saw simply as time and money wasted, opportunities for agitation created.  

QM was denied its requests by the NWLB, but did not come easily to heel. In September 1944, the UAW still had to obtain the Umpire’s and NWLB chairman George Taylor’s intervention in order to get QM to agree to the plant access written into the contract as a union right; and in the negotiations to end the long 1945-1946 strike, the right of plant entry by international union representatives remained one of the provisions QM wanted to eliminate from its contract.  

Enhancing union officials' status was only a part of the NWLB's programme for making everyday labour relations work better. The NWLB paid particular attention to the development of improved grievance procedures in mass production industry. Before the war, when unions had been but recently organized and were still fighting for full recognition, typical grievance procedures had been either informal or extremely complex, with a hierarchy of dispute-settlement conferences. In either case, there was no way of settling a difference quickly, or after the breakdown of negotiations at the last stage, except a strike. Managements had no experience in

1. 'Guns and Butter: the Paradox of Collective Dealing', Personnel, 18 (1942), 322-38 at 334. The same set of demands was recommended to other firms by the anonymous author, as reasonable and worthwhile.  
contract administration, and a reluctance to extend the scope of collective bargaining; some unions were less interested in constructing grievance machinery to bring about orderly settlements than in prosecuting every grievance as an agitational device. Furthermore, an informal system - in which direct action, such as the 'quickie' strike, or harrassment of supervision, or the real threat of it, was used to bring speedy enforcement of workgroups' will - could be more effective than a formal system. This problem of inadequate habits and systems of grievance adjustment was carried over into wartime, when, as I have explained above, workers' intrinsic bargaining power was extremely high, and - paradoxically - responsible unions' prosecution of formal grievances was hampered by management's knowledge that the union was pledged not to strike. Chrysler management was an especially bad offender, and it was in his ruling on the 1943 Chrysler case that NWLB vice-chairman Taylor, GM's second Umpire, said:

Collective bargaining is not confined to the making of an agreement once a year. It is also a day-to­day process and, on this score, the grievance procedure plays a highly important role. The grievance procedure should be set up so as to make unnecessary unresolved disputes over the application of the agreement.

The NWLB was not faced simply with management obduracy (and in some cases union 'irresponsibility' in swamping unwieldy grievance procedures as a means of harrassing management). It also had to deal with parties inexperienced in collective bargaining, negotiating their first proper contract, or tempted to leave all hot and difficult issues


3. See policy of UAW Local 50 at the Ford (Willow Run) plant, in Bomber, 18 Feb. 1944, cited by George Romney in Manpower Problems in Detroit, p. 13,565.
to the Board for settlement. The result was an overloading of the Board's machinery, leading to delay—which in itself became a cause of unauthorized strikes, to command speedy attention to festering, unresolved grievances— and, finally, the decision to decentralize and establish a dozen regional boards and a number of industry commissions. This was a partial answer: but the NWLB also devoted itself to the improvement of collective bargaining habits and machinery. It put pressure on the parties to exhaust the possibilities of cooperation and voluntary mediation before bringing unresolved disputes to the Board. But in the final analysis the NWLB did have policy-making and enforcement powers; its policies were uncertain and changing throughout the war; so parties had no choice but to resort to the Board in many cases. In consequence, the net effect of the NWLB on contract negotiating practice may have been harmful, as some commentators believed. On contract administration, however, NWLB orders had a distinct and lasting beneficial effect.

Efficiency and order were the Board's watchwords in establishing grievance procedures. It set no fixed pattern, but followed certain ground rules: there should be a limited number of steps, with reasonable time limits at each stage, to speed settlements, and a different level of union and management officialdom handling each step, up to direct, top-level contacts over unresolved grievances. Beyond the final stage of negotiation came arbitration, and the Board moved from ordering the parties to include a 'mutually satisfactory' form to requiring a clear definition of the arbitrator's role and powers. It preferred to see the appointment of a permanent arbitrator, and would nominate

one or designate an appointing agency (usually the American Arbitration Association) if the parties could not agree. From I July 1943, final and binding arbitration became firm NWLB policy.

Arbitration had existed before the war, notably in the garment trades and anthracite industry. But the 1940 GM-UAW contract pioneered its introduction into mass production industry. Arbitration violated management's unitary conception of the enterprise - as, indeed, did the contractual determination of conditions of employment through bargaining with an 'outside' union representing employees of more than one company. Arbitration was particularly objectionable, as its results were binding on the parties, whereas in a bargaining power-play management could always say no. As GM's Steve Du Brul had put it in 1934,

in any case in which any compromise would mean serious injury to the true longterm interests of the institution and the interests for which it was created, no Management can be excused if it voluntarily submits the issues to any form of arbitration which involves an irrevocable agreement to abide by the decisions of another party or agency.

In accordance with this principle, GM's basic labour relations policy statement of 1934 ruled that

no case is to be submitted to the determination of any outside agency without the specific authorization of the Executive Committee.

In practice, it was compelled to a limited departure from this position: the authority of the Impartial Umpire was limited to ruling on disputes over the application and


2. Du Brul (Director, Social and Economic Relations), 'Authority and Responsibility in Industrial Management', a talk delivered ... 14 July 1934 in Department of Public Relations, The Responsibility of Management (Detroit, General Motors, n.d. but 1945, procured), pp. 4-10.

interpretation of the contract, excluding the most sensitive areas—production standards and wage rate grievances—where the end-point of the grievance procedure remained the strike, if negotiation failed. Such strikes were not viewed as breaches as the no-strike clause, but the UAW-GM Department was in practice loath to authorize them. As a result, GM management retained a large and unimpaired discretion in the areas of job control most important to it.¹

NWLB industry and public members had sometimes to play the part GM management had been able and clear-sighted enough to in its own case. Some managements were apparently unaware of the implications of the contracts they signed: if the subject matter of arbitrable grievances was left undefined, and the arbitrator given full authority to adjudicate any difference arising under the contract, then the scope of his rulings would be much increased, and the temptation on the union to use the grievance procedure for continuous bargaining to extend the terms of contract quite dangerous. The remedy was to define arbitrable grievances quite narrowly and precisely, to incorporate a form of words protecting management's rights, and to limit the arbitrator's functions to those of contract interpretation.

NWLB public members had no sympathy for downright opposition to arbitration, as this would lead, if successful, to the 'uncontrolled right of unilateral employer action' which was contrary to the Wagner Act, the NLRB's definition of collective bargaining, and the ideal of voluntary, consultative dispute settlement. But public members were willing to support industry members in the latter's efforts to produce arbitration systems conducive to the preservation of order and managerial discretion.²

² Teller, Management Functions, Chs.3-4; Clarence O. Skinner (Washington Representative, Automotive and Aviation Parts Mfrs., Inc.; Alternate Industry Member), 'The Fringe Issues', in Trends in Union Demands: Personnel Series No. 95 (New York, AMA, 1945), pp. 6-14 at p. 10.
The NWLB ordered the inclusion of clauses protecting extensively-defined management prerogatives in agreements, and it stipulated the classes of management action which could be taken to arbitration, leaving management the right to take the initiative. For example,

The union agrees that the operation of plants and direction of employees, including the making and enforcing of reasonable rules to assure orderly and efficient plant operations... are rights vested exclusively in the management of the companies. Should grievances arise through these rights and powers, such grievances will be handled under the terms of the grievance procedure.

Grievances, within the meaning of the grievance procedure, shall consist only of disputes about working conditions, about the interpretation and application of particular clauses of this agreement, and about alleged violations of this agreement, including alleged abuses of discretion by supervisors in the treatment of employees. Changes in business practice, the opening or closing of new units, the choice of personnel (subject, however, to the seniority provision)... or other business questions of a like nature not having to do directly and primarily with the day-to-day life of the employees and their relations with their supervisors, shall not be the subject of grievances and shall not be arbitrable.

In this way the NWLB assisted managements in building fences around unions' attempted extensions of their contractual rights beyond the protesting of certain classes of management action after they had been taken. Its decisions guided arbitrators in their own interpretations. In difficult cases of the kind that managements and unions, both interested in job control, disputed most bitterly...

the transfer and promotion of employees; the day-to-day adjustment of piece rates; the question whether additional employees should be hired for certain operations; the retention or discharge of probationary employees; determination of the work schedule...

1. NWLB, Termination Report, I, 110, 105.
2. Teller, Management Functions, p. 53.
the NWLB's course was either to exempt them from arbitration altogether, or to underline that

the hallmark of a management function is the right to initiate business decisions. Thereby the interest in continuity of production is recognized, the many disputes which are bound to arise over employment problems do not interfere with the running of the business. More, the notion of business problems and conditions is thereby advanced as an overriding set of factors which determine employment. 

The NWLB's orders on arbitration and the grievance were generally in line with American experience in those industries with stable labour relations - especially the garment trades - and were acceptable even to authoritarian employers in a collective bargaining relationship. This was particularly true over that thorniest of wartime problems, the maintenance of in-plant discipline. The NWLB endorsed management's right to promulgate and change shop rules without the union's prior consent. It issued stern injunctions to unions to proceed through the grievance and arbitration system, rather than sanction direct action. 

And, in the Norge case (above, p. 85), it laid down as a basic principle that

Management retains the right to discipline employees for cause and as necessary for the efficient conduct of its operation. The Union has the right to question any disciplinary action as being violative of employee rights. Such rights are subject to arbitration under the grievance procedure.

In short, the NWLB played an important part in defending management's free exercise of a broad discretion without lawful opposition of other than the least disruptive sort. It built on the policies public members had developed in

1. Ibid., p. 56. See also 'Management Functions Recognized by the War Labor Board', Personnel, 21 (1944), 242-56 esp. sections I, 4-20. The report emphasized that the 'Board itself has on occasion amended agreements to return to management, (sic) functions it has bargained away'. (Ibid., p. 242) 2. George Hodge (Manager, Labor Relations, International Harvester Co.), 'Management Principles in Collective Bargaining' in Personnel Series No. 22, pp. 3-6 at pp. 4-6; 'Improving Management's Score at the Bargaining Table' in Personnel Series No. 91, pp. 49-63 at pp. 49-51, 53-56. 3. NWLB, Termination Report, I, 110.
the prewar garment and hosiery trades, and passed on a much larger body of principles and interpretation which an arbitral profession, vastly expanded because of its policies and staffed with its alumni, went on to apply.1

As NWLB vice- (later full) chairman Taylor said, 'It is a tough job to develop a new institution in modern society.' 2 The Board's union security and contract administration policies were obviously capable of being rationalized in terms of a model of the desirable industrial relations system which public members shared with some union officials and, with rather more reservations, with progressive management representatives. But they were also intended to be workable and acceptable compromises, solutions to immediate problems, which built on existing practice and conformed with public policy as expressed in the Wagner Act and NLRB rulings. The NWLB's work was creative, but it was also quite conservative. But that did not mean that its policies were spared business opposition. Why so?

The NWLB contributed to business anxieties about the strengthening of labour power and the entrenchment of labour unions. It also gave a strong push to union pressures for extension of the scope and area of collective bargaining. In addition, the NWLB adopted a number of practices which raised labour costs and made them less flexible - downwards! Postwar 'readjustments' were thereby made more difficult. Such policies were both practically and ideologically objectionable.

For example, the NWLB supported union demands for 'automatic wage progression', i.e. steady movement from learner to full job rate as a matter of presumptive right, denying management a part of its traditional ability to control labour costs and reward the more meritorious employees. Less offensive inflationary NWLB policies were the standardization of

I. See, for example, Lawrence Stessin, 'Is the Arbitrator Management's Friend in Discipline Cases?' Monthly Labor Review, 82 (1959), 373-5, on the character of developing case law.
relatively liberal indirect wage elements, such as shift differentials, sick leave, paid holidays, and longer paid vacations. NWLB rulings here merely formalized and attempted to control the workings of a tight labour market, and tried to keep rising worker and union opposition to the rigid 'Little Steel' prohibition of direct wage increases in hand by legitimizing a certain amount of wage drift. But they resulted in increasingly sticky labour costs, which would be a problem in the event of a recession. Incentive pay and job reclassification schemes could also be used as collusive devices by companies and unions wishing to get around pay control. The NWLB positively encouraged the latter practice, in particular, as it wished to reduce the chaos produced by industry's irrational wage structures. But NWLB policy on job reclassification displeased management hardliners because it gave unions the right to consultation in the drawing up of schemes and in their administration, a measure of contractual participation extending beyond the right to grieve some particular management decision after it had been put into effect.

More serious than the above policies which expanded the scope of collective bargaining, however, was the Board's tentative encouragement of a widening of the geographical coverage


of agreements. An element in American management's design for an acceptable industrial relations system was a wish to confine representation and negotiation to a unit composed of the employees of a single corporation or even plant, and their representatives. The industrial or multi-industrial nature of unions, the multi-plant structure of many large corporations, and established relationships between the wage schedules and economic fortunes of many basic industries, combined to make this policy somewhat utopian. Industrial unions recognized economic realities, and aimed for industry-wide negotiation of basic terms of employment. The NLRB gave qualified support to the establishment of multi-plant or multi-firm bargaining units. And the NWLB added its influence to those already making for the centralization of negotiations.

In part, the NWLB was simply reducing the numbers of cases coming before it by consolidating those concerning a particular, recognizable industry; and its respect for community wage structures and inter-regional, inter- or intra-industry wage differentials, militated against union desires for common basic wage rates. But in the basic steel and Akron rubber cases, the NWLB did seem to be encouraging true industry-wide collective bargaining. Industry was doubtful about the supposed benefits of any such system: it might lead to greater efficiency and order, as its supporters claimed; or it might lead to enhanced union power, a larger scale of industrial conflict, and, inevitably, more federal intervention.

On balance, businessmen were more suspicious of the dangers of formalized industry-wide bargaining than they were hopeful of its benefits. Insofar as the legacy of the NWLB and of the postwar fact-finding boards and wage rounds which replaced it included an encouragement of formal industry-wide negotiations, rather than simply pattern-following, it was the subject of considerable, but not unequivocal, business opposition.

The NWLB was fatally weakened by the end of the war and of the no-strike pledge. It continued to make rulings and recommendations for some months after VJ Day, but they lacked binding authority. In the confused process of building a wage-price policy for the transition from war to peace, its place was taken by ad hoc fact-finding boards, and by industrial conflict of unprecedented scale.

But it did not simply disappear into the dustbin of history: its rulings had exerted a profound influence on the character of the American industrial relations system and on the content of many labour contracts. It had contributed to the education of American management in labour relations matters, and had helped construct bargaining institutions which were to prove useful and lasting in the postwar years. But, in the short run, its contributions to the increase in organized labour's power and security seemed more important.

The Union Challenge: Achievement and Ambition

The character of some of the bargaining demands unions made, and sometimes won, has emerged from the above disquisition on the NWLB. But before I turn to examine why management viewed such developments with so much real concern, rather more detail is required about the kinds of troublesome and objectionable contract clauses unions were seeking in the war and reconversion period, and their significance.

I. 'Should Collective Bargaining Be Limited to Local Areas?' Modern Industry, 12:5 (15 Nov.1946), 116-28. See also below, Ch.5, p.190.
Organized labour's attitude to the question of the proper scope of collective bargaining was pragmatic and incremental. Narrow and explicit definition of the range of bargainable issues was resisted, but in practice most unions only aimed to acquire a measure of influence over important aspects of business' personnel policies and procedures as these directly affected their members' interests. Most of unions' contractual demands related to the immediate 'job territory'. As well as negotiating on wages and hours, they sought to create members' rights to: job tenure, free from dismissal except for reasonable cause shown; a fair and predictable series of limited promotion opportunities; and security against managerial arbitrariness in times of layoff and rehiring. They also influenced job content and reward by developing payment systems and agreed standards of performance. In most cases, they were willing to leave contract administration up to management, with the union's role restricted to that of policing the former's behaviour through the grievance procedure. As a senior Steel Workers official said, foreshadowing the position of labour delegates to the 1945 Labor-Management Conference,

we have no desire to control industry. All we desire is to bargain collectively for wages, hours, and working conditions. The responsibility for controlling industry as such rests with industry.  

But the simple fact was that, in the mass production industries, such subjects had been very largely under unilateral management control until the later 1930s. And unions were expanding the amount of the 'job territory' subject to joint regulation in the 1940s, and in some cases were advancing beyond being satisfied with a limited and merely reactive role.

1. Chamberlain, Union Challenge, esp. Chs. 4-6 and Appendices.
Mainstream labour's pursuit of orthodox objectives in the great tradition of American business unionism lay at the centre of the problem of the 'erosion of management prerogatives' which worried industrialist observers. What was so disturbing was less what had happened than what seemed to be in prospect, as inferred from those elements in some unions' strategy which did seem to constitute a serious challenge to managerial power and authority, and made the modest activities of responsible unions appear to be just part of a coordinated onslaught.

A part of the problem consisted of some local unions' programmes for formalizing job controls and weakening management's powers - an extension of the process described above, p. 87. Probably the most celebrated example of contractual limitation of managerial authority was that of the Brewster Aeronautical Company, which featured in journalistic exposes and a congressional investigation. Brewster was a 'war baby', with cost-plus contracts, weak management, and a strong, militant union which secured such clauses as those requiring that it be notified, and give its consent, before the making of any intra-plant transfer or the imposition of any discipline. Brewster's UAW local thereby acquired a formal veto in all important areas of personnel administration and manpower utilization by the company, whose experience of semi-official stoppages and general unproductive disorder showed where the process of growing union power might lead. I

The same kind of programme could be seen in the Allis-Chalmers Manufacturing Company's dealings with UAW Local 248. A powerful and authoritarian management met a notoriously Red local union, and fought it to a stalemate. I focus on

Allis-Chalmers' experience with Local 248 in order to understand the background to its industrial relations director, Lee H. Hill's message to American management — that the most serious formal limitation on management's authority in the workplace came from union demands for the establishment of joint committees with a more than consultative or advisory status, for restrictions on management's right to initiate change by insisting on the 'mutual consent' of company and union beforehand, for the extension of the seniority system, and for unrestricted arbitration.

Local 248's pursuit of the above objectives illustrated the threats to managerial authority contained in the perversion of the means for institutionalizing industrial conflict, and promoting cooperation, which the NWLB endorsed.

An appreciation of Hill's experience is valuable, as he played such an important part in the managerial counter-offensive — as AMA and NAM activist, prolific writer and ideologue, industry member of the NWLB and of the 1945 Labor-Management Conference, and member of the NAM committee which produced the proposals which powerfully influenced the content and character of the Taft-Hartley Act. Local 248's programme was an extreme case. Hill's response was representative of managerial opinion on the general 'Union Challenge to Management Control' in the durable goods industries.

According to Allis-Chalmers management, Local 248's strategy consisted of a 'campaign of lying propaganda' designed to lower the company's standing in the eyes of employees and the community, and the use of the grievance procedure as an agitational device to harrass production supervision.

As well as such pressure tactics, Local 248 advanced a series of proposals for new contract clauses in 1942, which would have seriously restricted managerial control over the workforce, had they been secured. In such proposals, we find a collation of the more radical job controls some industrial unions, notably the UAW, sought during and after the war. What did they amount to?

Firstly, Local 248 requested that shop rules governing seniority, transfers, promotions and demotions, apprenticeship, leaves of absence, and vacations, be jointly determined and applied only when union and management were in agreement upon particular cases. The union aimed at eliminating shop rules governing falsification of time and work records, insubordination and 'soldiering', repeated negligence, deliberate damage to equipment or materials, and wandering around the plant. These were the rules whose enforcement was crucial to the maintenance of managerial control over the workforce and its productivity. The union also aimed to undermine managerial control by eliminating the contract provisions excluding certain categories of 'confidential' non-supervisory employees from union membership. Inspectors, time keepers, and plant protection men were vital adjuncts to the supervisory force, and their being subject to a measure of union control would surely dilute their effectiveness.

Local 248 aimed to make seniority determining in questions of shift preference, promotion and transfers within the non-supervisory group. It attacked management's right to designate five percent of the workforce 'whose work in the judgement of the Company is of exceptional value and whose length of service is three years or more' as being secure


2. Statement of Allis-Chalmers Manufacturing Company in Negotiations With Local 248, United Automobile Workers of America - CIO, before a panel of the National War Labor Board, 6 July 1942 (processed), pp. 68, 42-51.
in their job tenure against being 'bumped' out by less desirable employees of greater seniority. And it wanted to eliminate the super-seniority of foremen and supervisors, i.e., their right to retain and accumulate seniority after promotion, and thus 'bump' production workers out of a job in the event of their subsequent demotion because of a reduction in the labour force. Such demands were quite normal, but affronted management's determination to retain control over the makeup and utilization of the workforce, to be able to reward the 'loyal employee', and to keep minor supervisory positions attractive. The seniority clause—long, complicated, and difficult to administer—was one of the important battlefronts along the frontier of control. Unions aimed to give their members protection against managerial arbitrariness and some certain sequence of limited promotion opportunities. From management's viewpoint, its rights and necessary discretion were needlessly impaired. 'We do a better job alone than when you interfere with us. You are trying to tie management up in knots.'

As for the grievance and arbitration procedures, their intended purpose was to contribute to stable and orderly industrial relations. But they could be used as a means to hinder, harass, and weaken management. Local 248 wanted to see a grievance defined as 'any controversy ... which is raised by the Union, under the agreement', which would 'make bargaining a twelve-months-in-the-year proposition' and leave all undecided matters to the arbitrator's discretion.

The union aimed, in particular, to make promotion and wage rate (piece rate and time standard) issues arbitrable, it wanted to free itself of management-initiated grievances, whilst subjecting management representatives' actions of which it disapproved to union grievances, on which the

2. Frederick Harbison, 'Seniority in Mass-Production Industries', Jnl. of Political Economy, 48(1940), 851-64; Charles E. Wilson (President, GM) to UAW Top Negotiating Committee, 18 Feb. 1946, typed transcript in WPR PPM Box 2, Folder 12, AALH.
arbitrator would be final judge. Finally, Local 248 wanted to turn the grievance procedure into a device for increasing the union's status and power. The company pursued a 'hands off' policy on union membership, neither granting union security nor recognizing the union's legitimate institutional existence. Employees were supposed to present their grievances to their foremen first, in order to bolster up his authority and weaken that of the union steward. Local 248 aimed to gain sole control over access to the grievance procedure for its own officers, thereby raising their status and increasing their ability to press non-members to join the union as the only guarantee of equitable treatment. The union also wanted to increase the burden of grievance handling on management, by insisting that all union-management conferences be held in working time, and that time limits in the first steps of the procedure be very short. This suggestion threatened real problems for production management, especially in the context of 248's tactic of 'swamping' the grievance procedure, particularly before negotiations.

Union bargaining strategy at the level of the workplace threatened managerial control, and was much more threatening. Much more threatening was the fact that some of the leaders of the largest CIO unions - Phillip Murray of the Steel Workers, Walter Reuther of the Auto Workers, and, in a different sense, Sidney Hillman of the Clothing Workers - were ready to challenge business in political action and in claiming a voice in the management process itself. This inspired the Automotive Council for War Production's spokesman George Romney to talk of its programme as 'a selfish drive ... for more, more, and more power - political, social, and economic power' aiming ultimately at the creation of a 'CIO superstate' and 'cartelization of American industry.'

It was easy to construct an apocalyptic vision of the long-term significance of each separate aspect of the 'union challenge', given greater power to inspire anxiety and move management to forceful, considered counter-action because they fitted together into an economic, ideological, and political threat. The apparent intention of some unions to undermine management's workplace control was the first stage in the supposed takeover process; industry-wide bargaining on basic issues of corporate policy the second; state intervention, the third.

There was a measure of truth underlying these fears. Some industrial unions did display a 'dynamic job-consciousness', departing from their concern with the job territory, and satisfaction with a reactive role, to demand a voice in the making and administration of a much broader range of management policies than simply personnel-related matters. In the 'defense' period, Murray and Reuther proposed the establishment of a hierarchy of joint labour-management councils to coordinate the defense production effort. They wanted to protect their members' interests, and to give their organizations some more effective representation in the mobilization programme than purely advisory participation in federal agencies afforded. Nothing came of their proposals, except perhaps in the very dilute form of plant-level War Production Drive committees set up at the suggestion of the War Production Board. Even these innocuous bodies, dedicated to plant-level union-management cooperation in maximizing output, boosting morale, and solving some wartime problems - for example, transport and housing in war boom communities - aroused the suspicion of authority-conscious managements, like that of General Motors, which did not accept them in war, or terminated

them in Reconversion. 1

Far more serious in principle than the interest of some unions in plant-level cooperation was the apparent threat to the autonomy of individual managements represented by the industrial unions' drive for industry-wide determination of, first of all, basic labour conditions, and beyond that, such important matters as corporate pricing policy. Organized labour's 'industrial statesmen', Reuther above all, appreciated that corporate decisions on pricing, investment, and plant location could undermine the union's strength, its members' employment opportunities, and the value of negotiated economic gains. In the transition from war to peace, they were extremely concerned about the prospects of postwar recession, unemployment, and/or inflation. It was natural for union leaders to try and use collective bargaining as an imperfect tool to forestall these anticipated problems, particularly after their preferred approach, political action, failed. 2

Political action via the CIO-PAC aimed to strengthen the forces of political liberalism, in the country and in Congress, in order to win federal legislation on the 'human side of reconversion', on improved social security and a guarantee of continued high-level economic activity, combined with the extension of a measure of price control into peacetime. But attempts at a 'New Deal' revival in 1944 were thwarted in Congress; the assaults of organized


business on price control in the early reconversion period were wholly successful; and the Employment Act of 1946, as finally enacted, did not guarantee liberal Keynesian intervention to support the levels of investment and effective demand at or near full employment.  

The second strategy of industrial unions was to attempt to gain some of the same objectives, admittedly for members only, through collective bargaining. They aimed to establish liberal welfare funds, to safeguard workers' purchasing power against inflation and the reduction of overtime, and to influence corporate management's exercise of its market power over prices. The postwar bargaining rounds were therefore inevitably highly politicized, none more so than that of fall 1945-spring 1946 and its centrepiece, the massive GM-UAW strike. There were reasons other than the social consciousness of some industrial union leaders for this. Federal economic controls were still in existence, though under attack. There was, in fact, an unprecedented degree of federal interference in the peacetime settlement of basic wage disputes in the pattern-setting heavy industries, through the use of 'Fact-Finding Boards'.


A part of the explanation for unions' official policies and their propagandist negotiating strategy - fully mirrored by managements - is that they were consciously playing to the gallery, aiming to line up public support in a situation where the federal government was sure to be the final arbiter. But even when this is accepted, there was something new, and perhaps dangerous, in unions' overt connection of their bargaining objectives to the large matters of public policy. In the language of the UAW-GM Department's economic brief in the 1945-46 strike, the union aimed to secure 'Purchasing Power for Prosperity' and 'Higher Wages Without Price Increases'. Reuther promised the American public that his members' take-home pay could be protected, in real terms, against postwar readjustments without causing inflation. The only way to demonstrate this was to make large assumptions about the level at which the Corporation, and the economy, would be operating, about the level of its investment, and about the level of profit the Corporation could make, consistent with the public interest. In doing so, the union was intruding on the holy-of-holies of managerial power, and offering a real threat to its traditional freedom to make the key decisions affecting the future of the firm. 1

I. The best account of the strike and its issues is Harbison and Dubin, Patterns of Union-Management Relations, esp. pp. 35-7, 71-2, 86-90; Blackwood, 'The UAW', pp. 244-54, relates strike issues and strategy to Reuther's 'New Industrial Philosophy' - what I would term 'dynamic job-consciousness'; I. Howe and B.J. Widick, The UAW and Walter Reuther (New York, Random House, 1949), Ch.6, for a fine piece of high journalism; Lichtenstein, 'Industrial Unionism Under the No-Strike Pledge', pp. 694-705, concentrates on the linkage between Reuther's tactics and strategy and internal UAW politics; whilst Barton J. Bernstein, 'Walter Reuther and the General Motors Strike of 1945-1946', Michigan History, 49 (1965), 260-77, concentrates narrowly on the wage issue and the negotiating tactics of the two parties. See also discussion of GM strike in Ch. 6 below, pp. 219-225.
This account of some trends in collective bargaining and union objectives in the war and reconversion years helps explain the saliency of the 'management prerogatives' issue at the time - the anxious, detailed, and lengthy discussion of their erosion and of the means of protecting and regaining them; the considerable effort particular firms and business organizations put into the definition of the respective spheres of influence of unions and management. Union pressures were variously considered as costly, disruptive, troublesome, immoral, and even subversive. As I have shown, there was a real basis for managerial disquiet, not so much about the results of what had already happened, as about the significance of what appeared to be in process.

But in order to complete this chapter, and to fully explain managerial perceptions of the problem, two more components of management's world view, besides the real world of their experience, must be discussed. The first component is the pattern of economic analysis businessmen used when reflecting on the significance of labour relations and other, notably fiscal, policies for the survival and success of their own firms and of the system of capitalist enterprise that they represented. Economic forecasts heavily influenced managerial perceptions of the seriousness of union challenges to the business community's power and authority. But the larger ideological framework was relatively timeless. Contemporary events and problems affected the character of management's rhetorical justification of its own power and status, but the way management viewed the sources and nature of its own proper authority, which unions and the state threatened, was something inherited from past business generations. Managerial ideology is the second, and more important, component of the business outlook on the real world which I shall analyze.

How did the economic prospect appear to American businessmen in the late war and reconversion years? To put it briefly, troubled and uncertain. Within the firm, the effect of wartime sellers' markets had been harmful to cost control and the
Economizing habit of mind. Labour costs, direct and indirect, had been allowed to increase. What worried industrialists, examining their own firms in the reconversion period, was the effect the war had had, not just on the cost, but on the productiveness of labour. A confused, three-cornered debate occurred between Business and Labour representatives, both entirely prejudiced, and more-or-less impartial economists, on the issue of productivity - its definition, its measurement, and the causes and direction of its movement in wartime. What is relevant here is businessmen's contribution. In the absence of accurate, comprehensive information, they made up their own estimates of the direction and size of productivity movements, and their own accounts of the reasons for the trends they observed.

I would hazard a guess that in the typical war plant labor cost (sic) are roughly 25 to 60 percent higher than they should be on comparable civilian work.\(^2\)

Agreement that there had been a serious fall-off was near unanimous. Numerical values given to it were either estimates, or were based on increased unit labour cost and/or increased operation time for similar products or processes.\(^3\)

It is a matter of record that the real productive efficiency of most workers is now substantially lower than it was before the war, even though production in terms of tons or dollars per man-year may have increased.\(^4\)

1. See, for example, Proceedings of the Conference on Productivity, 4 June 1949, Milwaukee (processed); Ewan Clague (Commissioner, Bureau of Labor Statistics), 'The Facts on Productivity', address before the Society for the Advancement of Management, New York, 6 Dec.1946 (mimeographed).
Even where gross measurement indicated no fall-off, management argument could fall back on a second line of defence. Any increase in productivity was to be attributed to managerial action. Indeed, it might be wiser to term labour productivity 'machine-induced output per worker'.

The primary cause of any decrease was that 'unilateral renegotiation of the effort bargain', described earlier. Most of that renegotiation had taken place since 1940 - that is, since movement toward overfull employment had given workers and their local unions the power to set some of the terms of their collaboration in the productive process.  

Mr. Hill, I think I can speak for quite a majority of companies in the Detroit area. We would be happy, generally speaking, to settle on the standards agreed upon between our time study people and labor during 1939 and 1940. If we could only get today the production that those standards call for (and they were agreed upon between management and the unions), we would be very happy to go along. ... We have not asked for higher standards, but we have been constantly working to get back to the standards agreed upon prior to the war. We will still settle for that.

The fall-off in productivity reflected the crisis of authority in the workplace. It was worrying, and it was also morally offensive, something to be explained by the deleterious effects of subversive ideologies, welfare statism, and the temptations an overheated economy offered the ordinary worker, who needed the discipline only firm management could provide in order to become efficient. 

2. F.D. Newbury, 'Wages and Hours Problems of Cost Reduction', in Production Series No. 159, pp. 3-10 at pp. 8-9.  
The industrialist ... is in a state of confusion and resentment, but (sic) of fear not for himself but for a society which is rejecting the principles which to him are not only good economics but good morals. He fears the increasing dependency, increasing leisure, increasing lack of personal responsibility, leveling down of workers by equal pay for equal work, decreasing pride in good workmanship, resulting in inferior products.

Many business observers believed that the decline in labour productivity and increase in unit labour costs was also a serious threat to the survival of corporate capitalism in the United States. At the level of the firm, the 'miracle of production' of 1940-45 had left a mixed legacy: management had learnt or more generally applied more efficient methods of production, and its capacity for re-equipment with the most productive machinery was high after a series of fat years. Set against that was the sour aftertaste of managerial laxity in a period of no cost constraints, affecting matters other than industrial relations practices. The result was an increase in industry's fixed costs and break-even points, that is, a need for continuing high-volume economic activity and historically high capacity utilization if companies were to return a profit. As long as price controls lasted, companies might also be trapped in a profitless squeeze between prices and costs. 2

The result of management's awareness that it was facing a potential crisis was widespread action, both to provide the business community with a more favourable operating environment of federal tax and price control policies, and to improve the productivity and cost-control of individual firms. Manpower management obviously had a central contribution to make to the latter objective, but it was suspected that

the results of remedial action might be inadequate. I

Business shared with other groups in American society a 'depression psychosis', an anxiety about the anticipated return of mass unemployment and about the political climate likely to result therefrom. This anxiety profoundly affected the thinking and planning of all major organized interests. It was quite well-founded. America had only returned to full employment on a tide of federal dollars, after a decade which had witnessed serious ideological and political challenges to the status of business men and institutions in American life. A successful experiment in military Keynesianism temporarily solved the problems of chronic overcapacity, or of insufficient purchasing power. But the long-run prospects for the American economy in times when there was no such artificial stimulus were not good. In consequence, liberal Democrats and the CIO, in particular, looked to a permanent expansion of the welfare state and of the federal government's directive and supportive role in the economy, on a scale to dwarf the New Deal's modest beginnings. This, they feared, was the only solution to the coming millions of unemployment, with its attendant suffering, waste, and political instability. Liberals feared a right-totalitarian takeover.2


'What Time for Low Production Costs Is Now', FM&M, 103:8 (Aug. 1945), 81-172, was the magazine's Fifth Annual National Production Issue. Four of ten case-studies of successful productivity-raising programmes emphasized manpower management.

Businessmen's nightmares were somewhat similar, though their devils were different. They congratulated themselves on the 'miracle of production' and on the recovery in business prestige that it had caused, but were uneasily aware that war's achievements only testified to the massive technical resourcefulness of the American economy during a period when problems of marketing did not exist and when central controls managed many of the problems of coordination a system of decentralized decision-making had proven unable to solve. They were even more sure that popular support for the continued existence of corporate capitalism was derived from works, not faith. The only guarantee of a conservative or moderate public opinion, and hence of a political climate favourable to business operations, was the system's performance in meeting demands made of it, amongst which full employment ranked first. Economic collapse would surely be followed by a permanent New Deal, or worse, undoing all of the good work the war had effected and destroying the possibilities of a successful conservative onslaught on liberal reformism's beleaguered garrisons.  

Thus the expected postwar recession, 'corrective dip', or depression, was likely to be more than a crisis in the life of individual firms, as yet unrecovered from the war. It was also to be a crisis - perhaps the terminal crisis - of the 'American individual enterprise system'. Businessmen could look around at a world full of the wreckage of the war and appreciate, with Henry Ford II, that:


2. See the extended discussion of the sophisticated conservatism of the Committee for Economic Development, below, Ch.7 pp.276-81 for the fullest exposition of this managerial viewpoint, and its consequences.
It is not merely things which have been destroyed. The landscape is littered with wrecked ideas and faiths. Political and economic systems have been torn up and lie twisted and broken like a great railroad yard after a bombing raid.

In this world context, where Communism was advancing across Europe, and democratic socialism was scoring victories in Western European countries more vitally important to the United States, and more worrying as precedents, businessmen's anxieties developed powerfully. The example of 'England' under Labour government was particularly worrying, as the latter's programme so clearly reflected what America could anticipate from a revitalized lib-lab coalition. ²

Restoration of corporate profitability and, incidental to that, of orderly industrial relations, were therefore goals which had their place in the postwar planning of individual companies and also of the business community, acting collectively, for the contributions their attainment might make to securing the survival and prosperity of the unique social system in which American businessmen enjoyed their preponderance of power.

Management experience of the rapid growth and, apparently, boundless ambitions of industrial unions' power indicated those areas of labour relations to which attention must be paid; management expectations of short- to middle-term economic and political prospects added powerful reasons for taking immediate steps to deal with perceived problems. But before I close, I feel I must examine the


ideological framework within which businessmen operated. This is because, though there is a clear linkage between what businessmen's problems were, and how they saw them — the subject matter of this chapter so far — and what they did about them — the subject matter of Chapters 5-8 — one cannot simply take businessmen's 'rationality' for granted. The way businessmen viewed the structure of the enterprise, their function and place in it, and the powers necessary to discharge what they saw as their responsibilities, cannot simply be assumed to have been correct. Business opinion on these matters was normative and prescriptive, rather than descriptive. Its expression consists largely of self-justificatory formulae. In order to fully understand why businessmen defined certain challenges to their authority, from workers, unions, and the state, as particularly dangerous and objectionable, and how they framed their defences against such challenges, an awareness of management's outlook on the micropolitics of the corporation is essential. This I shall provide in the remainder of this chapter, and all of the next.

The Managerial Rationale

Businessmen did not disagree about the justification for their control over their enterprises. The debates and inquiries of social scientists about the actual motivations and behaviour of managements, about the actual relations between 'ownership' and control in the modern corporation, had little impact on the businessman's timeless faith that his power rested essentially on property right, and that his chief responsibility consisted in the maximizing of profitable production.

These propositions were central to so-called 'managerial' as well as older 'entrepreneurial' ideologies, but in the former they were buttressed, and occasionally almost concealed, by arguments from the structure of business enterprise and management's function therein, and from its supposed broad social accountability.

The main function of managerial ideology is to justify the continued possession of power and autonomy in a situation where other claims on corporate resources than that of profit-maximizing, and other stakes in the enterprise than those of ownership, are recognized as legitimate. In managerial ideology, businessmen are held accountable to a variety of pressures and constituencies - the state, the public interest, the consumer, the local community, the business community, employees, et al., variously ranked. But it is up to the individual corporate management to judge the manner and adequacy of its performance of its obligations. The role of this 'stewardship' concept of management in business rhetoric is to defend against the imposition of specific and enforceable obligations by claiming that management is best, centrally placed, to reconcile and satisfy the numerous and conflicting demands made upon it; furthermore, that responsible management's performance is adequate. In addition, in a society like America's, whose public ideology is thoroughly democratic, business power gains in legitimacy and security if it can be derived from some notion of 'service' to a plurality of interests.

Insofar as one of corporate management's subordinate publics - its employees - was concerned, the New Deal's collective bargaining policy stood as a defeat for this strategy and a verdict on the insufficiency of the business record in its treatment of employee interests. This was not simply a

theoretical affront; it also had many practical implications. Management's right to take unilateral action was challenged and restricted at the most sensitive point - within the firm.

Business swiftly came round to a practical acceptance of the new public policy and of the facts of union presence and pressure. Events and necessities influenced the character and content of managerial ideologizing on management rights and employee responsibilities: the issue in the discussion of managerial prerogatives in the 1940s became, not their absolute protection, as it had been up until the 1930s, but the definition of limits beyond which collective bargaining had no right to influence managerial decisions and behaviour. Union penetration must be confined within bounds agreeable to management and acceptable to the NLRB, the courts, bargaining partners within union bureaucracies, and arbitrators. Only in that way could any definition of the legitimate spheres of influence and interest of unions and management be made to stick. The heavily ideological debate about managerial prerogatives was also, in consequence, severely practical. It was not so much about grand theory, as a matter of answering specific and urgent questions about the respective roles of union and management in making and administering a broad and uncertain range of policies.

Lee Hill, Allis-Chalmers' vice-president for industrial relations, was more important than any other managerial ideologue or political activist in determining the tone of the prerogatives debate; and he played an important role in the subsequent campaign to turn his prescriptions into realities. At a conference of the AMA's Personnel Division in 1944, an unidentified speaker - almost certainly Hill - provided the keynote for the later discussion on the prerogatives issue. The consensus of conference participants


(130)
was that the danger of union erosion of managerial prerogatives, particularly since the start of the war, was real and pressing. The speaker turned the discussion from details towards basic theory. Prerogatives are not conferred by the Ten Commandments, the Magna Carta, or the Constitution. These prerogatives are merely the powers necessary to run the plant efficiently, and they are management prerogatives rather than union prerogatives simply because management is solely responsible for the operation of the plant and for perpetuation of it.

It might seem from this as if Hill grounded management authority entirely in structural-functional arguments. This was not in fact so. Underlying them was property right, the common law, and the formal authority of owners and masters, delegated to their supposedly chosen management. The collective bargaining agreement imposed some specific restrictions, but where it was silent, management should assume that all of the right, and all of the power, was reserved to it.²

Such a formal and absolutist argument, whilst comfortable, provided no answers to the hard questions of where to draw the line when in fact unions had acquired a real and lawful, but uncertain, status in the enterprise. This was where rather more sophisticated, structural-functional reasoning came into play, for filling in the details of management's case and strengthening it against challenge. Hill and other management spokesmen relied on the unobjectionable vocabulary of management 'functions' and 'responsibilities' (instead of rights and prerogatives), and on apparently neutral, technical justifications of management's continued possession of the powers necessary for their performance.

What were these functions and responsibilities of management?

First of all, management occupied the central, coordinating position in the firm.

Management is obviously not the sole component of a successful enterprise. A manufacturing plant requires (i) men, (ii) materials, (iii) machines, (iv) money, as well as managements to allocate, direct, schedule and otherwise manipulate these four components to produce useful goods at a competitive cost, in order that they may be sold at a hoped-for profit for those who furnish the money to pay for the machines, materials, salaries and wages. Management is selected by the owners of the enterprise and is held responsible for its successful operation. To assert that management has the sole responsibility for the success of an enterprise is not a reflection on the importance of the other essential components. It is simply a statement of fact, for that is management's reason for existence.

A complex business organization was by nature somewhat hierarchical; it needed to be authoritatively coordinated. Its management must be free to exercise a broadly-unobstructed discretion, and to initiate change and respond rapidly to events. Anyone denying the truth of this statement was reminded of the experience of France under the Popular Front, and of the Soviet Union before it began to grant large powers to responsible, qualified executives. These two cases from other countries' history passed into the folklore of American management, and lent a persuasive touch of universal validity to its claim to power.

There was no middle way between managed mass production and 'mess production'. And nobody questioned the paramount importance of production in the 1940s - it provided the answer to America's war needs, to insatiable consumer demand, and to the postwar need to sustain the rest of the shattered Free World.

Management, secondly, was responsible for deciding on the allocation of the corporate product as between the various

claimants upon it. Because of its broad social accountability, and of its not representing a narrow interest group (as union leaders did - and only imperfectly, at that!), management's was the most legitimate claim to the power to make important decisions affecting the future of the enterprise. By virtue of its strategic location, it also had a monopoly of the information, expertise, and present power for making and carrying out the best decisions - for all concerned.

Simply stating that, because of the level of technical and social complexity of the large business organization, some body must possess more or less unquestioned control in order to ensure its most efficient, socially beneficial functioning, does not, of course, amount to an endorsement of the present elite's continued possession of power. But American management theorists did not seem to notice the gap in their reasoning between somewhat questionable postulates and wholly self-serving conclusions.

Moving from generalities to particulars, what were the powers businessmen thought they needed to possess in order to perform their manifold functions and discharge their responsibilities? There were, first, those rights whose exercise was 'seldom questioned because they usually do not directly affect the employees' - control of financial, investment, marketing and sales policy; selection of material, processes, and products to be manufactured; location and structure of plants; selection and location of machine tools; determination of production schedules.² The list was meant to be illustrative, rather than exhaustive.

One thing the list illustrates, of course, is the limited ambitions of most unions. But managers were not even really willing to allow labour's modest bargaining objectives, which

I. Jones, 'Scope of Collective Bargaining', p. 45; Hill and Hook, Management at the Bargaining Table, pp. 7-8, 57-8.
did not commonly touch on these centrally-important questions. They looked for the narrowest possible definition of 'wages, hours, and working conditions' so as to leave management the greatest latitude in determining workers' productive behaviour. Hill recognized that such matters 'do immediately affect employees' but that the rights to hire, discharge, promote, discipline, train, secure deferments, grant leaves of absence, and determine employee classifications and merit wage increases (were) rights which management must retain, because the right to make decisions on these matters is essential if management is to discharge its responsibility creditably for the successful operation of and perpetuation of the enterprise.

What Hill was doing, of course, was to use rather shallow reasoning to oppose exactly the kinds of bargaining demands job-conscious unions legitimately made, in order to retain as much as possible of the status quo ante-unionization. The management prerogative argument amounted to nothing less than an attempt at the unilateral determination, by management, of the scope of its authority. Things had always been thus, and the habits of a long period of conveniently unopposed control died hard; and American business, long a respected ruling elite, thought it perfectly right that it should judge in cases where its rights were disputed. Had it been allowed a free hand, one might quite reasonably conclude that it would have passed a vote of confidence in itself, because 'management is usually best qualified by specific training and ability to exercise such rights' and '(t)he employer must decide what is necessary for him to retain the flexibility of working forces essential for efficient production'.

Hill and his fellows made the essential ideological bases of industrial management's opposition even to narrowly job-conscious unionism sufficiently clear. But the debate

within the business community only succeeded in clarifying the matters in dispute and arousing management to a common awareness of the problem. Remedial action was not something the business community could take unilaterally or with ease. The areas it contested were recognized as legitimate interests of labour by the Wagner Act, the courts, the NLRB, the NWLB, and arbitrators. And they were also issues on which stiff worker and union resistance could be anticipated. As a union staff member succinctly expressed it,

the best way to get a list of the items that cause the largest number of grievances is to make a list of all the things Hill and Hook exclude from the area of collective bargaining.

Conclusion

In this chapter, I have described and analysed the essential problems of authority and control blue-collar workers and their unions posed industrial managements in the years of total war and reconversion, ca.1940-1947. I have dealt with industrial conflict formal and informal, and with struggles at the level of the workplace, in the halls of Congress, and before the questioning gaze of the great American public. I have dealt, not just with what we can say was 'actually' going on, but with what the protagonists who interest me thought was going on, as the wellsprings of social action are surely to be located in the subjective present and the anticipated future perceived by the actors. And I have begun to explain why it was that managers defined certain situations as 'problems', in the context of their immediate experience, their ideas of what was in prospect, and their essential attitudes towards their own authority. In the next chapter, I shall deal with one specific labour relations problem, concerning foremen and supervisors, not blue collar workers, and use it to gain a deeper understanding of the managerial outlook on labour relations problems before advancing to an account of what businessmen did about them.

Chapter 4

The Issue of Supervisory Unionization

In the war and immediate postwar years, the controllers of key manufacturing industries were faced with a significant degree of unrest in the lower ranks of the supervisory hierarchy, which sometimes expressed itself as a readiness to unionize. Unionization was assumed to reflect, and enhance, an alienation of production foremen from their proper, undivided allegiance toward higher management and its interpretation of the purposes of the enterprise. It was 'a threat to the very structure of management itself.' If it were allowed to develop, it might result in further piecemeal erosion of managerial control over the production process, and over the workforce. For these reasons, it had to be stopped. On that, at least, all managerial observers were agreed.

The problem of supervisory unionism was an important aspect of the perceived challenges to management's power and authority, and to business' traditional ways of doing things and ordering society, which so troubled businessmen in the 1940s. Management's answers to it - ranging from, most important, activity to alter the climate of public policy, down to action within the firm to make supervisors more efficient and contented - are similarly a large part of the broad programme for the recovery of the initiative, for the restoration of authority and control, which I shall describe and analyse in subsequent chapters. This chapter therefore occupies a natural, central place in this dissertation.

But its closest connection is with the 'Loss of Labour Discipline and the Union Challenge to Management Control'-

I. Carroll E. French (Director, Industrial Relations Dept., MAN), 'Management's Programme for Making Collective Bargaining Work', address made 8 May 1946 before the Industrial Relations Council of Metropolitan Boston, p.2 (mimeographed).
Supervisors in the automobile, steel, coal, rubber, shipbuilding, and other heavy industries who were ready to form and join unions, and to strike, represent the same sort of problem management was becoming used to handle when blue-collar workers were involved, but in this case the problem was in an unexpected quarter. American management came round to a somewhat-grudging acceptance of the legitimacy of rank-and-file unionization, and of the practicability of 'dual loyalty' — to both the union and the firm. But supervisors were a more important class of subordinate: they were the only members of the managerial hierarchy in daily and intimate contact with the rank-and-file of production, maintenance, and routine clerical workers. As such, they occupied an important place in any programme aiming to influence the behaviour of workers in the workplace, or their attitudes towards work, managerial authority, and the business system. Such important agents could not be permitted to have their proper, undivided allegiance to higher management lessened or subverted by unionization. Loyalty, within the ranks of management and supervision at least, was still an either/or proposition.

Because of this, the managerial outlook on labour relations problems was more clearly reflected in businessmen's attitudes towards this one issue than towards any other. It is because of its analytical usefulness, its importance in motivating the managerial counter-attack on unions in the mid-1940s, and its intrinsic interest, that I propose to devote some ten thousand words to an account of the rise of supervisory unionism and to management's rhetorical response to it. The issue's importance, in management's eyes, was out of all proportion to the membership figures and bargaining powers of those foremen's unions which became briefly established in the war period, before Taft-Hartley dealt them the quietus.

The titles of production supervisors remained the same throughout the period, but their place in the organization of the factory, and the character of their jobs, changed markedly. Workforces increased in size, and the numbers of foremen multiplied. Machines displaced skill, so their erstwhile status as top craftsmen diminished. Production processes became complex and minutely subdivided, ending the autonomy of the 'shop' or department. Most actual management functions were siphoned off into staff departments responsible for policy-making and administration in the areas of design, materials supply, organization, scheduling, and routing of production throughout the plant, and overall budgetary control. The foreman or supervisor, the lowest-ranking member of a distended hierarchy of line management, lost the important functions performed, and status possessed, by his late-nineteenth century predecessor, or by his counterpart in small-scale, technically-unprogressive firms at the same time. He became a mere executor, with record-keeping and reporting functions, a broad range of minor responsibilities, and a rather thankless task.

What remained was a responsibility for getting out production, meeting standards of cost, speed, and quality determined elsewhere, together with sufficient authority over the rank-and-file to get the job done. The residual powers of man-management were the tools of the foreman's trade: he could hire workers, place them at work, assign them to jobs or shifts, train them, drive them, reward, promote, discipline, and fire them. The supervisor had no formal personnel policy-making role, but companies generally had no very formal personnel policy. Those that had, and a personnel staff to implement it, restricted but did not destroy the foreman's discretion. Indeed, the 1920s saw production foremen regaining many of the powers of man-management that the first generation of personnel departments had removed in the First World War. The foreman
might be only a marginal member of the management team, unable to rise far or fast in a world increasingly dominated by college-trained specialists. But he did enjoy a large measure of power over his immediate subordinates, often used arbitrarily and for personal gain. And the difficulty of his job was compensated by the status he enjoyed relative to the rank-and-file, from whom he was generally recruited, and considerable wage and non-wage benefits (principally a greater degree of job security.)

The Impact of Rank-and-File Unionization

It was supervisors' power, and the manner of its exercise, which quite largely motivated workers to join industrial unions in the 1930s. They wanted the protection of contract language and formal or informal grievance procedure against the gnawing insecurity and pervasive injustice generated by foremen's abuse of their discretion. In a time of mass unemployment, the customary requirement of payment, in money or kind, for job security and minor promotions, the practice of favouritism, or capricious authoritarianism, rankled particularly. Foremen were also the traditional factory regime's surest agents in maintaining discipline and output standards, and in opposing independent unionization.


Industrial unions' programme for winning their members a measure of job-security and control, and for strengthening their own organizations, therefore concentrated heavily on reducing the power of the foreman. Formal rules, and machinery for their implementation, came to control such matters as: discipline and discharge only for demonstrable cause; non-discrimination against union members in hiring, placement, promotion, layoff and discharge; the making of an increasing number of manpower decisions on the basis of seniority.

Foremen's discretion was further eroded in practice by the threat or actuality of direct action against its use, or by resort to the grievance procedure and/or NLRB. The autonomy once enjoyed by the shop foreman in his relations with his own subordinates was ended. Indeed, a powerful 'outsider' intruded: the steward or committeeman was a formal competitor in the workplace, with the right to challenge his decisions, the support of the rank-and-file in cases of conflict, the backing of official union machinery in the prosecution of formal grievances, and a direct line to higher management in grievance settlement and contract negotiation.

The foreman's discretion in man-management was steadily ground down between an upper millstone of union challenge, and a nether of managerial response. Some managements attempted to give the foreman a key role in labour relations, and to bolster up his status in the shop, by insisting on the 'committeeman' instead of the shop steward system. (Committeemen were full time, but much less numerous, grievance handlers.) They also required the first presentation of grievances by the worker to his foreman, in person, rather than to the steward or committeeman who might bypass the foreman completely, and take the case directly to higher management for authoritative adjustment. Others recognized that unionization created new and difficult problems for the foreman, which he was neither trained nor competent to handle. They centralized grievance handling and much of man-management in a personnel staff. Assistance for, if not displacement of, the foreman, was in either case inevitable, with the advent of a reign of rules in the
workplace.

Unionization of rank-and-file workers led to a sudden and drastic increase in the difficulties of the foreman's job of getting out production and meeting management's targets, and to a decline in his status and working conditions relative to his subordinates and their union offices. Foremen were often the last to hear of the terms of contracts or grievance settlements which affected them, or of changes in company policy: management's internal communications system was revealed in all of its inadequacy. They lacked formal job security, grievance procedures, and fair or rational payment systems. They were as exposed to their own superiors' arbitrary control as their subordinates had been towards theirs in the pre-union era. Contractual provisions and federal legislation - the Social Security and Wage-and-Hour statutes - brought workers direct pay increases and fringe benefits narrowing the differential between them and their foremen, and management, tending to grease the wheel that squeaked the loudest, neglected to improve the latter's conditions commensurately.1

It was in this setting that some management observers began to express anxieties about the morale of the non-commissioned officers of the production army, and a very few farsighted companies began to take corrective action. This was also the period when the first, abortive union of mass-production industrial supervisors was organized.2

The Detroit-area automotive industry was the centre of the short-lived United Foremen and Supervisors (originally Local Industrial Union No. 918) - CIO. LIU No. 918 started life as a movement at the Kelsey-Hayes Wheel Co., whose UAW local was notable for its extreme anti-management militancy.


In response to the 1937-38 recession, the company took its foremen off salary and placed them on an hourly rate—an obvious, and common, cost-cutting measure during a period of short-time working. Its foremen unionized, encouraged by the UAW, to seek job and income security. LIU No. 918 expanded to a maximum of about a thousand members in the plants of eight companies, including divisions of GM and Chrysler, but generally medium-sized parts suppliers. In only one of the latter, the Universal Cooler Corporation, did it acquire a written contract, which stipulated that the company would not demand or request any act or action whatsoever of its supervisory employees which would tend to strain or break the existing harmonious and fraternal relationship between the United Foremen and Supervisors and the UAW, Local 174.

The UAW was rent by discord, hard hit by unemployment, and fighting for its life against managerial hostility. It was ready to use all the allies it could get, and the UFS' assistance might be important. UAW main targets were GM and Chrysler. The former demonstrated how dangerous pro-management foremen could be to the union's success by attempting to keep its plants running with their aid in the 1939 tool and die ('Strategy') strike. The UFS adopted an explicitly anti-management programme, promising to deny it the future use of its foremen in anti-labour activities.

With the organization of foremen and supervisors into a bona-fide labor union, management loses its last outpost in the plants and organized labor gains a valuable ally. Management loses its cat's paw, the one it always used to pull its chestnuts from the fire. It loses the agency through which it disseminated its anti-labor propaganda. It loses the group it used as a unionbusting, unionbaiting force and through which it spread false rumors to cause internal dissension in labor's ranks. Organized labor gains an ally of particular value because of the strategic position of foremen and supervisors. Their organization closes the last...

door through which the company ushers militant union men into the street under the guise of promotions. Their organization now makes promotion to positions of authority something to be desired by shop employees. The help of this group during a strike is of inestimable value. The threat of strikebreakers becomes less than nothing, for without supervision to show them how and what to do, they are helpless.

But the UFS was shortlived: the UAW abandoned it in the fall of 1939, as part of the price of negotiating a satisfactory agreement with Chrysler. Chrysler foremen, dismissed for union activity, and deserted by their UAW allies, had to agree to stop seeking recognition of the UFS as the price of their reinstatement. The UFS collapsed, and in 1940 the CIO revoked its charter.

There was no direct continuity between the UFS and the later, much more important, Foremen's Association of America (FAA), but the causes of foremen's readiness to join and support a union remained essentially unchanged. The war economy heaped additional grievances upon them, and increased their ability to take effective industrial action in their own interest.

The Impact of War and the Rise of the FAA

The FAA attracted considerable attention at the time, and the history of its origins and development has not been entirely ignored by subsequent writers. The facts are not in dispute, and can be briefly summarized.

Mobilization of the economy for war accelerated, and substantially completed, the unionization of rank-and-file workers in mass production industries. Workers' wartime restiveness, direct actions, and strong bargaining power created important problems for foremen. In addition, the ranks of supervision were greatly diluted by the rapid upgrading of production workers, given crash courses in basic foremanship by companies and the federal Training

I. Ibid.
2. Ira B. Cross, Jr., 'When Foremen Joined the CIO', Personnel Journal, 18 (1940), 274-83; McPherson, Labor Relations in the Automobile Industry, pp. 22-3.
Within Industry organization. Wartime foremen were thus likely to have had direct personal experience of the benefits of unionization. Even the old-timers could not help but observe what the rank-and-file had won. Many wartime foremen, in addition, could expect to return to the ranks once war ended, the veterans returned, and industry's manpower needs shrank. As a result, they were exceedingly preoccupied with the protection of their job security, and turned naturally to contractual seniority as an effectual device. Furthermore, they were concerned to maximize the direct economic rewards of their, perhaps temporary, jobs.

But without collective power, they missed out on many of the benefits conceded by management or the NLRB, or exacted by groups of workers. Traditional differentials of 25-60 percent on basic pay were further compressed, and in some cases differentials on earnings were even reversed. Salaried foremen had less opportunity than hourly-paid or piecework employees to inflate their earnings by overtime and increased production, or to create wage drift by 'demoralizing' timekeeping and production standards. Blue collar workers' fringe benefits - shift premia, sickness, holiday and vacation pay - similarly became as good as, or rather better than, their immediate superiors'.

In the early years of the mobilization emergency, these supervisory grievances tended to be ignored as they were not effectively protested. By the time management realized something was amiss, federal wage control policy made adjustments much more difficult to implement.

The Foremen's Association of America owed its considerable appeal to the above, acutely-perceived grievances, as well as to more fundamental alterations in the foreman's status effected by the bureaucratization of management and the organization of labour. It had its immediate origins, however, in the Ford River Rouge plant, where foremen suffered from all of their fellows' general grievances, in an extreme form.

When Ford management took its surprising decision of June 1941, not only to recognize the UAW, but to grant it a better contract than it had yet obtained from any other major automobile company, then Ford foremen were suddenly exposed to a militant workforce powerfully resisting their traditionally great authority, whilst higher management's importunate demands for increased - and uninterrupted - production continued. Ford foremen did not receive the direct and indirect pay increases, the security against dismissal or arbitrary treatment, or the relaxation of the work pace their subordinates were able to win, and remained at the mercy of their own superiors. They were neither consulted nor officially informed about the change in Ford's labour relations policy, nor were they given any assistance in adjusting to the new factory regime. As a last straw, the UAW contract provided - as was not unusual - that any worker promoted out of the ranks of the bargaining unit thereby stopped accumulating seniority. In the summer of 1941, the mobilization emergency was not expected to last very long; reconversion would inevitably come, and then foremen, generally long-serving, reliable workers, would find themselves demoted, competing on unfavourable terms for preferable jobs, shifts, or even the right to work in any production or maintenance occupation.

Against the background of these specific grievances and anxieties, a group of foremen in the Pratt and Whitney aircraft engine plant within the massive Rouge complex began to meet late in August. This nucleus of the FAA's organizers was a band of associates who met to bowl and drink after hours, but their purpose was quite conscious from the beginning: to form a union, patterned after the UAW and seeking similar objectives for its members. The UAW held to its contractual obligations not to organize supervisors or accept them into membership, so the FAA's founders' overtures to Ford Local 600 were rejected. Accordingly, they acted independently, signing up members clandestinely and then holding their first public meeting on 2 November 1941. Twelve hundred Ford foremen attended. Officers were elected, a constitution adopted, and an organizing campaign inaugurated, directed in the first instance only at Ford plants in Greater Detroit.

Expansion was rapid; progress towards recognition and meaningful bargaining, slight. The FAA found itself besieged by representatives of other companies' aggrieved foremen, often undertaking their own spontaneous organizational efforts and seeking its advice and assistance. By newspaper advertising, a radio campaign in metropolitan Detroit, and the appointment of a membership director and staff, it began to actively seek members at large in 1943. It emphasized that the foreman was the 'forgotten man' of mass production industry and likely to 'become a victim' in the 'ceaseless struggle between ownership and wage labor.'

The FAA gained members in the midwestern automotive, steel, rubber, and metalworking industries, and by the end of the war had made significant inroads in the aircraft industries of the Pacific coast and Middle Atlantic states, as well as in miscellaneous and scattered manufacturing enterprises and in some non-manufacturing sectors. However, the Detroit automotive industry remained its base, and the Ford Motor Company the only major manufacturer with whom, after years of negotiation and a number of strikes, it negotiated a written agreement.

At the same time, other unions were active in recruiting supervisors in newly-organized mass production industries. Independent, autonomous supervisors' unions sprang up, particularly in aircraft plants, and some of them subsequently became affiliated with the FAA; the Mechanics' Education Society of America competed with the FAA in its midwestern heartland; the CIO Longshore, Packinghouse, Steel, and Shipbuilding Workers' unions acted independently, within their own sectors, to recruit and act for the lowest level of supervision. Somewhat analogously, the UAW recruited the vastly expanded security forces of war plants, and routine white collar workers, whose grievances over pay and conditions were similar to those of foremen. Finally, the Mine Workers took over the newly-formed, militant Mine Officials' Union of America (MOUA) and transformed it into the United Clerical, Technical and Supervisory Employees (UCTSE), which threatened to go on the offensive in recruiting outside its own industry.

Altogether, the gains registered, in membership and bargaining rights, were small, even in the favourable conditions of wartime. FAA membership fluctuated between thirty and forty thousand in 1945-46, whilst UCTSE acquired sixty thousand in the mining industry by the same time.

But in December of 1945, a sample survey by the Opinion Research Corporation revealed that seven percent of foremen were members of a union, whilst eleven percent wanted to be, thirty-three percent thought foremen needed organization, and thirty-eight percent thought it was 'all right' for them to join unions. Union-consciousness was only a minority phenomenon, then, but it was a considerable minority with the ability to cause a great deal of disruption if inchoate pro-union feelings actually turned into union membership.

The unionization of foremen - actual and potential, experienced and feared - was 'the most serious problem facing industry today,' a spontaneous revolt which outside forces were supposedly exploiting. In the second part of this chapter, I shall discuss some of what management did in response to supervisors' union-consciousness and, more important, what managerial opinion on the problem reveals about the American business outlook on challenges to its authority from organized subordinates in the 1940s.

'I cannot accept any other premise than that the foremen and I are members of the same team and are working toward the same end.'

Managements in most large units of mass production industry

3. Smith, Foreman's Place in Management, p.III.
came round to an acceptance of the fact, if not always the legitimacy, of rank-and-file unionization. They aimed to develop 'responsible' unionism, by their labour relations policies and by their political action for the alteration of the climate of public policy. By and large, they did not attempt to smash unions, and they even came to concede the possibility of dual - if not evenly-divided - allegiance on the worker's part, to company and union at the same time. But, for good and sufficient, practical and ideological reasons, the same corporate policymakers took an entirely different approach to the challenge of supervisory unionism.

As a result, the short history of the FAA was a long struggle against all of the traditional stratagems of nonviolent anti-unionism. It encountered espionage, discriminatory discharges, threats and blandishments from superiors, attempts to buy off its officers, hostile propaganda, promotion of what were, in effect, company unions for foremen, refusal to recognize or bargain, and protracted litigation. It negotiated few formal contracts (but had rather more informal 'understandings': some of the small supplier companies on which it could bring most pressure were themselves vulnerable to the requirements of their large customers that they not go against the grain of business policy). The FAA was vulnerable because its legal status under the Wagner Act was questionable and undecided: this gave managerial opposition a certain legitimacy, and resulted in the FAA's enjoying few NLRB 'consent' (unopposed) elections for representation rights. Even when the union won cases, late in the war and immediately after, those decisions were contested by management and were of no practical value.

FAA-management struggles proceeded within the plant, but they were also prosecuted before agencies of the state and the court of public opinion. This was because the FAA's main objective was to win full recognition peacefully - either by negotiation, or by the use of the machinery the NLRB and NWLB provided. The FAA and UCTSE did strike, even
in wartime, to win recognition, to speed negotiations to a successful conclusion, or to bring pressure on the NLRB and NWLB to alter their policies in favour of supervisory unionism. Strikes were dangerous: they exposed members to possible job loss, as the NLRB's protections might not apply; and members and their unions felt the full weight of a hostile press and the very real pressures of management and the armed services brought to bear. FAA members did not strike often or willingly, and the success of its strike strategy depended heavily on the alliance, or at least complaisance, of unions of the rank-and-file.

Examination of the public record reveals that the FAA's problem was that a hostile, aroused business community played the same game of pressurizing federal agencies, mobilizing public opinion, and bringing state legislatures and the Congress to rule on the issue of the legitimacy of supervisory unionization - with much greater resources and success. The NLRB's wavering policy towards foremen's unions between 1942 and 1946 was clearly influenced by the different pressures organized foremen and industrial management were able to bring to bear. The crucial Maryland Drydock decision of 1943, denying foremen's unions the full and equal rights they had been granted in 1942, was taken after a new, political appointee had changed the Board's complexion, and whilst the important, conservative House Military Affairs Committee was holding hearings on restrictive legislation proposed by a consortium of large, heavy-industrial firms led by GM. The FAA's answer was to forge an understanding with the UAW and Steel Workers/CIO presidents, Thomas and Murray, which increased the effectiveness of its strike action. Managements, free to act under the Maryland Drydock decision, fired FAA members and activists. The FAA responded by undertaking massively-disruptive recognition strikes in 1943-44, in key defence industries. As a result the NLRB partially reversed itself (in the 1944 Republic Steel and Soss Manufacturing cases), giving individual foremen protection under the Wagner Act,
but denying their unions access to the Board in the search for legal recognition. And the NWLB set up a prestigious, all-public-member investigative panel, headed by Summer Slichter, to look into foremen's grievances. Subject to pressure from the FAA's revealed strength, and determination to use it, and from the NWLB, interested in uninterrupted war production, the NLRB's balance changed. In January 1945 the NWLB recommended that grievance procedures for foremen should be established; and the NLRB set up the Packard case as the occasion for it to alter its own position. The FAA was exceptionally strong at Packard. But large automobile companies weighed in with amicus curiae briefs and press campaigns against it. Still, the NLRB came out in favour of granting a foreman's union independent of the rank-and-file free and equal access to its machinery and the full protection of the Wagner Act. In 1946, in the Jones and Loughlin Steel Co. case, it removed the stipulation that foremen should be organized into a fully autonomous union.

But by that time, the ball was in the other court. GM recommenced its leadership of business opinion on this score in early 1945, and the Chrysler Corporation gave it substantial forensic assistance. The Packard and later decisions were fought in the courts, and never enforced as the Taft-Hartley Act supervened. A return to the Maryland Drydock doctrine, written unequivocally into federal law for all time, became one of the main specific objectives in business' campaign for Wagner Act amendment. In the Case Bill of 1946, this came within an ace of success; in 1947, Truman's veto was no longer sufficient protection.

The FAA, meanwhile, tried to increase its hold on its one important strongpoint, Ford, by striking for contractual union security before the Act could come into force. A newly-aggressive Ford management, confident that public policy was changing in its favour, and that the UAW, newly 'responsible' under Reuther's control, would not support the striking foremen, resisted. A long, bitter and occasionally violent strike resulted, but production
was neither stopped nor crippled, as it had been in 1943-44. The company started a successful 'back to work' movement which ensured that foremen dribbled back into their jobs demoralized, disorganized, and without their locked-out leaders. Thereafter, the FAA, exposed to the chill winds of managerial hostility, dwindled into insignificance.

The formal, quasi-political conflict between unionized foremen and corporate management is an important aspect of the large confrontation between Business and Labour over public policy in the 1940s. Few provisions of Taft-Hartley spoke so directly and helpfully to the real industrial relations problems of managements of large manufacturing concerns as the exclusion of supervisors and their unions from the Act's limited protection. Companies devoted great time and effort to this one problem, and sought the crude but final answer of regaining a free hand in their dealings with their foremen. Why should this have been so?

The answer is to be found in an analysis of the rhetoric businessmen used to justify the new public policy they wanted. One can discern there, clearer than almost anywhere else, the nature of industrial management's attitudes towards its own authority and the challenges to it from below. One can understand more about the real labour relations problems business was facing as it entered the uncertain postwar era. And one can appreciate the unitary ideology of industrial management at its best. With supervisory unionism, the contagion of revolt seemed to be spreading right to the heart of capitalist enterprise. It had to be resisted as almost a moral challenge, an offence against the proper ordering of society, as well as a potential source of serious operating problems.

Discontent and unionization affected the lowest levels of production foremen worst, those at the bottom of the supervisory hierarchy in direct contact with the rank-and-file. In the larger units of industry, their 'managerial' role consisted essentially in serving management's interest in maximizing output and minimizing cost. They had to do this partly by sorting out technical and administrative hitches in the organization of production, but more importantly by keeping their subordinates at work. Management opposition to the unionization of foremen into organizations formally independent of, or actually allied with, unions of the rank-and-file was based on a fear that its only agents on the production front might thereby be subverted into 'granting the rank-and-file favors at our expense.'

The actual powers of foremen varied from industry to industry: in coal mining, they actually negotiated special job rates and were 'the only representatives of management and ownership underground to carry out the policies of the company.' In the large spaces of the shipyard, foremen were the only numerous agents management had to oversee the activities of scattered autonomous work groups. In machine-paced activities in mass production industry, management had other ways than simply close supervision to see that its work got done. But even in automobile assembly plants, there were large numbers of workers who had to be watched and driven: material handlers, for instance, and internal transport crews. And on the back shift, foremen and a skeleton force of higher supervision were the total managerial presence.

Implicit, and occasionally explicit, in management testimony is a view of workplace industrial relations as

1. Clarence E. Bleicher (President and General Manager, De Soto division, Chrysler Corp.), in Taft Committee Hearings, p. 318.
2. Heath S. Clark (President, Rochester and Pittsburgh Coal Co.), in Full Utilization of Manpower, p. 47.
necessarily conflictual: workers, whatever may be said in other contexts about their being loyal, honest, hardworking Americans, are viewed as unsatisfactory, unreliable agents for the achievement of management's purposes who have to be authoritatively coordinated if they are to function at all efficiently. Management designs production processes with engineering precision so as to minimize workers' control over them, but the results of this rationalization are necessarily imperfect. The job of the production foreman is to plug the chinks in management's defences by making sure workmen follow its prescribed rules of conduct relating to work methods and pace, timekeeping, safety and orderliness. The foreman has to be kept as a thoroughly reliable agent in the performance of these duties, as he is the only one management has.

Take away from us our foremen and we are lost; because they are the people, especially in the steel industry, that have got to be held responsible for production, for cost, for accident prevention, and for all the various phases of the business. They are the representatives of management out there on the firing line.

Independent self-organization and this essential reliability were necessarily incompatible: the Bible (Matt. vi.24) said so, and the common law of agency confirmed that no man could serve two masters, nor could an agent or servant have any interests independent of or opposed to those of his principal or master. Common sense confirmed that unionized foremen would serve their own interests first, not those of their superiors. Experience of all forms of efficient social organization - armies and businesses in any society - further stated that there had to be a single source of authority, a single line of command.

In industry as in government or anywhere else, there are two classes of people; there are those who decide and those who carry out. You cannot organize human society on any other basis than that. . . . In private enterprise management is the decider. A foreman or a supervisor is management.

1. J.A. Voss (Director of Industrial Relations, Republic Steel Co.), in Full Utilization of Manpower, p.139.
2. Clarence B. Randall (Vice President, Inland Steel Co.), ibid., p.88
Reflection on the actual functions performed by foremen, and observation of the scanty experience of supervisory unionism in mass production industry, further served to conjure up before the eyes of anxious management a horrifying vision of the practical effects of their loss of control over the non-commissioned officers of the industrial army.

If you destroy this leadership of ours and take our management away from us, then you have taken over our company and our organization. ... Our management will be gone, and ... we will have nobody to represent us and represent our stockholders and the owners of the business. ... It might even go from mass production into just sheer mob production, with no boss and no leadership there to run it. ... It is a movement that will lead - well, where will it stop?

Objections to foreman unionism make perfect sense if one accepts management's vision of the structure of enterprise, the necessity of undivided allegiance, the elemental selfishness of human nature, the recalcitrance of workers and the anti-management, anti-productionist, job controlling hostility of industrial unionism. The foreman was management's only assistant on the shop floor in numbers sufficient to compete with the union and its officers for influence over the workers, and control over production. Unionization would reduce his effectiveness by, first, reducing his superiors' control over him, and second, subjecting him to the control, or at least the influence, of his subordinates and their organization.

When foremen and supervisors joined unions, of course, a measure of independence of, and redress against, their superiors was a large part of what they sought through the negotiation of agreed payment systems, the rule of seniority, and the development of a formal 'industrial jurisprudence': standards and regulations jointly

I. C.C. Carlton (vice-president, Motor Wheel Corp; president, Automotive Manufacturers' Association) in *Full Utilization of Manpower*, pp. 109, 110.
agreed or arrived at, together with machinery for their interpretation and application. But such collective protection against their superiors' often arbitrary control threatened to revolutionize power relations within the production management hierarchy, with dangerous consequences.

If management is not able to control those within its own group, then it loses effective control of the business and the result is chaotic and injurious to the successful operation of the business.

From the supervisor's viewpoint, his superiors' control amounted to a demand that he should succeed in meeting management's standards and targets, or risk losing his job. Foremen who did not make out were not demoted: they were fired. They knew that promotions and layoffs were often made as a result of favouritism, and that discharges against which there was no effective appeal were made summarily. Job rates, similarly, varied widely and arbitrarily.

Foremen sought the same kind of remedies against similar grievances as had the rank and file, but ran up against powerful managerial resistance. In part, this resistance was simply ideologically motivated.

Union membership and managerial status were viewed as incompatible in principle: 'a union is somebody opposed to management.' A union was an organization of outsiders, intruding with disruptive consequences into the organic relations between master and man, or, in the case of management, superior and subordinate in the same, necessarily unitary organization. A union was in the agitation business by its very nature, concerned with the promotion of bad feeling, the stirring up of unreal or unperceived grievances. A union was also concerned with the development of standard rules for the treatment of employees as a class: but management men were individuals, and must not be subject

3. W. Homer Hartz (for Chamber of Commerce of the USA) in Taft Committee Hearings, p. 554.
to this massification from 'outside'.

Management men and workers belonged to two qualitatively-distinct classes of people. Foremen, even the most lowly, were in theory exceptional - in terms of long service, craftsmanship, or reliability. The mass of workers might legitimately be treated as a lump, with no large opportunity to improve their lot except collectively. Foremen and those above them, however, were actual participants in the American system of individual opportunity.

They do not have collective problems. . . .

A foreman operates on his own. From there on up our foremen are of different levels and different abilities. They have started up the ladder of advancement as individuals in the free-enterprise system. That is what we believe in industry.

Foremen had to conform to management's self-image: if they were to possess management status (and management said they did), they had to act that way; they had to be competitive, achieving, busy. Unionization, it was thought, would bring the rule of seniority, not excellent performance, in the shaping of the supervisory workforce; standardized payment, and the destruction of incentives.¹

Having foremen work on a competitive basis, driving them to drive their own men, was taken to be a substitute for having rank-and-file workers on an individual incentive as a way of holding workers and departments to managerial standards. Unionization would moderate the impact of management's system of personal payment and opportunity for the achievers, tempered by dismissal for the incompetent or otherwise unsatisfactory.²

1. Charles E. Wilson (President, GMC) in Full Utilization of Manpower, pp. 76, 84.
Similarly, unionization would threaten management control over supervisory employees by giving them a right to a fair hearing on grievances, and thereby a measure of job security against peremptory dismissal, possibly guaranteed by outside arbitration. Such a prospect was unacceptable for practical as well as for ideological reasons. Management had reluctantly conceded the legitimacy of establishing procedures to guarantee workers a fair hearing as the 'open door' to the top boss was evidently obstructed.

But with supervisors,

I think you have an entirely different category of people. These people are intelligent people, otherwise they would not be in supervisory jobs. They have the ability to bargain individually for themselves, and they do.

Unionization threatened managerial control over supervisory subordinates in manifold ways, and also challenged management's vision of itself as distinct from, and qualitatively superior to, the rank-and-file.

The working man is not interested in the whole picture. He is interested in getting his work out every day on a machine. He has no responsibility and does not want it. That is, the average.

The exception wants responsibility and in wanting it has an ambition and a desire to go ahead, and 2 that is the reason he is selected as a foreman.

1. Earl F. Blank (Director, Personnel Relations, Jones and Laughlin Steel Corp.), in Full Utilization of Manpower, p.158. This was also the position companies took in opposition to the FAA's demand, and the NWLB's recommendation, for the establishment of formal grievance procedures, whether the union was recognized or no. Nicholas Kelley (vice president, Chrysler Corp.), 'The War Labor Board Panel Hearings', in Personnel Series No. 87, pp. 3-II at pp. 8, 10-II; Manpower Division, Automotive Council for War Production, Automotive Company Practices With Respect to Foremen: Study No. 2, Communication With the Foreman (Detroit, The Council, n.d. but not earlier than 1945), esp. p.2. See also Ralph M. Monk (Director, Industrial Relations, Caterpillar Tractor Co.), 'A Company Program for Foremen', in Planning Supervisory Development: Personnel Series No. 96 (New York, AMA, 1945), pp. 21-8 at p. 25; but see 'Should Special Machinery Be Set Up for Foremen's Grievances?' Industrial Relations, 2:10 (Feb.1945), 8-9.

2. Guy W. Vaughan (President, Curtiss-Wright Aircraft Corp.), in Full Utilization of Manpower, p.198.
Unionization might be acceptable if confined to the — one is tempted to term them 'swinish multitude', for that is indeed the extreme version of this elitist view of the mass. But it was clearly unacceptable when extended into the ranks of those on whom management actually had to depend, and whose implicit reliability conduced to the preservation of its feeling of personal security. If such subordinates were unionized, then it seemed as if the world really was about to be turned upside down, a feeling well expressed in C.C. Carlton's plaintive:

I have long ago given up predicting what men will do, because we have fifty-six plant protection men, who are highly trained police officers. When you see them marching in the shop, you are proud of them. When you meet them, it is, "Hello, Bill"; "How are you, George?" They are highly trained, highly specialized men, each one wearing on his arm a band reading, "Auxiliary Police." All of a sudden there appeared an organization that was going to organize them, it did organize them, and they voted to join this thing.

If the trusted corporals and sergeants of the production army, those with whom management thought itself in closest contact, those it believed most like itself in values and aspirations, would no longer conform to its militaristic concept of loyalty, who would?

1. Protho, Dollar Decade, Pt. I, for the fullest exposition of elitist and hereditarian views by authoritarian businessmen. These antidemocratic expressions were muted by the I940s.
2. Full Utilization of Manpower, p.IIO.
3. Closeness of outlook and lifestyles between supervisors and managers was not left to chance. 'The man in the shop may be a foreigner with only a fourth-grade education' (M.M. Olander (Personnel Director, Owens-Illinois Glass Co., Toledo), 'The Problem of Supervision in the Defense Program', in For National Unity — Better Industrial Relations, Proceedings of the 24th. Silver Bay Industrial Conference, 23-26 July I941 (n.p., n.d.), pp. 20-27 at p. 23) but the foreman, if one can generalize from Melville Dalton's findings, was likely to be much more similar to higher management in ethnocultural terms, and to have ties of kin and sociability with them. 'Informal Factors in Career Achievement', American Journal of Sociology, 56 (I951), 407-I5. In addition, indoctrination programmes for newly-promoted foremen tried to impress management's own rational and calvinistic self-image on its subordinates. See, for example, Charles W. Perrelle (President, Gar Wood Industries), 'Leader Selection', Supervision, 8:12 (December I946), 4-5; 'Developing the Man for Executive Management', Manage, I:3 (Nov. I946), 40-41.
No union of supervisors was acceptable, then, on principle. And the actual foremen's unions management could observe confirmed its predictions of the deleterious effects of any form of supervisory unionism. These were based in the unshakable conviction that no foremen's union could ever be truly independent of the rank-and-file. Even where there was no formal, institutional alliance, 'Solidarity of labor' is not an empty phrase, but a strong and active force.

If foremen joined the labour movement, and acted in the same way and with the same objectives, obviously there would be a convergence of ideology and sympathy between themselves and their subordinates. The social distance between them was in any case already less than that between them and their managerial superiors. The practical effects of any such convergence might be disastrous. This was especially so if unions of workers and foremen reached an understanding on mutual assistance.

We must rely upon the foremen to try and keep down those emotional surges (i.e. wildcat strikes), to keep the men in the plants, and to urge them to rely upon the grievance procedure. If we do not have the foremen to do that, who is going to do it? If the foremen are unionized, if they are just as quick to strike as the rank and file, if they are dependent, wholly dependent, upon the rank-and-file union for their very existence, for their effectiveness, why, of course, they are going to be beholden to the rank-and-file union, and they are not going to try and dissuade the rank-and-file from going out and kicking the grievance procedure over and saying, "Let us strike."

What managers feared, was that unionized foremen would follow the same sort of explicitly anti-management, pro-

1. Chrysler Corporation, Shall the Rank and File Boss The Plants (Detroit, The Corporation, 10 Apr. 1946), p. 40. This was a condensation of a brief presented before the NLRB.
labour policies as the United Foremen and Supervisors had espoused in 1938-39. There were signs that this might have been so. Ford, the Murray Corporation, B.F. Goodrich and Westinghouse all experienced difficulties with their unionized foremen's cooperation with production workers' unions on strike tactics and strategy, each side making the other's militancy more damaging. If the FAA, the most spontaneous and independent of foremen's unions, was as thoroughly dependent on production workers' unions' assistance as the evidence business spokesmen presented implied - and as ready to reciprocate with a refusal to strikebreak during a blue collar walkout - then what of those instances where foremen and their subordinates were members of the same unions? Here, the same effects would be observed: foremen would be, in fact, more dependent on the rank-and-file than on higher management, agents of the former in resisting the imposition of production and conduct standards rather than of the latter in their enforcement. Hence the basis of managerial anxieties concerning the consequences of supervisory unionism: 'the workmen will take the plants over.'

This was nothing less than the thin end of a revolutionary wedge, turning the normal and proper power relations in industry on end. Industry, it was often said, was no place for the operation of democracy; but that was what foremen's unions threatened. The FAA, for example, attempted to recruit and bargain for various levels of the supervisory hierarchy: the consequence, had it succeeded, would have been that only the very highest levels of policy-making management would have remained unorganized, with no thoroughly reliable, controllable subordinates left, and the higher levels of the supervisory hierarchy under the disciplinary control of an organization dominated by the votes of their more numerous inferiors. 'Industry could not, any more than an army could, take orders from every private in the rear ranks and operate successfully.'

2. C.E. Wilson, Full Utilization of Manpower, p.76.
3. Congressman Short, ibid., p.154.
Unionization of foremen, then, was one large element in the union challenge to management control, perceived by American industry towards the war's end, and inspiring it to undertake a concerted programme of counter-action. Industry felt itself to be beset, and the particular threats it could see gained in significance as they seemed to fit into a pattern. Speaking about this problem - especially to audiences of sympathetic, reactionary congressmen - businessmen used extreme, apocalyptic rhetoric.

(Their) Communist crowd are in here to wreck American industry, they have been for a long time, and the easiest way for them to do that is to get control of the production, and the way they get control of production is to get control of your foremen. 2

Foremen's unions might not necessarily be seen or depicted as a Communist plot, but were undoubtedly considered to be one of the most serious challenges to American management's power and authority, an important engagement in the 'class war' which had been raging, to the bafflement, distraction, and dismay of the business elite, since the early 1930s.

Unfortunately, they seem to try a lot of these things in Detroit. . . .
We closed the banks, we had the sit-down strikes, and now we are apparently going to have an attempt made to organize foremen. 3

I. The Republican and conservative Democrat majorities on the House and Senate Labor Committees in 1947 swallowed the business line - particularly on the impossibility of independent supervisory unionism - hook, line and sinker.


2. Almon E. Roth, in Full Utilization of Manpower, p. 581. Roth spoke for the Pacific waterfront employers, dealing with the Communist-controlled CIO Longshoremen, which union had enforced a slowdown through unionizing foremen.

3. C.E. Wilson (President, CMC), ibid., p. 71.
Conclusion

The rhetoric businessmen employed in confronting the issue of supervisory unionization, whether it was directed at other businessmen and members of the middle-managerial group, to audiences of sympathetic Congressmen, or at the great American public via the media, was not just bluster. It accurately reflected what businessmen thought and felt about this new and potentially serious challenge to their control over their own enterprises, and to their central conceptions of the necessary and proper ways of ordering society. Such attitudes and opinions helped inspire a generally successful postwar campaign for the restoration of the power and authority of the business community towards which I shall now turn my attention.

In the last two chapters, I have examined the real labour relations problems American business encountered in the war and immediate postwar years, and have explained some of their causes, and some of the reasons why the managerial elite defined these situations as particularly serious and requiring urgent remedial or preventive action from an aroused business community. In the next two chapters, I shall detail the kinds of action the business community took to contain the challenge of organized labour. It will become clear that most of what was done was well-considered, as a response to the kinds of conditions I have described, and that it was entirely consistent with the overall managerial objective of retaining the greatest practicable degree of effective control over the workforce in the workplace in the hands of management and its reliable agents. Business' 'recovery of the initiative' in labour relations in the postwar years represents a real 'triumph of conservatism' at its best - having a firm strategic grasp of realities, prepared to be intelligent and flexible in developing and selecting policies and procedures to help make the real world of American industrial relations a closer approximation of what businessmen thought to be desirable and necessary.
Chapter 5
The Recovery of the Initiative, I:
Business and the Politics of Labour Relations Policy in the 1940s

Introduction

In this chapter and the next, I shall describe and analyze what the business community did about the labour relations problems I have detailed in Chs. 2-4. In the last years of the war and the reconversion period which followed, managements of large firms in heavy manufacturing industries took action in in-plant, day-to-day labour relations, and at annual contract rebargaining sessions, to roll back and then stabilize the power of industrial workgroups and official unions. They were able to mobilize their own immense resources to get the better of unions and their members. They followed the course I called 'realism' in Ch. 2: however objectionable unionism might be in principle, the aim of corporate labour relations policy became the achievement of stable and efficient union-management arrangements, not the destruction of union power.

This is an interesting and important development to discuss. But it was not particularly dramatic: most union-management skirmishes along the frontier of control were quite private affairs. Before I examine it in Chapter 6, I want to discuss business actions to redress the balance of power between management and labour which did take place in a public arena. In 1944-46, the pressure group which best represented the practical conservatism of heavy manufacturing industry - the NAM - developed proposals for the reorientation of public policy towards organized labour designed to aid and complement what individual corporations did to stabilize relations with their own workers and unions. The NAM, too, abandoned reaction: instead, it developed a labour relations policy supported by a broad consensus of business opinion; a workable and comparatively moderate set of proposals which exerted an undeniable influence on the legislative process which eventuated in the Taft-Hartley Act. This is the subject of the present chapter - the first section of a study of the successful 'recovery of the initiative' in labour relations by conservative managements in the postwar years.
The opposition of American business to the Wagner Act and the NLRB from 1935 to 1941 was thoroughly consistent, and consistently ineffective. There were many other factors than business propaganda and political action to account for the moderation in NLRB policies to be observed by 1941, and the central objectives of the business community's most important and representative pressure group, the NAM, remained to be achieved. In 1939, Fortune's poll of executive opinion revealed only 3.7 percent willing to continue the Wagner Act in its then-present form, with 41.9 percent in favour of its modification, and 40.9 percent for its repeal. The NAM reflected this overwhelmingly disapproving consensus, holding out for such thoroughly-restrictive amendments to the Act as to defeat its basic purposes and raise the question of whether the NAM's 'acceptance' of collective bargaining had real substance.

But the mobilization emergency diverted the attention of the NAM and its members from long-run considerations of federal labour relations policy. The NAM advanced a labour relations programme for wartime, involving the suspension of the Wage and Hour Act's overtime provisions, a binding no-strike policy, and no alteration in the labour organization status quo as between 'open' and 'closed' shops. It failed in every particular, and was a singularly ineffective pressure group on the matters of labour relations policy most directly affecting its large industrial members.

During the war, the NWLB was the single most important agency of government affecting collective bargaining, but the NAM's influence over its policy was small. At the President's Labor-Management Conference of December 1941, industry

2. Noel Sargent (Secretary, NAM), War Control of Labor (New York, NAM, n.d.), esp. pp. 3-4, II.
representatives were not the authorized delegates of the NAM and the US Chamber of Commerce, which claimed the right to nominate members of such bodies, but were instead selected by William Batt, president of SKF, Inc. (bearing) and of both the AMA and the Department of Commerce's Business Advisory Council (BAC). Batt was a 'corporate liberal', and so, on balance, were the men he chose - including Ching of US Rubber, Paul Hoffman of Studebaker Motors, Roger Lapham of American-Hawaiian Steamship Co., and Charles E. Wilson of General Electric as well as noted NAM activists like Robert M. Gaylord of Ingersoll Milling Machines, Thomas R. Jones of American Type Founders, and Charles Hook of ARMCO. An anonymous critic complained to the New York Times that 'only five' of the twelve representatives were 'truly representatives of industry.' The industry delegation fought hard even so for the freezing of the status quo as between organized and unorganized plants, but was overruled by Roosevelt. NWLB industry members were initially of the same, generally liberal, stamp, including Ching, Lapham, and Walter Teagle of Standard Oil (New Jersey), all carried over from the NMB. As senior executives of New York-based companies, the 'country club set', as they were called, gave little time to Board duties in Washington, and neither prepared their cases well nor fought them very vigorously. They objected to the Little Steel policy on union security, but without success. Thereafter, they occasionally voted in favour of granting membership maintenance to 'responsible' unions, but more generally pursued the moderate policy of entering pro forma objections and seeking to modify NWLB orders. They did not fight for the right to work (or hire):

3. Ibid., 2, 6; Richards, War Labor Boards in the Field, p. 90.
Instead they aimed to secure workable and mutually acceptable compromises, giving unions greater security of membership and income, but reserving the right not to join (within well defined limits), and subjecting internal union affairs to a larger measure of federal oversight and control than statute law admitted. Industry members' pragmatism and moderation on this issue was in marked contrast to the determined ideological opposition of the NAM. The relative liberalism of industry members and their freedom to ignore their constituents' principles in 1942-43, testifies to the NAM's continuing ineffectiveness, born of its political distance from the federal government, and of its own refusal to answer some industry members' repeated requests for improved contacts between themselves and the organized business community. Industry members were distressed at the consequences of poor liaison: organized labour representatives on the Board were better briefed and more single-minded; companies made relatively ineffectual cases when they came before the Board, and did not work as closely with industry members as unions did with the central AFL and CIO representatives.

It was 1944 before the NAM and the CCUS did something to meet the need for closer coordination. By that time, the problem of presenting industry's case before the NWLB had grown much greater, with the establishment of a dozen regional boards and a number of industry-specific commissions. To fill the resulting vacancies for industry members, cooptation was supplemented by recourse to the NAM and CCUS as appointing bodies. Industry members thereby became more


formally representative, but the problem of securing effective liaison between themselves and their constituents remained.

At the same time, fierce opposition to the course of NWLB orders, particularly on union security, was rising in two centres of irreconcilable opposition to unionism: the industrial South, particularly the Texan oil and chemicals industry, which was experiencing wartime growth in union membership as federal intervention broke down the traditional local obstacles to effective labour organization; and reactionary Republican midwestern business interests. The first group was typified by the entrepreneurial Hughes Tool Co. and the Humble Oil Co. (a subsidiary of Standard Oil of New Jersey which still held to the Rockefeller principle of company unionism); the second, by Sewell Avery's Montgomery Ward and US Gypsum companies.

Organized business, particularly the NAM, belatedly recognized the importance of effective representation before the War Labor Boards for the successful defence of business interests and principles. In February 1944 close liaison was established between industry members and a joint NAM - CCUS committee, on the initiative of 1943 NAM president Frederick Coolidge Crawford. Crawford was president of Thompson Products Co. of Cleveland, a medium-sized automotive parts manufacturer engaged in

1. Richards, War Labor Boards in the Field, pp. 75-80 esp.
a successful running battle with the NLRB and UAW, fighting off the unionization of its main plants by a combination of progressive personnel administration, aggressive propaganda, and ceaseless litigation. The committee appointed William Frew Long of the Associated Industries of Cleveland, a long-established belligerent employers' association, as the executive assistant to the industry members on the NLRB. Thereafter, the organized business community was better placed to influence the course of NLRB decisions, to make the best possible presentation of industry's case, and to 'whip' industry members into line behind considered conservative positions. But, as one industry member and UAW activist ruefully put it, it was 'attempting to find keys and locks to lock a stable out of which most of the horses had already been stolen.'

Still, there were some concrete results. When the Humble case finally came before the NLRB in the spring of 1944, industry members made a strong, closely argued attack on the union security policy - much more than the previous pro-labor dissent - and went against custom in refusing to unanimously endorse the decision of the majority granting the CIO Oil Workers maintenance of membership. In the summer, the system of liaison committees was carried out from Washington into the regions, so that industry members became directly representative of state trade associations and important local industry groups. More uniformity was secured, by policy conferences for board members and prehearing consultations between industry members and representatives of companies with cases before the board.

2. Warne et al., eds., War Labor Policies, pp. 534-5; Allan R. Richards, 'Tripartism and Regional War Labor Boards', Journal of Politics, 14, (1952), 72-103 esp. 93-5; Dixon, 'Tripartism in the NLRB', 379-80, was of the opinion that industry members remained, on balance, less well-prepared and closely-connected to their 'constituents' than did labour - particularly CIO - representatives.
The war experience gave businessmen a practical education in the importance of collective action by the business community to solve its labour relations problems. By the summer of 1944, the business community's national organizations had made progress towards pushing a considered common policy for wartime by effective political action, but the prospects for any similar achievement in producing a single, comprehensive, realistic and attainable programme for postwar revision of federal labour relations policy were still cloudy.

Whilst the war lasted, Wagner Act reform was not on the political agenda: it would have been against the spirit of the no-strike pledge, and it was effectively blocked by continuing Democratic majorities in the House and Senate Labor Committees. In addition, neither the NAM nor the CCUS paid much attention to the matter. They and their members were much more concerned with immediate problems of labour relations in wartime. On occasion, this led to an interest in piecemeal, and perhaps temporary, legislation, as in 1943, when a consortium of automotive, steel and coalmining companies, led by General Motors, sought relief from the problem of supervisory unionism by asking the conservative House Military Affairs Committee to introduce a bill ruling that, for the duration, foremen should be ineligible for union membership or collective bargaining.\(^1\)

But, in general, there was a surprising lack of specific business proposals for postwar labour law revision, and no apparent consensus on what such a revision might entail. The NAM and its spokesmen held to the general line they had settled on in 1939 - that the Wagner Act should be amended to equalize the rights of employers and unions, and to protect the rights of employees against unions, and of 'The Public' against many kinds of industrial conflict and the supposedly monopolistic powers of organized labour.

\(^1\) See Ch.4, supra, p. 150.
'Equalization' involved, in particular, guaranteeing employer free speech, that is, the right to issue anti-union propaganda in connection with organizing drives, representation elections, strikes, and other occasions when the idea of collective action could be attacked. Protection of employees involved prohibition or restriction of any contractual union security clause, in the name of the right to work, and extensive regulation of unions' internal affairs. Protection of the public required the prohibition—by injunction, if need be—of strikes whose aims or tactics were particularly objectionable (as, for instance, sitdown strikes or boycotts were), and the limitation of collective bargaining to one plant, one locality, or the employees of one employer, in such a way as to atomize the power of the industrial unions. But these principles were not turned into detailed legislative recommendations; no attempt was made to mobilize industry behind them; and they were not pressed upon Congress. They demonstrated the depth of senior NAM officials' continuing anti-unionism and reluctance to accept orderly collective bargaining through strong, independent unions as basic national policy, or as an objective which, properly-defined, business might seek for its own interests.

The NAM began to give some thought to the need to plan for postwar labour relations in 1944-45, but it was not the only business group in the field. Whilst there existed no agreed labour relations policy for business and the nation, extremist groups within the business community came up with their own widely-varying suggestions.

One group centred on the automotive industry and, within it, on the Chrysler Corporation - its management still personal, entrepreneurial, and politically reactionary; its labour relations disturbed. The other centred on one man, Eric Johnston, president of a small West Coast building materials firm and of the CCUS. He was a spokesman for the most liberal but, as it turned out, least influential section of corporate management.1

In March 1945, Johnston produced a 'Charter' for postwar labour-management relations, signed by himself, William Green of the AFL, and Phillip Murray of the CIO. The Charter itself was brief, platitudinous, but quite significant. It proposed a linked pair of deals: business would recognize labour's right to organize and bargain collectively, and would not press for revisions in public policy on labour relations. In return, labour would recognize management's right to manage, and continue a no-strike policy into the reconversion period. The right or power of any one of the three men to sign on behalf of his organization, still less to actually deliver the membership's practical assent, was very questionable. Put the Charter showed the readiness of labour officialdom and a section of the business community to continue the wartime practice of high-level accommodation between leaders of labour and the business world over into peacetime. It was backed by noted corporate liberals Paul Hoffman of Studebaker, Henry Kaiser, and J.D.Zellerbach of Crown-Zellerbach, as well as the chairman of the CCUS Labor Relations Committee and E.J. Thomas, president of Goodyear.2

But the Charter's chances of success, never very great, quickly faded as automotive industry activists, led by Chrysler's chairman B.E. Hutchinson, fought it within

1. 'The Chrysler Operation', *Fortune*, 38:4 (Oct.1948), 103-5, 151-4; Johnston's developed views are to be found in his *America Unlimited* (Garden City, N.Y., Doubleday Doran, 1944).
the NAM and the CCUS. Johnston was discredited by the revelation that, at the same time as he had been negotiating with Green and Murray, the Chamber had been exploring the possibility of a common programme of labour law revision with the NAM; and the NAM gave the Charter’s unobjectionable ends its rhetorical support, whilst insisting that extensive labour law revision was essential. The NAM’s refusal to commit itself effectively precipitated the Charter into the dustbin of history.

The closer coordination of War Labor Board industry members with the conservative business community’s organizations in 1944, and the torpedoing of the corporate liberals’ efforts at interest group diplomacy in 1945, indicated that the initiative was with the business community’s practical conservatives. At the same time, the automotive industry’s powerful reactionaries began their move to push business opinion and national labour policy in a much more rightward direction.

They began their campaign with a propaganda blast from Chrysler’s labour economist, John Scoville, delivered to the Detroit Kiwanis on 8 August 1944 and given wide distribution in pamphlet form. He spoke of collective bargaining as

an assault on liberty, as an evil thing which is against the public interest, as something which will increase poverty .... one chick in the foul brood of vultures that seek to pick the meat from the bones of honest men.

Automotive industry anti-unionism had a strong ideological dynamic, but it was also the result of real difficulties in collective bargaining with the largest, most democratic,


and probably most militant industrial union, and also of anxieties about postwar productivity, cost competitiveness, and industrial peace. As such, the specific programme the industry advanced (through its mouthpiece, the Automotive Council for War Production (ACWP)), had to address itself to real problems as well as to ideologically-sound, but unattainable, objectives.

The Council's general manager, George Romney, presented this programme throughout 1945 and 1946, attacking the UAW as anti-management, anti-production, and implicitly un-American. The programme aimed to weaken the UAW - or indeed any industrial union - by calling for the 'equalization' of legal treatment of organized labour, removing its privileged position (including immunity from lawsuits and injunctions for breach of contract); supporting the 'right to work' against any union security device; and insisting on the confinement of collective bargaining to individual company or employer units. The ACWP's programme was neither very well articulated nor fully comprehensive, but it represented an important contribution to the debate within the business community on needed Wagner Act amendments.

I. For the programme, see Manpower Problems in Detroit, pp. 13, 781-2; and Romney's defence of it in his speeches - Why Does the Auto Union Cause So Much Trouble In the Automotive Industry? (privately printed, 1945), esp. p. 12; 'A Dangerous First Step: Reconversion Brings American Industry to the Crossroads', delivered 20 Sept. 1945 before the NICE (Automotive Manufacturers' Association, 1945); 'Labor-Management Cooperation: Some Major Obstacles', before the Detroit Rotary Club, 20 Nov. 1946 (privately printed), esp. pp. 10-13.

Automotive industry anti-unionism typically combined extremist rhetoric and practice with 'classical liberal' strict economic constructionism. Steve Du Brul, GM Staff Member more responsible than any other for the principles underlying GM's labour relations policy, read Henry C. Simons' famous 'Some Reflections on Syndicalism' (Journal of Political Economy, 52 (1944), 1-25) into the record during the 1945-46 GM-UAW negotiations, and dropped a public relations 'clanger' by joining with the Fruehaufs and others in organizing the radical-rightist Society of Sentinels at the height of the grand peur accompanying the reconversion strike wave. (Interview with Andrew Court, 13 Nov. 1974; R.J. Thomas (President, UAW-CIO) press release of 7 Jan. 1946, Walter P. Reuther to Charles E. Wilson, 8 Jan. 1946, and UAW-CIO GM Top Negotiating Committees to President Truman, 22 Jan. 1946, all in folders 7-8, UAW-GM Collection Series VI and VII, AALH.)
Reconversion and the President's Labour-Management Conference

Until the end of the war, discussion about postwar labour policy within business organizations was scanty, general, and fruitless. One reason for the lack of preparation for peace was, quite simply, that no one expected the VE/VJ interval to be so short. With the sudden end of the war in Asia, the no-strike pledge lost all its dwindling effectiveness, the NWLB lost its compulsory powers, and Business and Labour squared up for a mighty scrap over the protection of workers' living standards (OR corporate profitability and viability), and over the defence of unions' recognition and bargaining rights, and their members' job security (OR management prerogatives.). Conflict, mediated by the federal government, settled these issues - generally in favour of business in the first case, and of labour in the second. Workers' real incomes slumped, but few union-busting attempts were undertaken, or succeeded. Union power and job control did not increase, but they remained essentially intact.

Labour relations remained subject to an unprecedented degree of peacetime federal control, and one element of this was President Truman's attempt, at the suggestion of Senator Arthur Vandenberg (Rep., Mich.), to get business and labour representatives to settle their differences in conference. The conference assembled in November. For more than three weeks, business representatives sat down with one another, and succeeded in hammering out amongst themselves the bases of a single, comprehensive and realistic labour relations policy to urge on the business community and the Congress. From the war years and their experience on or before the War Labor Boards, business representatives had learnt of the importance of effective, collective action. And, quite unlike the delegation at the December 1941 conference, the representatives who met in Washington in November 1945 were the unofficial leaders of the organized business community, nominated in equal numbers by the NAM and the CCUS.

Business representatives were presidents and chairmen of large corporations, or trade association executives. American Rolling Mill, Consolidation Coal, General Motors, The Pennsylvania Railroad, Swift & Co., Monsanto Chemical Co., Radio Corporation of America, Goodyear Tire and Rubber, and Consolidated Vultee Aircraft were represented by their presidents as full delegates; so also were Armstrong Cork, Servel, Inc. (electrical appliances), and Bridgeport Brass, providing two former NAM chairmen and one CCUS president-to-be. The current NAM and CCUS chiefs, Ira Mosher and Eric Johnston, also figured prominently. Alternate delegates included representatives of Hughes Tool, Newport News Shipbuilding, The Texas Co., Alcoa, US Steel, Union Carbide, and a host of trade associations - the National Sand and Gravel Association, the New Jersey State Chamber of Commerce, the Automotive and Aviation Parts manufacturers, the Wisconsin Manufacturing Association, the Toledo Chamber of Commerce, and the National Federation of American Shipping. Of the 36 full and alternate delegates, only one - Eric Johnston - was a fully-paid-up, identifiable corporate liberal, and, given his office, he could hardly have been left out. Six were former NWLB industry members, and two of the firms represented (Armco and Goodyear) had contributed NWLB industry members of sub-presidential rank. The delegation was dominated by representatives of medium- to large-scale manufacturing firms, long active in the business community's peak associations and overwhelmingly conservative in their politics. They included Lee H. Hill, the most important theoretical defender of management authority, who had moved on from Allis-Chalmers to edit Mc Graw-Hill's trade journal Electrical World, and represented utility interests.  

I. For the full list, see U.S. Department of Labor, Division of Labor Standards, The President's National Labor-Management Conference November 5-30, 1945: Summary and Committee Reports: Bulletin No. 77 (Washington, D.C., USGPO, 1946), pp. 84-5; NWLB, Termination Report, II, 6; cf. Cleveland, 'Some Political Aspects of Organized Industry', pp. 207-17. Thirteen of the thirty-six represented the active minority in the NAM, the 125 firms which dominated its policymaking and provided most of its funds from 1934 to 1946. Allowing for nonmanufacturing firms and trade association representation, these 13 are a majority of industry representatives.
The conference took place whilst the numbers of workers on strike or locked out were climbing to unprecedented heights, between representatives of the corporations and the unions involved in some of the bitterest fights. In the circumstances, one would have expected little agreement amongst its participants, and less substantial achievement. Certainly, it did not deliver a recipe for industrial peace in the short term, as had been hoped. But it did show how far American business and labour leaders had moved towards one another in the ten brief years since industrial unionism began to invade the mass-production industries. The conference did its business in six working committees, and three of these reported unanimously. 'Only the pressing and critical needs of reconversion made these accomplishments appear insignificant.'

Committee V, on Initial Collective Agreements, and Committee VI, on Existing Collective Agreements, produced reports which were essentially general, procedural prescriptions. Committee V's recommendations were a recipe for good-faith collective bargaining which the NLRB could not question — indeed, if many corporations had not continued to flout its important proposal I (a), that the employer should not question his obligation to bargain with the union chosen as the bargaining agent for all employees in a properly established bargaining unit, i.e., NLRB's, then many of its difficulties, particularly with Southern firms at the time of organized labour's unsuccessful postwar push into the South, would have been much reduced.

Committee VI's recommendations were a distillation of best practice in long-organized industries and NWLB policy on grievance settlement and arbitration. Grievances were accepted as natural and legitimate — something that, for

1. Taylor, Government Regulation of Industrial Relations, p.232. NWLB Chairman Taylor also chaired the conference.
instance, GM's vice-president for employee relations, Harry Coen, was not ready to countenance, given the common belief that few grievances arose within the employment relationship unless agitators of some kind were at work. Furthermore, both union and management were implicitly enjoined not to use the grievance procedure as a means of continuing industrial conflict during the life of the contract. The procedure was to be a means of orderly contract administration, and the final guarantee of order was to be the impartial chairman, arbitrator, or umpire, empowered to adjudicate grievances, not to 'add to, subtract from, change, or modify any provision of the agreement.'

Management concurrence in Committee Reports V and VI indicated great progress towards practical acceptance of the system of collective bargaining in the mass-production industries. Committee IV, on Conciliation Services, similarly testified to the interests of both sides in institutionalizing industrial conflict. Its recommendations on the improvement of the Conciliation Service, as an alternative both to strike action and to undesired compulsory federal intervention, were largely accepted and implemented by executive action in 1946-47, and endorsed by the relevant provisions of Taft-Hartley.

The measure of agreement reached in Committees IV, V and VI was important and substantial. Harmony was not entirely absent in Committees I-III, but the disagreement was much more significant. Management spokesmen worked out a common position on those subjects where, agreement with organized labour failing, the only alternative remained legislation; and the NAM's legislative proposals of 1946-47 grew directly out of these committee deliberations.

1. General Motors Corporation, Fourth Conference for College and University Educators; Personnel Administration and Industrial Relations, 16-29 June 1948 (transcript, processed), p. 12 of a.m. session, 29 June.
2. U.S. Dept. of Labor, President's National ... Conference, pp. 44-7, quotation from p. 46.
In Committee I, on Collective Bargaining, there was very considerable agreement: management members accepted the principle of collective bargaining and, as in Committees V and VI, procedural recommendations for its orderly implementation. But they repeatedly emphasized that the bargaining agency should be the free choice of the workers, reflecting their dissatisfaction with NLRB procedures and union security policies; they were distinctly cool on labour's proposal—with which corporate liberal management would have agreed—that as collective bargaining matured, the subject matter admitted for discussion should broaden; and they insisted on a definition of good-faith bargaining, allowing either party to reject the other's proposals if it thought them contrary to the interest of 'the employer, employees, the union, or the public.' Management fended off any presumption in favour of broadening the scope of collective bargaining agreements, and stated its objection to the NLRB's interpreting the 'duty to bargain collectively' as requiring something more than discussion of issues of wages, hours, and working conditions, narrowly defined. Management members also implicitly endorsed the 'public interest' rationales GM and other corporations were currently using to oppose union demands.

But it is with items I (j), 2 (d) and 2 (e) of the report that we really get to the nub of management's case, and these deserve quoting in full.

I (j) ... Voluntary negotiations or free collective bargaining is (sic) not possible except under conditions of law and order and the absence of force. ... The public has the right to insist that management and labor at all times practice collective bargaining with full regard for protection of individuals and property against unlawful acts.

1. U.S. Dept. of Labor, President's National Conference, pp. 4-55.
2. Ibid., p. 55.
2(d) In order to provide effective measures to carry out the letter and spirit of the labor agreement, it is recommended that each agreement ... provide for appropriate guarantees to insure complete and effective compliance with provisions ... prohibiting strikes, lockouts, or boycotts.

2(e) For years, in the public interest, legislation and government regulation have controlled the activities and defined the responsibilities of employers. Likewise in the public interest, the activities of labor organizations should be controlled and their responsibilities appropriately defined, to assure equality of status before the law ...

These proposals were not very specific, but they underpinned the IAM's proposals for labor law reform in 1946-47. Notable is the emphasis on the regulation of industrial conflict in the public interest, and the demand for equalization of management and labour rights and responsibilities under the Wagner Act. There was no question but that thorough revision of the federal labour law was required. As for 2(d), it was an endorsement of corporate demands for 'company security' against official or unofficial strikes during the term of any contract currently being pressed by Ford Motor and other large firms. 2

With the two final committees we discover the greatest measure of management hostility to union claims, and the most specific legislative recommendations. Committee III, on Representation and Jurisdictional Questions, was agreed on some important matters, as, for instance, that the NLRB should continue in existence as an independent agency and be adequately funded. Management members recommended companies not to oppose voluntary or informal means of settling representation issues, which was a far cry from widespread business behaviour in the late 1930s, and lingering hostility in 1945-46. But they insisted that representation questions must be protected from union direct actions pending their settlement by voluntary agreement or state or federal agencies; and that, once such an issue had been

1. Ibid., p.56.
2. Fred H. Joiner, 'Developments in Union Agreements', and Kerr, 'Employer Policies in Industrial Relations', both in Varnd et al., eds., Labor in Postwar America, Chs. 2, 3, esp. pp. 74-75. See also Ch. 6, below, pp. 229, 240.
decided, it should further be protected against interference by strike or boycott. What management was demanding was the abrogation of the right to strike as a way of short-circuiting the time-consuming and often unsatisfactory procedures of the NLRB and the courts, or as an alternative to them preferred by powerful, strategically-placed unions like the Teamsters. Management had discovered the advantages of federal regulation of labour relations, providing that intervention was on the side of 'order' and against the exercise of labour power, where that was overwhelming.

The same was to be true in the case of jurisdictional disputes, where binding NLRB determinations were to have precedence over 'voluntarist' settlements by labour unions and employers, and no settlement was to involve the employment of 'unnecessary' employees, or 'featherbedding'. Against powerful AFL Teamsters, Construction, or Metal Trades Department unions, in particular, American business was quite willing to seek federal protection.1

More directly relevant to the labour relations problems of large-scale manufacturing industry were propositions A-6 and A-7. The employer was to be given the right to question the representativeness of the union bargaining for his workers at each contract-termination date - an obvious weapon for any anti-union employer to use, as Sewell Avery's Montgomery Ward Co. had demonstrated in its longdrawnout, successful struggle with a weak CIO union. And, most important of all, no state or federal agency should be able to order the establishment of an appropriate bargaining unit larger than a single plant or store, unless sanctioned by past practice of the employer or mutually agreed. Such a provision would allow any automotive employer to resist UAW demands for corporation- or industry-wide bargaining, whilst it would not prohibit employers in competitive, decentralized industries like trucking, building, or longshoring from getting together the better to resist union demands.2

1. US Dept. of Labor, President's ... Conference, pp.68-9.
2. Ibid., p.69-70.
Management proposals at the 1945 conference displayed a new sophistication, a readiness to use the law selectively to assist in the solution of labour relations problems, rather than to seek a freedom from legislative intervention and administrative action. The latter were perfectly welcome, provided they were on the right side, helping management to deal with, and get the better of, a powerful labour movement that existed and would continue.

If union and management members on committees I and III were some distance apart, then on committee II, dealing with Management's Right to Manage, they were a world away from any specific agreement on any provision, despite a 'conscientious effort' by labour representatives 'to arrive at an understanding, along the lines proposed by management.' I Management representatives on this committee were all heavyweights: two NAM past presidents, Charles Hook of ARMCO and Henning W. Prentis, Jr., of Armstrong Cork, with GMC's 'Engine Charlie' Wilson as full delegates, with representatives from Newport News Shipbuilding, the Toledo Chamber of Commerce, and the Automotive and Aviation Parts Manufacturers (another former GM man), as alternates. These men spoke for the heavy industries where anxiety about union intrusion on management's prerogatives and the issue of supervisory unionism was greatest. 2

They asked, in plain terms, for the amendment of the Wagner Act so as to exclude supervisors and other managerial personnel from its protections, and for organized labour's acceptance of Lee Hill's simple division of managerial 'functions and responsibilities' into two categories. The first was to be not at all subject to collective bargaining, and went well beyond the determination and implementation of central corporate strategy to include

2. U.S. Dept. of Labor, President's ... Conference, p.87.
Labour representation on the committee was all second rank, including the right-wing James Carey (Electrical Workers) and the Steel Workers' accommodationist staff expert, Clinton Golden, later to become a noted 'prophet' of union-management cooperation.
The determination of job content ...; the determination of the size of the work force; the allocation and assignment of work to workers; determination of policies affecting the selection of employees; establishment of quality standards and judgement of workmanship required; and the maintenance of discipline and control and use of plant property; the scheduling of operations and the number of shifts.

These were clearly matters of direct, intimate, and legitimate concern to job-conscious unions under the Wagner Act. On such matters as discharges and disciplinary action, and the application of the seniority provisions, management must be free to act promptly, in the first instance, but the union was permitted to grieve. Management members of Committee II did not propose legislation to secure the protection of their prerogatives, except on the supervisor question. They asked instead for labour's acquiescence, thinking perhaps that no law could encompass all possible situations, nor could any administrative agency be trusted to interpret and implement any general provisions, in such a sensitive area where a sufficiently strong and determined management could look after its own interests.

Labour members replied, in very moderate and conciliatory terms, that it was 'unwise to specify and classify', to restrict the flexibility of individual union-management adjustment, and to obstruct the evolutionary broadening of the scope of collective bargaining. But they accepted management's basic proposition that its rights needed defence against some union intrusions. 'The functions and responsibilities of management must be preserved if business and industry is to be efficient, progressive, and provide more good jobs' - shades of the aborted consensus of Johnston, Green and Murray eight months earlier.

The deliberations of the conference were rather overshadowed by the mounting wave of industrial conflict beyond its doors, which occasionally, indeed, seeped under or washed right

1. Ibid., p. 58.
2. Ibid., pp. 59-62.
over them, as when the management members brought in their proposal for cooling-off periods of 50 days and the appointment of independent 'fact-finding' boards, by state governors or the President, where possible strikes threatened to cause an 'emergency' (undefined) or to threaten public 'health or safety.'

But they should not be forgotten. The extent of agreement indicated the extent to which a consensus on the means for the institutionalization of conflict - a mutually beneficial end - existed in Business and Labour leaderships; where management differed, then action either by large corporations in their collective bargaining strategy, or by the NAM in its campaign of lobbying and propaganda for an alteration in federal policy, was to follow. Lee Hill summed up the conference's real achievements, as businessmen saw them, most thoroughly and convincingly. Its successes were 'the nailing down of the union delegates' positions on fundamental issues' and

the development of a newly improved pattern of agreement among thirty-six principal and alternate delegates from management. These men met daily for almost five weeks, and ... they succeeded in unanimously developing a programme which, if it can be made effective by appropriate legislation, will definitely minimize future labor disputes. . . .

(I) It goes far to crystallize certain management viewpoints that were previously nebulous or inadequately defined, and it has gone far to provide a platform on which management, often divided within itself heretofore, can now find a much larger basis for its own unity.

(2) Thus it can serve management as a valuable supplementary guide in future negotiations or conferences with labor.

(3) It should point out clearly to members of Congress a carefully considered, logical, and practical program for minimizing labor disputes. If properly implemented by appropriate legislation, (it) should go a long way toward solving the country's Number 1 problem.

1. Ibid., pp. 25-8.
The NAM and the Legislative Struggle

At the NAM's annual Congress of American Industry (CAI) in December 1945, the contributions of the management representatives at the conference were endorsed, and the legislative proposals contained in committee reports I-III formed the bases of its recommendations for labour law reform. The reconversion strike wave, meanwhile, helped create the political climate in the country at large in which chances of severe amendment of the Wagner Act were good. Industrial conflict, shortages, and inflation were successfully described to a receptive public as the responsibility of organized labour and the federal government's mismanagement of the economy. President Truman brought in his own proposals for labour law reform and federal intervention in peacetime strikes to protect the 'public interest', and the Congress exceeded his wishes in passing the Case bill - generally acceptable to the NAM - which Truman vetoed. But Republican prospects in the off-year elections in November were good, so the likelihood of passage of anti-labour proposals in 1947 was high.

In these circumstances, there was an obvious need for the organized business community to be united behind a well-considered, comprehensive programme, if it was to have the greatest influence on the legislative process. Realizing this, members of the NAM's Industrial Relations Department and Industrial Relations Program Committee worked throughout the year, with increasing urgency towards the fall, to produce such a programme. November brought the election, December the CAI; by that time, differences of opinion within NAM's ranks had been as nearly as possible eliminated. Under the presidency of Inland Steel's vice-president Clarence Randall, senior executives from NAM's activist minority of firms met in October and November, together with important trade association executives.

2. For background, see Mc Clure, Truman Administration and Problems of Postwar Labor, esp. Chs. 5-8; Millis and Brown, From the Wagner Act to Taft-Hartley, Chs. 8-9.
Companies represented included Alcoa, American Cyanamid, Armour, Eastman Kodak, Island Creek Coal, Pratt and Whitney, Warner and Swasey (machine tools), Worthington Pump and Machinery, and Standard Oil of New Jersey; trade association delegates came from the utility industries (Lee H. Hill), the CCUS (Homer Hartz, a Chicago machinery manufacturer), the Associated Industries of Cleveland (William Frew Long), the Automotive Manufacturers Association (George Romney), the Michigan Manufacturers Association, and the St. Paul (Minn.) Committee on Industrial Relations.

After protracted discussions, the committee produced an agreed draft, which was endorsed by the NAM's Board of Directors and thereafter rubber-stamped by the CAI. Within the committee and the Board, the midwestern steel and automotive industries' last-ditch opposition to the labour movement and the Wagner Act in principle continued, but moderation prevailed. Even after the smashing Republican victory in the November elections, the NAM resisted the temptation to 'go for broke', that is, outright repeal of the Wagner Act. There were two basic

I. Gable, 'A Political Analysis of an Employers' Association', Ch.6, pp. 261-75 - 'Formulation of the 1946 Declaration of Principles, A Case Study' - and Appendices VIII-XV, provides an analysis of the making of the NAM's labour programme with which I have no disagreement, and which I have therefore incorporated into this work. He had access to the minutes of the Industrial Relations Program Committee's meetings and the Industrial Relations Department's position papers on the subject, which he reproduces in his dissertation. The general story was familiar, from the press ( 'NAM Policy Seeks Peace in Industry, Federal Economy', New York Times, 6 Dec.1946,p.I; 'Head of NAM Pledges to Carry Out New Liberalized Labor Program', ibid., 7 Dec. 1946, p.5; 'NAM Group Seeks Labor Act's Repeal', ibid., 23 Dec. 1946, p.I), from the trade press ( 'Renovation in NAM', Fortune, 38:1 (July,1948), 72 ff. at I68; editorial, 'Here's Industry's Target', Modern Industry, 15:1 (15 Jan.1947), I56) and from the NAM itself (Clarence Randall, 'A New Federal Labor Policy', address before the 51st. CAI, 5 Dec.1946 (NAM News Bureau Press Release, mimeographed) ). But Gable provides original and intimate documentation. Though NAM's dead files have been donated to the Eleutherian Mills-Hagley Foundation and are open to study, subject to a thirty-year rule, my repeated requests to see minutes of the crucial Board of Directors' meeting have not, to time of writing (31-I-1979) been met.

I have used the material Gable reproduces for purposes rather different than those of his analysis, so the next pages are not, strictly speaking, derivative.
reasons for this: first, NAM strategists' understanding that reactionary legislative proposals would not square with their attempt to portray NAM as moderate, reasonable, and unselfishly pursuing the public interest, in their massive propaganda campaigns; and second, their appreciation that such a course would not 'provide the necessary answers to our labour relations problems, the core of which involves the enormous exercise of monopolistic power by unions.' Only further governmental intervention, in the right spirit, could meet those problems. In addition, at least a minority of the program committee were of the opinion that employers, quite aside from their legal obligation to bargain collectively, should work sincerely to make such bargaining effective - - recognizing that sound collective bargaining is a useful tool for the maintenance of good employee relations. That phrase did not survive the last compromises within the committee - its elimination was a large part of the reactionaries' price for accepting a strategy of amendment, not repeal - but it did become the accepted policy of the NAM Industrial Relations Department in its advice to NAM members on their conduct. In the course of 1946, NAM had finally accepted the realistic, reformist approach to labour relations problems, in its practice if not always in its rhetoric.

2. Gable, 'A Political Analysis', Appendix XIV, p. 522: working draft for meeting of 18 Nov. 1946.
3. Carroll E. French, 'A Constructive Approach to Collective Bargaining Negotiations', introduction to Preparing to Negotiate: A Discussion of Some of the Considerations Requiring Management Attention Before Starting Collective Bargaining Negotiations (NAM Industrial Relations Department, Management Memo No. 2, March 1947, processed). French, the Department's new director, only accepted the post on the understanding that NAM was now 'realistic', not reactionary. He was an alumnus of the arch-progressive Industrial Relations Counselors, Inc. Gable, 'A Political Analysis', p. 249.
NAM's 1946 Declaration of Principles began with a brief, but significant, call to American employers to implement personnel policies which were generally 'progressive' in character:

1. High wages based on high productivity, with incentives to encourage superior performance and output;
2. Working conditions that safeguard the health, dignity and self-respect of the individual employee;
3. Employment that is stabilized to as great a degree as possible, through intelligent direction of all the factors that are under management's control;
4. A spirit of cooperation between employees and the management, through explanation to employees of the policies, problems and prospects of the company.

This was not mere rhetoric: the Industrial Relations Department encouraged member companies to turn those platitudes into practice, not as an overtly anti-union measure, but because, in the words of an earlier draft which summed up the rationale of much personnel work in the late 1940s,

In many companies, particularly where such a spirit of cooperation has been maintained effectively, employees have felt no need to organize to secure these benefits of such policies.

NAM, following the path of realistic conservatism of many of its member companies, accepted much of the labour relations status quo, but not the vision of collectively bargained industrial democracy enshrined in the Wagner Act.

It was the studied opinion of the Committee that, where unions represent the honest will of the workers, the NAM has no desire to obstruct them or interfere in any way with collective bargaining. But, where that is not true, it is not the intention of or desire of the NAM to promote, urge, advocate, or foster collective bargaining. Where unions have been chosen, the NAM believes that both parties should deal in good faith without outside interference of any kind, by either the government, international unions, or others.

1. Ibid., p.295. French insisted on the inclusion of these progressive principles, and encouraged their implementation by expanded services of advice and assistance to members - pp. 296-305.
2. Ibid., p.522 - working paper for 18 Nov.1946 meeting. See below, Ch. 7, pp
3. Ibid., p.515 - minutes of 16 Oct.1946 meeting.
NAM, in effect, echoed General Foods' Spates in preferring, still, a vision of industrial relations in which management remained free to deal directly with workers, and to keep them contented with progressive personnel practices. But, in the many circumstances where such an ideal state was unattainable, NAM and many of its members aimed for decentralized collective bargaining in which the law assisted management in keeping the upper hand. That was the object of the remainder of NAM's principles on which Congress was recommended to act.

First, and very important, whilst the 'right of employees to organize in unions is, and should continue to be protected by law', the right not to join should be accorded equal status. The presumption in favour of increasing union membership which underpinned the Wagner Act and NLRB policy should be ended. Similarly, 'On exercizing the right to organize in unions or the right not to organize, employees should be protected against coercion from any source.' The Wagner Act had only conceived of employer restrictions on workers' free exercise of the right to organize and bargain collectively. NAM called now, as it had since 1935, for balance. In practice, the defence of individual rights meant legal restrictions on the customary, if not particularly savoury or legitimate, organizing tactics of labour. Taft-Hartley accepted these principles wholeheartedly.

Second, both union and management should be obliged to bargain in good faith, so long as the union was the freely chosen representative of workers in the bargaining unit.

1. See Ch.2, pp.61-2. above.
Congressional acceptance of this 'balancing' principle opened the way to employer accusations of 'refusal to bargain' against strong unions; it also allowed in the right of the employer to question the representativeness of his workers' union, as NAM had long requested, and management representatives at the November 1945 conference had repeated.  

Third, union and employer 'should be obligated by law, to adhere to the terms of collective agreements.' As well as contractual no-strike and company security provisions, federal intervention to guarantee orderly contractual relations was desired. In addition, agreements 'should provide that disputes over the meaning or interpretation of a provision should be settled by peaceful procedures' - by which was meant, primarily, binding arbitration.  

Fourth, under the guise of protecting the public against labour monopoly, bargaining should be restricted to the employees of one employer, their local union, and the firm employing them. After much debate, NAM had decided in favour of a strict preference for atomized bargaining, as the steel and automotive reactionaries desired, rather than have any truck with the multiemployer bargaining which was customary in many competitive and local market industries, and advantageous to the companies concerned.  

I. 'A Labor Management Policy to Benefit America', in Make Way for Prosperity (as approved by the Board of Directors), 3 Dec. 1946 (mimeographed), p.2.; cf. Taft-Hartley, Title I, Sec. 8 (b) 3 and Sec. 9 (c) (I) (B).  

2. Gable, 'A Political Analysis', p.273. 'Peaceful procedures' were the Board's words, 'voluntary arbitration' the Program Committee's. Cf. Taft-Hartley, esp. Sec. 8 (d) and 10 (I).  

3. 'A Labor Management Policy to Benefit America', p.2; in 1947, the House Majority (Report, pp. 35-6, proposed Sec. 9 (f) (I)) and four Republican extremists in the Senate (Taft, Fall, Jenner, and O'Donnell) attempted to limit multi-employer bargaining. Senate Majority Report, p.51. But they failed. The business community was, in any case, divided on this issue. See Jesse Freidin, The Taft-Hartley Act and Multi-Employer Collective Bargaining (Philadelphia, Univ. of Pennsylvania Pr., 1948).
Fifth, the right to strike over legitimate differences—concerning wages, hours, or working conditions—was accepted, where peaceful procedures had failed to bring a settlement. But the exercise of that right was to be conditional on a majority vote, in a secret ballot by an outside agency, on the employer's last offer. In every case, NAM's presumption was in favour of industrial peace and against the representativeness of any union, however local.

Sixth, a broad category of strike actions was to be excluded from legal protection: that is to say, strikers would lack status before the NLRB, and have no right to vote in representation elections or to be reinstated; and the union, or its members, might be laid open to legal proceedings, even judicial injunctions, undoing much of the benefit of Norris-La Guardia without repealing it (as the reactionary NAM minority demanded), and overruling a decade of interpretation of it by the Supreme Court. The NLRB had been moving in the direction of excluding certain categories of strikers from its protections—on the grounds of unacceptable aims or methods of conflict. NAM wanted the law to be made much more sweeping and explicit: jurisdictional strikes, sympathy strikes, strikes against the government or to force employers to ignore or violate the law, strikes to force recognition of an uncertified union, or to enforce 'featherbedding' or other work-restrictive demands, or secondary boycotts, were to be made illegal. Congress accepted most of these recommendations: unfortunately, the remedies it devised were neither strong nor speedy enough to entirely restrict industrial conflict to the well-regulated, nonviolent disputes between one company and its employees, but the thought was there.

1. 'A Labor Management Policy to Benefit America', p.2. Cf. House Majority Report, 1947, proposed Sec.2 (II) (B) (vi); only a vestige of this remained in Taft-Hartley, however—Title II, Sec. 209 (b).

2. 'A Labor Management Policy to Benefit America', pp.2 3. Emily Clark Brown, 'Free Collective Bargaining or Government Intervention?' Harvard Business Review, 25 (1946),190-206; Taft-Hartley, esp. Sec.8(b) (4),(6)and Sec. 10 (k) (1)
Seventh, any kind of union security provision was to be outlawed. The staff of the Industrial Relations Department, and some Program Committee members, were willing to consider the individual, revocable checkoff, or even a modified form of union security, subject to the 75 percent vote of workers in the bargaining unit in its favour. But the majority, and the Board of Directors, plumped for the 'right to work', without qualification. In addition, individual employees were to be protected by law against violence or intimidation, whilst 'The Public' was to be protected against mass picketing or any other form of coercion. NAM's aim here was to defend the non-union worker, the scab, or the struck enterprise against the effective, if objectionable, direct-action tactics of unions and their members which local law enforcement agencies and the courts could not cope with, either because of political reluctance or the slow course of the law. Here again, Congress acted, but neither as effectively as NAM had hoped, nor with quite the results it had expected.

Finally, two glaring abuses of the Wagner Act, perpetrated by the NLRA and endorsed by the Supreme Court, were to be undone: supervisors' unions were to be excluded from the law's protection once and for all; and employers were to be allowed 'free speech', that is, the right to use all of the resources of anti-labour propaganda without having their actions construed as unfair labour practices.  

1. 'A Labor Management Policy to Benefit America', p.3; Gable, 'A Political Analysis', pp. 504, 524, 529. The House Majority outlawed the closed shop, but permitted union security or membership-maintenance agreements, subject to majority vote in a secret ballot, the union's meeting certain standards of internal democracy, and the employer's assent; Senator Ball (Rep., Minn.), was for the unconditional right to work; the final Act accepted the House version, with less detailed internal regulation of unions and no employer right to reject a union security provision if the majority of his workers voted for it. House Majority Report, 1947, esp. pp.31-4 and 39, and proposed Sec.8(b) and (c) and Sec. 9 (g), pp.53-4 and 57. However, states were allowed to outlaw any form of union security within their own boundaries, allowing the passage of 'right to work' laws in the South and West particularly. Hartley, Our New National Labor Policy, esp. p.72.  

2. 'A Labor Management Policy to Benefit America', p.3; House Majority Report, 1947, pp.13-17, 53; Taft-Hartley, Sec. 2 (II), Sec. 8 (c) and Sec. 14(a).
Once the NAM had produced its new set of proposals, it rallied a united membership behind them, and used all of its resources to try and influence the legislative process. A massive propaganda campaign, always couched in 'public interest' terms, was mounted to try and influence the climate of opinion in the country, and thereby bring indirect pressure on the Congress; NAM officials and member firms testified before the House and Senate committees, and committee members and Congressmen were deluged with mail and pamphlets urging NAM's proposals. Least visibly, the Republican majorities on the House and Senate committees consulted corporate attorneys representing NAM and member firms. The House majority was advised by, amongst others, General Motors, General Electric, Chrysler's economist Scoville and attorney Iserman, and by William Ingles, lobbyist for anti-union Inland Steel, Allis-Chalmers, Fruehauf Trailer, and J.I. Case (farm equipment) Co.; whilst the Senate majority was ably served by its counsel, Gerard Reilly, ex-NLRB member who had won industry's affection with his ringing dissents, particularly over the issue of supervisory unionism.

But this is not to say that the NAM, or industry representatives, 'wrote' the bills which led to the final Act, as organized labour and some Democratic Congressmen alleged at the time. The NAM's was only one influence among many, and only influential because the time was ripe for legislating and the Republican party was looking around for proposals to enact. The legislative process was not under NAM control.

Thus, the fundamentalist Republicans and conservative Southern Democrats on the House committee included provisions reflecting the views of the defeated NAM minority and its advisors, which the Program Committee and Board of Directors had rejected as unwise. Such provisions included strict regulation of the internal affairs of unions, exclusion of confidential employees (including 'labor relations, personnel, employment, police, or time-study personnel by name, and other white-collar employees implicitly) as well as supervisors from the Act's protection, the non-Communist rule, barring unions with Communist officers from access to the NLRB, and the definition of 'collective bargaining' in strictly procedural terms, so as to forbid the NLRB ordering an employer to bargain on any specific issue outside of 'wages, hours, and working conditions', narrowly-defined. Similarly, the final Act included 'national emergency strike' provisions, involving 'cooling-off periods' and federal 'fact-finding', of a sort the NAM had considered, but had rejected at the insistence of Lee H. Hill and the public utility industries most likely to be affected.

The House majority was full of dangerously-unreconstructed conservatives whose proposals certainly did not square with NAM realism; whilst, in the Senate Committee, the Republican-Democrat balance was fine, and three of the Republicans - Aiken of Vermont, who had helped salvage the 1946 Employment Act from GM-coordinated business-conservative mauling, Ives of New York (an experienced labour lawyer), and Morse of Oregon (an ex-NWLB public member), were relatively liberal, and worked to water down fundamentalist proposals on, for example, union security and industry-wide bargaining.

The work of those Republican moderates was crucially important, because Taft-Hartley's success in passing over the inevitable veto depended on its ability to secure the necessary majority in the Senate, whose composition had altered much less in 1946 than the House, and which over-represented rural districts rather less flagrantly. They were thus able to exercise a disproportionate influence for leniency, producing a more workable bill whose chances of success were thereby improved.

The NAM had an undeniable, but unquantifiable, influence upon the legislative outcome. Taft-Hartley was a measure which it welcomed: many of its less important provisions satisfied minor requests for legislative change which the NAM had been making since 1935, and its broad outlines provided a framework of federal law within which anti-union firms could more easily pursue lawful obstructionist strategies, whilst the mass of 'realistic' firms could expect a more even break in their dealings with organized labour. Taft-Hartley was an immensely complex, poorly-drafted law. Some of its provisions backfired: the election procedure by which unions were enabled to secure a union shop made it easier, rather than harder, for them to do so. Just as in the strike vote provisions of the War Labor Disputes Act of 1943, and the similar procedures in 'national emergency' strikes contained in Taft-Hartley, conservative businessmen and lawmakers had assumed the existence of a difference of interest and opinion between union members and leaders which fitted their own ideology rather than the facts. Over 90 percent of ballots were cast in favour of union security, making the anti-union employer's 'defence' of his misrepresented workers seem a little hollow. Similarly,

the provisions on health-and-welfare funds paradoxically made it easier for industrial unions to demand joint determination of benefit levels, etc., with the full backing of the CLRB and the Supreme Court.\(^1\)

However many the inadequacies of Taft-Hartley, the business community accepted it as a law for which it was, more or less, responsible. NAM counselled against any employer abuse of the rights they had gained or regained, and encouraged its members to do all in their power to tell employees and the public that Taft-Hartley was fair, was not a 'slave labor law', and should be maintained. Taft-Hartley revitalized the party-political action of the CIO and AFL, and brought them into much closer alliance with the administration-liberal wing of the Democratic Party, from which alone they could hope for its repeal, and through which they could influence its administration via the appointment process. NAM therefore had to continue its pro-Taft-Hartley lobbying and propaganda after 1947 - indeed, the Act was not finally secure until the Democrats, strengthened in the 1948 elections, failed in their first attempt to repeal or amend it in 1949.\(^2\)

What was the significance of Taft-Hartley? It brought solutions to some specific problems in labour relations,


notably in fixing and clarifying the law relating to supervisory unionism and anti-labour propaganda. It intended nothing to the advantage of the labour movement, and it systematically strengthened the forces of law and orderliness in American industrial conflict. And it signified to the business community that the social and political 'revolution' of the New Deal years was well and truly burnt out, and that reasonable conservatism was once again triumphant.

Coming out of the long period of confusion under the Wagner Act is something like coming out of a tunnel wherein one has grasped toward the light. There is suddenly much more clarity, much more assurance of sound footing, much fresher air to breathe. We sense the closing of confusion.

This was valuable reassurance, and Taft-Hartley's benefits to firms like General Electric and International Harvester, in their struggles against Communist influence in their rank-and-file workers' unions, or Ford, in its attempt to win the UAW round to its version of 'responsible' union behaviour, discussed in the next Chapter, were valuable also.

How decisive was the organized business community's contribution to the reorientation of the climate of public and Congressional opinion towards organized labour, which eventuated in Taft-Hartley? NAM, certainly, claimed much of the credit - especially when justifying its expenditure on public relations and indirect influence to its membership; but it is difficult to reach any firm assessment of the actual impact of the business community's work. Favourable outcomes, in line with what businessmen wanted and strove to achieve, can certainly be observed; but the political process is not a simple machine, on which one or other organized interest can pull the lever marked 'propaganda' to good effect, simply as a result of putting increased resources into the business of influencing people and legislators.

1. These were the chief benefits Smethurst and French identified—Remarks, pp. 3-4; French, 'Management Views the National Labor Policy', address at Univ. of N. Carolina, Chapel Hill, 12 May 1949 (mimeographed), p.7.
The decisive swing away from the liberal, pro-administration Democrats in 1946 doubtless had much more to do with popular dissatisfaction over the way in which reconversion was being handled; the increase in anti-labour sentiment is similarly attributable to popular awareness of industrial conflict - the unions' fault - as another cause of shortages and inflation, and of well-publicized abuses of its power by an unprecedentedly strong labour movement. The business community's propaganda may have focused and directed public opinion to some extent, but only because it was swimming with a strongly flowing tide.¹

If business propaganda - the NAM's chief method of indirect influence - was at the most a subsidiary factor in the reorientation of public opinion, the political outcome of Taft-Hartley is still more difficult to allocate to business' efforts. The linkage between the climate of opinion and the legislative process, even in a representative democracy like the United States, is no simply demonstrable matter. Businessmen assumed that popular opinion counted; but one might argue, quite convincingly, that the imperfectly representative nature of the federal legislature, giving greater weight to rural and Southern legislators whose conservative inclinations predisposed them to favour business' proposals, and whose constituencies were beginning to feel the impact of unions' organizing activity, was a much more important explanation of the shape and the success of the Taft-Hartley legislative package.

Even when one has deflated the actual importance of the Taft-Hartley Act in the solution of labour relations problems, and of the organized business community's contributions to its passage, one is left with the conclusion that it represented the consummation of the NAM's objectives, worked for with increasing strength and sophistication since the 1930s - a triumph for the practical conservatism of American heavy industry. Taft-Hartley once enacted, big business support for the NAM waned; no other collective political endeavour was of such centripetal and energizing effect as the long campaign against the Wagner Act, NLRB, and labour movement.²

Chapter 6

The Recovery of the Initiative, 2: 'Realistic' Collective Bargaining in the 1940s

Introduction

Taft-Hartley was greeted with enthusiasm by the business community. But it is important to note that that enthusiasm was neither universal, unqualified, nor immoderate. Even Taft-Hartley's greatest supporters understood that it was not the whole answer to the 'labor problem'; and practitioners in the field of industrial relations knew that, in dealing with a strong, established union with which the management wanted to maintain stable relations, it might well prove burdensome.

HAK's Smethurst and French recognized that there were objections to the law business had helped draft: there was a feeling that the act had

seriously encumbered the formulation of sound industrial relations' (sic) programs by so involving industrial relations in legal technicalities that ...
the administration of sound programs is now a very serious problem ...

and that, as a 'good many employers' who 'were somewhat lukewarm' about it pointed out,

the status of their relationships with their employees did not depend upon legislation, and they were not expecting any set of laws to work new miracles in their labor relations.

A NICB survey of executives' attitudes taken immediately after the passage of the act revealed two-thirds expecting 'little or no effect on their day-to-day relations,' with the next most popular response 'don't know.' 3

2. French, 'Industrial Relations and a Free Enterprise Economy', p.2.
They expected the free speech provision to be useful, and anticipated a more responsible union approach to collective bargaining, but did not intend to 'get technical' or take unfair advantage of the law, knowing that such a course might produce its own crop of in-plant labour relations problems. Management had many more opportunities to take unions to court under Taft-Hartley, but should not rely on the courts or the NLRB for the answers to most of its labour relations difficulties - the help they could give came slowly, and might well backfire. The law had an important, but restricted, role to play - 'the provision of more equitable rules of the game'; but the outcome was still more likely to depend upon 'economic pressures' and 'informed personnel practice.' This was a position the NAM officially endorsed.

Business in general, then, had rather limited and realistic expectations of the contributions of Taft-Hartley to the solution of the kinds of labour relations problems in middling to large-scale manufacturing industry which I described in Chapters 3 and 4. What was the more fundamental answer?

Let us not place our reliance on legislation or the changing personnel of some governmental agency. If we spent the same amount of effort in cleaning up our own backyards (as in 'trying to find what kind of pressure can be applied to cure a particular situation'), in doing a good job for our people ... we should be a great deal better off.

The basic solution, in the opinion of managements 'realistic' and 'progressive' alike, lay in management's own hands, in problem-oriented activism within the enterprise designed to stabilize labour relations with established unions and to undercut the sense of grievance on which militancy thrived.

In the remainder of this chapter and all of the next, I shall describe and explain the strategy and tactics managements used to this end, working out varieties of acceptable _modus vivendi_ with established unions of blue-collar workers and using the techniques of personnel administration to help confine unionism to already-organized plants and sectors of the workforce. In this chapter my focus will be on the conduct of collective bargaining, with special reference to the large automobile and other heavy manufacturing firms in the late 1940s. In chapter 7 I shall explain the contributions a modified personnel administration and welfare capitalism had to make to management's 'recovery of the initiative' in industrial relations in the 1940s.

Collective Bargaining: Strategies and Tactics

In the later 1940s, after the NWLB's disappearance from the scene, the two constructive elements I identified in the response of organized business to the rise of Labour a decade earlier found their full application. (See Ch. 2, pp. 47-9, 54-60). In postwar America, there remained broad variations in the way management approached the handling of its labour relations problems, depending, as before, on managerial ideology, the relative bargaining power of company and union, and the market situation of any particular firm at any particular time. But it is possible to construct more or less useful and inclusive typologies of management strategy and labour relationship. Benjamin Seleman's is rather ornate; Frederick Harbison and John Coleman's is much simpler, and helpfully realistic, with its threefold division of labour-management relations into broad categories—of 'armed truce', 'working harmony', and 'union-management cooperation.' I intend to concentrate on management strategy
rather than on the qualities or characteristics of resulting union-management relationships, and for this purpose my earlier, even simpler distinction between 'realistic' and 'progressive' management approaches to problems of labour relations will suffice.¹

In Chapter 2, I paid considerable attention to the policy recommendations of US Rubber's Cyrus Ching, and to the practice of the General Electric Corporation whilst it was headed by Owen D. Young and Gerard Swope. Swope and Young retired for good from active participation in GE's management in 1945; Ching moved on, in 1947, to head the newly-independent and more powerful Federal Mediation and Conciliation Service established by the Taft-Hartley Act. In the later 1940s, the progressive strategy's advocates were a younger, less influential group of executives: Paul Hoffman of Studebaker, J.D. Zellerbach of Crown-Zellerbach Paper Co., Eric Johnston (who moved on from the presidency of the CCUS to direct the Motion Picture Association of America), Robert Wood Johnson of Johnson and Johnson (pharmaceuticals and textiles), Walter H. Wheeler of Pitney-Bowes, Inc. (postage meters), and numerous executives from the garment and textile industries, together with some from smaller steel-making and -fabricating firms. From the union side their message was endorsed, particularly by Clinton Golden, Harold Ruttenberg, and Joseph Scanlon of the CIO Steel Workers, by Edward Cheyfitz (late national president of the Castings Division of the nonferrous Mine, Mill and Smelter Workers, CIO), and by Textile Workers union leaders and staff members.²

These men, and the organizations they represented, were not simply interested in propaganda; they worked to turn their vision of union-management accommodation or cooperation into reality. Edward Cheyfitz became Eric Johnston's assistant; the Steel Workers, through their famous Scanlon Plan, assisted managements of small steel firms to improve productivity by cooperative action; Botany Woollen Mills and the Textile Workers Union of America organized joint Foreman-Shop Steward training programmes, to speed and ease the process of accommodation on the shop floor. ¹

Business advocates of union-management rapprochement were generally selected from the ranks of business' 'sophisticated conservatives' or corporate liberals - the kind of men who were not unduly perturbed about the recent increase in power of unions and the federal government, seeing these as forces for improved social stability and efficiency rather than as threats to the foundations of the Enterprise System and the American Way of Life. Understandably, therefore, they associated with one another - notably in the Committee for Economic Development and the National Planning Association - and their institutional alliances were further cemented by common service under Democratic administrations. This was particularly the case after the war - Hoffman and Zellerbach, for example, together supported the Johnston-Green-Murray Charter of 1945, served on the CED's Special Policy Committee on Collective Bargaining, and were chosen to direct the implementation of the Marshall Plan through the Economic Cooperation Administration (ECA). Hoffman, in addition, was chosen as one of six management members of the advisory panel to Ching's PMCS. Both of their companies were selected as prime examples of successful labour relations. ²

In their service with the ECA in particular, such men as Hoffman, Zellerbach, and William K. Batt of SKF (who added the position of trustee of the National Planning Association to his roster of corporate liberal affiliations) worked with social democratic union leaders and staff members like Victor Reuther, Clinton Golden, and James Carey (Electrical Workers) in reconstructing non-communist labour movements in Western Europe and encouraging there the kind of union-management cooperation to increase productivity which they practiced and preached in their own country. They came to see responsible labour leaders as, in the words of Pittsburgh Plate Glass' labour relations director, 'free men on the same team of democracy.' The need to present a united front to the outside world, to eliminate flaws in America's democratic institutions, and to remove obstacles to the increase of production so necessary to sustain America's world role, were new arguments they adduced from the necessities of the Cold War to strengthen their case for the pursuit of a rapprochement at all levels between unions and management.

As far as in-plant labour relations strategy was concerned, the progressives' message was quite straightforward. The fundamental question management should ask itself was: Did it accept the permanency of the union? If the answer was 'Yes', management policy should be designed to make the union a reliable, helpful, and cooperative factor in the operation of the company's business... To this end, the policy of management would be to deal fairly at all times with the union and its officers. It would want the union to participate actively in the accomplishment of all objectives requiring the teamwork of employees.

Management representatives would treat the union representatives with the same respect and good will as they would like to have from union representatives. They would do nothing to discredit the union. They would give credit where credit was due to union representatives.  

In practice, the programme implied: granting the union more or less formal security of membership and income; being prepared to see the scope of collective bargaining expand, with wide-ranging programmes of notification, discussion, and even bargaining on issues of corporate policy going beyond wages, hours, and working conditions; refusing to draw a distinction between 'The Union' (radical, subversive, anti-management, anti-production, outside) and 'Our Men', but instead accepting the union as a useful institution which could be used as a channel of communication with employees, not considered as a barrier to be vaulted over. Management tried to build up the status of established, responsible union leaders, and was willing to consider its shop stewards as 'departmental morale executive(s)'.

This did not amount to managerial abdication: it would retain the right to take the initiative, even in most personnel matters; it would retain the right of final decision on most matters; union participation would be restricted in most cases to the right to be notified or consulted, or to process a grievance. Joint administration of programmes either concerned productivity-raising in marginal companies (where such cooperation was the price of union acquiescence or assistance in implementing speedups and layoffs), or rather minor activities - welfare and recreation programmes, for example.

Collective bargaining relationships resulting from the 'progressive' management strategy - as well as from the market situation of the firms, and from the political culture and institutional structure of the unions involved - attracted considerable attention at the time, as they appeared to offer an alternative to industrial conflict under conditions of 'armed truce.' They promised social harmony, increased productivity, and higher income for all; they represented a form of representative industrial democracy compatible with private capitalism and managerial authority.

But I intend to say nothing more about the progressive strategy. This is not simply because it has been well studied, at the time and since, but because none of the firms which practiced it was particularly important. Harbison and Coleman found no company having an actively cooperative relationship with the union which had more than a thousand employees; no establishment where union-management relationships were those of 'working harmony' which had more than five thousand. The progressive strategy flourished, if at all, in medium-sized, closely held firms, or in marginal companies operating on the periphery of America's 'dual economy.'

The progressive strategy, therefore, simply carried little of American industry with it, and scarcely touched the 'center firms' in heavy manufacturing industry in whose managements I am most interested. The pattern-setting firms which dominated their own industries and exerted the greatest influence on the developing pattern of labour-management relations enjoyed 'armed truce' arrangements with their unions, and followed the strategy I have described as 'realism.'

1. Solomon Barkin (Director of Research, Textile Workers Union of America), 'Labor's Code for a Private Enterprise Economy,' Labor Law Journal, (1952), 840-45 esp. 844-5, for an aggressive presentation of the need for such a system.
In the development of a national labour relations policy between 1944 and 1947, the corporate liberals in the CED - Hoffman, Johnston, Zellerbach - had no very great or discernible influence. As I explained in the previous chapter, the practical conservatives or reactionaries best represented by the NAM dominated the thinking and action of the business community. In the development of labour and industrial relations at the level of the firm during the same period, it seems to me that, once again, the 'progressives' were relatively insignificant. In the postwar bargaining rounds in the basic manufacturing industries, what one sees instead is a more or less practical, realistic, and aggressive management strategy aiming at stabilizing labour relations, confining union strength within acceptably narrow limits, and restoring or maintaining managerial authority. Onion-busting was rarely attempted, but large strikes to reduce organized labour's influence over workers' productive behaviour were common. This hard-headed strategy of the steel, automobile, electrical machinery, and farm equipment manufacturers in particular seems to me much more important and worthy of study.

The Context: Big Business and Big Labour in the Postwar Years

As I explained in Chapter 3, pp.121 -27, management and unions, for rather different reasons, looked forward to the tapering-off of wartime demand with considerable anxiety. But in fact, the years of reconversion, ca.1944-47, were a period of shortages, rather than overcapacity in American industry; of insatiable consumer demand and massive corporate re-investment, rather than of a return to insufficient effective demand and 'secular stagnation.' The Truman administration found itself faced, quite unexpectedly, with the problems of inflation, not depression. No-one was entirely confident, as the postwar consumer boom rolled on, that the spectre of mass unemployment would not return to haunt the great American banquet. The question remained not whether, but when the postwar 'corrective dip', recession,
or depression would arrive. The bargaining behaviour and political strategies of business and labour have to be set against this background of middle-term pessimism and uncertainty. Unions wanted to put a floor beneath their members' living standards, to entrench their organizations, to consolidate their contractual gains of the previous decade, and to provide for a secure future by the extension of private social welfare systems. They also had to try to defend members' real incomes in a time of galloping inflation, especially after the death of the Office of Price Administration (OPA) in 1946.

Companies wanted to set their houses in order before the return of a buyers' market; they wanted to be sure they were 'prepared for rough weather.' To meet the demands of the home market, to support the continuing high level of America's military effort, and to provide the requirements of a shattered Western Europe, industry had to expand its productive capacity in the short term. This it was ready and able to do. New investment brought its own productivity gains. But, if a company was to be able to exploit the sellers' market most profitably as long as it lasted, and yet to remain competitive in anticipation of the coming downturn in demand, it had also to pay attention to the problems of labour cost, productivity, and continuity of output, particularly where labour was a key factor of production.

The postwar years were extremely profitable for American business: the cost of wage increases was easily passed on to final consumers, so the resistance of centre firms to substantial annual money wage rises was not strong. The patterns they established in national-level bargaining were followed more or less swiftly and closely in peripheral firms and industries. But it would be wrong to imply that postwar wage bargaining was a smoothly-functioning process. Each wage round - of 1946, 1947, and 1949 - was marked by large, though generally orderly, official strikes, and by bitter, violent propaganda wars between companies and unions. The economic conflict had its political dimension,
as business fought, successfully, for the decontrol of prices in 1946, and resisted, much less successfully, federal intervention in all of the major disputes of 1945-46, and in the steel industry dispute over welfare funds in 1949.

But I would argue that the more fundamental struggle between business and labour in the postwar years was taking place in Congress - in the drive for the Taft-Hartley Act; and in undramatic but important confrontations between large firms and industrial unions over noneconomic clauses in the contract and the actual operation of collective bargaining in the workplace. In these latter areas, the advantage was all to business.

Postwar industrial conflict, in the form of orderly mass strikes, served to protect basic contractual provisions, living standards, and union strength against the worst effects of what appeared, in 1945-46, to be a determined and concerted attack by organized business. But strikes, however immediately successful, had their political costs: labour was blamed for shortages and inflation by a public anxious to consume whilst the going was good. Well-publicized abuses of power by certain old-line AFL unions, disputes in public utility industries, and the massive, recurrent miners' strikes further added to public concern and Congressional anger about labour power and 'irresponsibility' and produced the political climate in which the Republicans registered their large gains in the 1946 off-year elections, enabling the passage of Taft-Hartley.

Through 1947 and 1948, unions, particularly those of the CIO, exercised considerable self-restraint in the use of the strike weapon, in an attempt to restore their public image and not embarrass the Truman administration, their only, if imperfect, political ally. Unprecedented levels of

assistance to the Democrats in the course of the 1948 campaign were supposed to bring a repeal of Taft-Hartley, possibly the restoration of price control, and belated enactment, in the form of the 'Fair Deal,' of the wartime programme of increased federal welfare activity.

Organized labour's alliance with the administration/liberal wing of the Democratic Party had other consequences. In particular, a desire to cooperate with an anti-Communist administration, and to make the labour movement less politically vulnerable, led to the inauguration of serious anti-Communist activity within the CIO. Taft-Hartley's provision that no union with officers who had not taken a non-Communist oath enjoyed any rights under the law aided the efforts of right-wing social democrats like Phil Murray and Walter Reuther in the purge of their own organizations and of CIO affiliates. The CIO was not immediately strengthened by its public purging: rather, in 1948-49 it became preoccupied with its internal divisions. A labour movement which needed unified strength crippled itself: the Electrical, Farm Equipment, and non-ferrous Mine, Mill and Smelter Workers left the CIO, or were forced to leave. Their bargaining rights unprotected by law, they became fair game for rival CIO and AFL unions, and the labour movement's internecine wars created opportunities for anti-labour corporations like Allis-Chalmers, J.I. Case, Servel, International Harvester, and General Electric to exploit.

Finally, in 1948-49, the long-awaited recession came, but it was shallower and briefer than had been expected. Marshall Plan aid and other exports to Europe began the process of recovery in the level of economic activity; the massive expansion of the military budget consequent upon the increase of international tension in 1949-50 (the Berlin crisis, the Soviet explosion of an atomic device, the beginning of the Korean War) guaranteed high-level prosperity into the next decade.

A review of the context for business—labour confrontations in the later 1940s leads one to the conclusion that industrial unions continued to enjoy a large measure of economic bargaining power in each of the postwar years, but that their political weakness increasingly militated against any effective mobilization of it. In this situation, their large bargaining partners perceived an opportunity to alter the content of collective agreements and the manner of their administration to their own advantage—an opportunity which they seized.

But the labour relations strategy of 'realistic' corporate managements in the later 1940s was much more than simple opportunism. It also reflected the application of a well-articulated programme of labour relations reform developed first of all by General Motors before the outbreak of the war, but acquiring the status of the commonly recommended best practice of the business community in the course of the decade. Before recounting the strategy and tactics of firms like GM, Ford, US Steel, International Harvester, Westinghouse, and General Electric in the postwar bargaining rounds, I shall briefly sketch in the outlines and the rationale of this programme of realistic labour relations reform at the level of the firm.

I. For a summary evaluation of the bargaining climate in the late 1940s, Kassalow, 'New Patterns in Collective Bargaining', in Lester and Shister, eds., Insights Into Labor Issues, can hardly be bettered; for information and analysis concerning the impact of the Cold War on and in American labour, see Foster, Union Politics, Ch.4; David Levinson, 'Left-Wing Labor and the Taft-Hartley Law', Labor Law Journal, 1:14 (Nov. 1950), 1079 ff.; Matles and Higgins, Them and Us, Chs. II–II (the United Electrical Workers was the largest Communist-controlled CIO union, and drastically weakened by red-baiting and more substantial attacks by other unions, management, and the state); Preis, Labor's Giant Step, Part VI; D.J. Saposs, Communism in American Unions (New York, Mc Graw-Hill, 1959), Parts IV–V.
The Strategy of Realism: Management's Programme for Making Collective Bargaining Work

From the management side, collective bargaining cannot be conceived of as the forcing of grudging concessions by pressures of various kinds. It does not imply a situation in which management fights a rearguard action to preserve its prerogatives; such a negative approach can hardly produce a vital mechanism....

It is management's duty to make such demands on the union as are necessary to preserve its ability to perform its functions. Collective bargaining is by no means a one-way street.

General Motors was the originator of what it liked to call the 'man bites dog' technique in labour relations — that is, a programme of action aimed at limiting union influence by, amongst other things, making demands of the union rather than being either passive, defensive, or purely reactive in collective bargaining, and allowing the union to take the initiative. In 1942, GM began to put pressure on the UAW to behave in ways management defined as 'responsible', by portraying it as anti-management, anti-production, and by implication unpatriotic, in a time of national emergency. There was a large element of 'public relations' in GM's bargaining posture. It was striking back against Walter Reuther's recent, accurate accusations that the automotive industry as a whole had been obstructive of the defence preparedness effort. And it was attempting to defend itself against the possibility of any NWLB order granting the UAW, as a 'responsible' union, some measure of union security.

As well as the anti-UAW propaganda, GM made certain specific requests for alterations in contract language. They added up to a sustained criticism of the UAW's record, combined with a presentation of the kind of organized labour relationship GM considered ideal.

I. George W. Taylor, 'The Functions of Collective Bargaining', in Personnel Series No. 81 (1944), pp. 3-19 at pp. 6-8. Taylor was GM's second Impartial Umpire, after Harry Millis.
GM demanded that the union: discontinue attacks on the company; allow the elimination of double-time pay; allow management to establish 'any shift system which it feels is efficient'; permit the introduction of piecework systems; sanction pay differentials, promotions and transfers on a merit, not seniority, basis; reduce the numbers of union committeemen by fifty percent, eliminate their special privileges (paid time for union business, special seniority rating), and in general allow the reform of the grievance procedure in the interests of efficiency.\(^1\)

GM's success was limited: it asked the UAW to give up its claims to a degree of formal job control, exercised through the seniority system, grievance procedure, and contract negotiation process, and to abandon its 'agitational' character. The UAW agreed to impose censorship on local unions' attacks on management, but in such a democratic and decentralized industrial union as the UAW, such a promise was rather hollow.\(^2\) But GM's demands were impossible of achievement through negotiation at that time, and were of a controversial character the NWLB was disinclined to order. GM's bargaining posture was perhaps more successful in demonstrating that a large and aggressive corporation could take on a powerful and publicity-conscious union at the difficult business of making a case to win public favour. Throughout the war, GM continued with the same policy, seeking public support - an asset of considerable but unquantifiable value to such a large and visible corporation as GM, any of whose major industrial disputes was certain to involve federal intervention. GM demands of the union, and attacks on it, continued in the same vein, at each contract renegotiation and during the Mead Committee Hearings of March 1945.\(^3\)

\(^1\) 'Guns and Butter: the Paradox of Collective Dealing', Personnel, 18 (1942), 322-38 at 334. The article is a most important early statement of realistic strategy and tactics.

\(^2\) Lichtenstein, 'Industrial Unionism Under the No-Strike Pledge', pp. 327-32.

\(^3\) Press release of March 1945 on UAW-GM contract ordered by NWLB, in Box 9, WPR-PPM, AALH, for GM's demands; see also Ch. 3, above, pp. 81-2.
But in time of war, the common practice of corporations large and small seems to have been the pursuit of industrial peace by making expedient concessions in contract negotiation or administration, leaving the resolution of tricky issues to the WLB's. WLB industry members were excellently placed to observe the tactical and strategic weaknesses in the generality of the business community's preparation for collective bargaining and labour relations. They 'receive(d) a liberal education in other people's problems,' and were most strongly, and disagreeably, impressed by management's poor documentation and presentation of its case. This resulted from and reflected the poor quality of the personnel staff, record-keeping and reporting procedures in many companies, compounded by their inexperience in having to make a case for their labour relations policy and practice before any outside agency - be it union, arbitrator, or federal agency. The habits of a long period of unquestioned authority died hard: getting used to having to negotiate took time, and acquiring the skill to do so in such a novel and knotty area as labour relations was difficult. There was a shortage of experienced personnel, and also of agreement on the best practices and policies for them to follow.1

Industrial management's preparation for bargaining was tactically weak; and cases before the Board often involved companies which had already made unwise concessions to the union because of a lack of appreciation of the consequences of their acts.  


2. Hill and Hook, management at the Bargaining Table, p.266.
Most of us as employers, have not been at this collective bargaining business long enough to have been all around the cycle and to realize the full implications of some of the precedents we are establishing and the ways in which they can snap back and embarrass us in future.

Industry members attempted to influence the whole business community in the direction of 'realism' in its approach to labour relations, both by providing concrete assistance in the writing and enforcement of better contracts, and by advising for the more general adoption of 'best practice.' Best practice consisted of the policies of vanguard companies - from which WLB industry members so often came - communicated to the remainder of the business community through the usual channels: conferences and publications of the AMA, NICB, and NAM, and other membership services of trade associations. But competence and success in collective bargaining and labour relations required more than mere technical preparedness. It had to be accompanied by hard, strategic thinking about what new policies the 'personnel', 'labor', or 'industrial relations' department was designed to fulfill.

Most important of all was that labour relations policy must be based in an acceptance of unions and of the essentials of public policy as lasting facts, combined with a determ-

2. See above, Ch.5, pp.166 -9. Industry members provided many conference speakers during the war years, with Allis-Chalmers' Lee Hill the most ubiquitous.
ination to make collective bargaining work, as a means of arriving at and enforcing acceptable agreements, rather than as a way of continuing anti-union struggles with a view to the eventual elimination of the 'outside' labour organization. Ideologically anti-union managements, like GM or Chrysler, might stress that '(o)ur relations with the rank and file ... were not the relations we ourselves had chosen'; but whether union power resulted from direct action or federal policy, it had to be accepted and dealt with within the law. Active or belligerent anti-unionism must be abandoned: it might be the 'right' course, but it was not generally wise. It could result in industrial conflict, legal proceedings, and bad publicity. Indeed, the necessity to present the business community as law-abiding and 'cooperative' in its labour relations policies, in order to square managerial rhetoric with expressed public opinion, resulted in the virtual elimination of professed 'open shop' attitudes - even by the executives of the least reconciled corporations.

Having accepted the permanency of the problem of labour relations, management must treat it just as it dealt with problems in other phases of its operations. It must be realistic, practical, constructive, objective, astute, ethical, businesslike. These are all, of course, elements in American management's self-image: its role is seen as a matter of resolving particular crises in line with long-run objectives. As far as possible, labour relations policy and practice is to be stripped of its overburden of emotional and ideological antagonism to the very idea of unionism, and to be treated in a cold-blooded fashion. Indiscriminate and bloody-minded hostility was out: managerial objectives must be attainable.

1. Nicholas Kelley (Vice-Pres., Chrysler Corp.), 'The War Labor Board Panel Hearings', in Personnel Series No. 87 (1944), pp. 3-II at p.9; William M. Leiserson, 'What's Evolving in Wartime Labor Relations', in Personnel Series No. 86 (1944), pp. 18-30 at pp. 18-19. Leiserson's informal sampling found some large national firms to be the last bastions of strong anti-unionism.

In addition, labour relations policy should be well worked out, dynamic, and consistently implemented. There must be an end to compromise or defeatism in collective bargaining, and avoidance of any tendency to be merely reactive, to sit back and await union demands. Collective bargaining must be recognized as a game management could play aggressively, to the ends of maximizing productive efficiency and minimizing interference with management's discretionary power to direct the workforce and the enterprise. The union should be forced to deliver something - its members' acceptance of managerial orders, continuity of production, adherence to orderly procedures - in return for the contractual benefits it received.

Such was the general strategic outline. But success in collective bargaining, once the general management attitude was correct, further depended on adequate procedural implementation. Each company must devote resources to building a competent industrial relations staff, and to working out precisely what it wanted from contract negotiation and administration, and how to go about it. Management policy must be based in detailed knowledge of what was actually going on within the firm - not just of the formalities of contract language, but of how steward and supervisor actually interacted on the factory floor. The management which knew what its operating problems were, had clear tactical and strategic objectives, and had the expertise to meet with organized labour on a footing of, at the least, equality, could go about the job of bargaining confidently. It should attempt to influence the content of the final agreement, either by laying a preemptive offer on the table, or by making a considered counterproposal to the union's demand, containing the same kinds of changes in the 'noneconomic' clauses of the contract as GM had put forward in 1942.

Once a satisfactory agreement had been negotiated, it must be consistently enforced right down the line if it was to work as intended. Here, again, the well-set-up industrial relations staff had its part to play, setting up feedback and monitoring systems, making sure supervisors did not depart from formal labour relations policies, and in
general policing the administration of the contract with
the assistance of the grievance systems, terminating in
arbitration, which the NWLB had bequeathed. I

Implicit in the managerial programme of labour relations
reform was a recognition of the profound importance of
policy and practice in this area to the success of any
drive to cut costs and restore discipline and productivity
in the postwar era. Management aimed for stability,
predictability, and order in labour relations; for the
confinement and gradual reduction of the scope of union
influence through formal collective bargaining and informal
pressure; and for the elimination of direct action tactics
on the part of workers of any but the least disruptive
sort - the official strike, called in due season at one,
two or even more years' interval, at the contract termination
date. 2

I. On arbitration, in particular, see Guy B. Arthur, Jr.
(Vice Pres., The American Thread Co., and AMA), 'Techniques
of Successful Labor Arbitration', Personnel, 21 (1945), 297-304;
Jules Justin (Attorney, NYC), 'Presenting Management's Case

2. Sources for pp.214-18, in addition to those directly
cited, include the following: books and pamphlets -
Baade, Management Strategy in Collective Bargaining Negotiations;
R.L. Greenman, Getting Along With Unions (New York, Harper, 1947);
Lee H. Hill, Pattern for Good Labor Relations (New York, Mc
Graw-Hill, 1947); Industrial Relations Department of the NAM,
Preparing to Negotiate: A Discussion of Some of the Considerations
Requiring Management Attention Before Starting Collective
Bargaining Negotiations (New York, NAM, March 1947); Smyth
and Murphy, Bargaining With Organized Labor: Staff of the
Executives' Labor Letter, How to Handle Collective Bargaining
Negotiations: Bargaining Techniques and Strategy (Deep River,
Conn., National Foremen's Institute, 1944, processed);
Stewart and Couper, Reconversion in Industrial Relations.

Articles and addresses: Collective Bargaining Developments
and Representative Union Agreements; Studies in Personnel
Policy No. 60 (New York, NICB, 1944), p.3; C.F. Mugridge
(Management Consultant), 'Negotiating a Labor Contract', and
'Improving Management's Score at the Bargaining Table: Report
of a Panel Session', in Personnel Series No. 91 (New York,
AMA, 1945), pp. 41-48,49-63; 'Negotiating the Labor Agreement:
an Open Forum', in Negotiating and Interpreting the Labor
Agreement: Personnel Series No. 110 (New York, AMA, 1947),
pp.17-30; Leonard J. Smith (Director of Industrial Relations,
Arvey Corp.), 'Common-Sense Collective Bargaining', Personnel,
21 (1944), 162-5.
Big Business and the Implementation of the 'Realistic' Strategy

During the war years, management's skill and sophistication in its approach to labour relations problems undoubtedly improved, but for the duration there was little point - apart from the possible publicity value - in any corporation's trying to rebargain its contract in any fundamental way. Such a course almost inevitably led to deadlock, the referral of the dispute to the WLB, and perhaps the mandatory inclusion of even less acceptable provisions. But firms did not necessarily accept all of the NWLB's innovations as permanent, and were prepared to use the reconversion period, when it came, for 'a well planned program of recovery(of management rights) to be negotiated into their agreements as opportunity offers over a period of years' and for 'straightening out the salients in the management front created by government and union offensives.'

V-J Day came with unexpected suddenness, and in fall 1945-spring 1946 companies and union squared up for a fight over wage-price policies and over the relative power and status of Business and Labour. In this first postwar bargaining round, General Motors, though it was not the 'pattern-setter', occupied the centre of attention in fighting off the demands of the largest and most militant industrial union for: a 30 percent wage increase predicated on the need to protect workers' take-home pay and purchasing power in a time of reduced working hours and inflation; the payment of such an increase without any compensatory price increases, on the grounds that corporate reserves and anticipated profits were more than adequate; and an extension of union security and contractually-protected job controls well beyond those which the UAW had gained before the war, or the NWLB had ordered during it.

1. Stewart and Couper, Reconversion in Industrial Relations, pp. 27, 37.
2. See secondary sources cited at p.120 above, Ch.3. In addition, this account of the GM strike of 1945-46 rests on an interview with Andrew Court, formerly of the company's Labor Economics Staff, on 13 Nov.1974, and on extensive research in company and union archives and publications. See Appendix to this Chapter, pp.316-7 below, for a note on the most important statements of the company and union positions.
Walter Reuther, head of the UAW's GM Department, chose which of the Big Three automobile firms to strike, named the issues of the dispute, and largely determined the tone of the contest - on the one hand, an orderly mass strike, lasting for 113 days nationally, involving almost 300 thousand workers directly, and continuing in some plants for up to 60 days after the official national settlement in March 1946 as locals fought to settle outstanding local grievances and improve on the national terms; on the other, a forensically bitter propaganda battle, carried out over the radio, in pamphleteering, through paid advertisements and carefully-engineered news releases, and in testimony before federal fact-finders and Congressional committees.

General Motors won the battle, on Reuther's chosen ground, with hardly any concessions. The corporation simply gave a 'pattern' wage increase, following steel and electrical industry settlements, and the level established in negotiations between the UAW, Ford and Chrysler. It secured price relief from the Office of Price Administration (OPA), as more than fit compensation. The long strike was not as costly as might have been expected: because of federal tax policy, to cushion corporate reconversion problems, and because the corporation was able to use the struck period to retool and to accumulate scarce raw materials in preparation for the resumption of civilian goods production, GM could even claim to have profited by the strike. The UAW had hoped to force GM to a quick settlement by allowing its competitors to keep working and steal a march on it in the battle for postwar markets. But shortages of power, raw materials, and bought-in parts (especially from GM's subsidiaries, like AC Sparkplug), in part strike-induced, meant that they were unable to make anything of that 'opportunity.' GM's sense of its own market power and bargaining position was much superior to that of the UAW.²

I. Unpublished manuscript by Harry D. Garrett (formerly GM Labor Relations Staff), pp. 112-50, for a succinct, factual, and chronological account of the strike and negotiations.

2. Interview with Andrew Court.
Reuther lost the first battle, having to move much further from his initial demand than the Corporation did from its first offer on wages, and failing utterly in his attempt to introduce corporate pricing policy as a legitimately bargainable or arbitrable issue. The sovereign power of corporate management to make investment and pricing decisions - 'the very heart of management judgement and discretion in private industry' - was protected absolutely, without the necessity even of consultation or disclosure of information on which forecasts were made.

Reuther also lost the war of words. According to a private poll for corporate subscribers, conducted after his three-month preliminary bombardment of liberal keynesian special pleading and claims to be more 'socially responsible' than the 'small group of industrial and financial bureaucrats who control General Motors', 42 percent of a sample drawn from the industrial states North of the Ohio and East of the Mississippi blamed the UAW for the strike (19 percent blamed the company, 26 percent both sides). 42 percent, again, thought GM had been 'more reasonable' (23 rated the UAW higher; 15 percent, however, said neither had been reasonable). 55 percent rejected the union's 30 percent claim, whilst 35 percent thought it fair. Reuther's elaborate economic briefs were simply not accepted - if indeed they had registered with any but a small minority.

But the union did rather better in the struggle over the 'noneconomic' clauses of the contract. This is not to say that it scored any major victories - rather, that it avoided utter defeat. GM locals advanced an ambitious series of demands for increased formal job control: they wanted to eliminate remaining piecework and bonus systems, and to

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abolish 'merit spreads' (variable rates on the same production jobs, at management's discretion). They wanted strict seniority to rule on such matters as shift preference, job transfers, and promotions; they aimed to increase the numbers, powers, and freedom of action of union committeemen; and they opposed management's unilateral right, according to the existing contract, to set time and production standards - the union retained the theoretical right to strike over such issues during the life of the agreement, but only used it once, ineffectively, between 1940 and 1948.¹

An aggressive, job-controlling union met a rather more single-minded, prerogatives-conscious management head on; and lost. GM had its own proposals to make: it wanted to strike out nineteen clauses which the NWLB had inserted, and which it had made clear it only accepted reluctantly, under duress, for the duration. And it wanted to revert, either to the less liberal terms of the last pre-war agreement, or to some position more in keeping with its desire to regain the maximum possible degree of managerial authority and discretion. GM's demands of the union in 1942 had come to nothing: now it was again free to try to 'improve' the contract in line with its basic principles and objectives.²

The clauses GM wanted to strike out covered: maintenance of membership; the numbers and powers of committeemen; union officials' rights of plant entrance; the working of the grievance procedure and the powers of the Umpire; the acquisition of seniority and its application to promotions and transfers; the imposition of discipline; and numerous liberalized fringe benefits - equal pay for women on the same jobs as men, call-in pay, night shift premiums, and vacation allowances. The NWLB had even tampered with such

¹ I. Elwin J. Corbin (Chairman, National Negotiating Committee), Letter No. 50 Re: Procedure for Local Union Strike Demands, 19 Sept. 1945, in 'Letters to Locals' File, WPR PPM Box 2, AALH; General Motors Fourth Conference for College and University Educators: Personnel Administration and Industrial Relations - verbatim transcript of afternoon session, 16 June 1948, p. 28 (privately circulated; processed).
² C.E. Wilson (President) to NWLB, 2 Oct. 1942, reprinted in Information Concerning the UAW-CIO Strike at General Motors For Members of General Motors Management (privately circulated; processed, 18 Dec. 1945), pp. 63-65.
apparently-insufficient safety and sumptuary regulations as those governing smoking.

In place of the NWLB's terms, GM wanted to insist on the inclusion of its own 'principles' in any new agreement. These were in line with its 1942 demands and, beyond that, with its 1944 Statement of Basic Policies, reflecting its consistent object of regaining the power it had possessed in the pre-union era. General Motors' principles were:

(I) That wages, hours of employment and other conditions of employment are the only matters which are subject to collective bargaining. . . .

(3) That the products to be manufactured, the location of plants, the schedules of production, the methods, processes and means of manufacturing, the right to hire, promote, transfer, discharge or discipline for cause, and to maintain discipline and efficiency of employees, are the sole responsibility of the Corporation. . . .

(7) That there be appropriate penalties, including loss of seniority, against any employee (sic) taking part in any strike or work stoppage in violation of the agreement.

(8) That there be an adequate guarantee that the Union will make good on its pledge to eliminate personal attacks, false accusations and vilification of Management through official union publications, handbills, literature and releases; and that the International Union, as bargaining agent shall accept full responsibility for all items pertaining to management in such publications and releases published by the International Union, local unions or their representatives.

Other principles included: full protection of the 'right to work'; prohibition of union recruitment and fundraising on company time; restriction of the rights of committeemen and 'streamlining' of the grievance procedure, to cut down on costly, frivolous, or disruptive activity; requirement that all grievances, narrowly defined, be formally processed; increasing from 90 days to twelve months the probationary period, during which no seniority rights were acquired;

I. 'GM Proposals to Strike Out of Contract Provisions Inserted by NLMB/NWLB', Press Release of 13 Feb. 1946, in WPR Collection, Box 8, Folder 10, AALH. GM even printed such clauses in a different colour in copies of the April 1945 agreement - see example in WPR PPM Box 2, Folder 11.
and the demand that the union withdraw its opposition to the operation or installation of incentive plans. In the course of the negotiations, GM further insisted on clauses guaranteeing no official union opposition to management efforts to speed up production, and an absolute no-strike pledge for the duration of the agreement, even on those issues where there was no right to go to arbitration.¹

The above proposals undoubtedly reflected GM management's sincere opinion of what would constitute the ideal labour-management relationship. But, in the real world, they were bargainable. The UAW gained none of the improvements in the 'non-economic' clauses of the agreement, which provided for its own organizational security and for its members' ability to influence their everyday working conditions, for which it had aimed.² But the corporation did not roll the union back as far as it might have wished, and had originally intended - either because compromise left it with an acceptable agreement, with which it could live, and on which it could improve in subsequent years; or perhaps because it did not want to dent the prestige of rightist social democrat Reuther in his bitter fight for the presidency, and control, of the UAW against factional and Communist opposition. Reuther they knew as an objectionable, liberal-sounding windbag, who could be trusted to centralize control over the union and to act 'responsibly' towards management, as indeed he did.³

¹ Harry W. Anderson (Vice-President, Personnel), Letter to Internation Union, UAW-CIO, 17 Dec. 1945, reprinted in Information Concerning the UAW-CIO Strike, pp. 60-62; 'Union Wins Fight Against Corporation Demands' (on corporation proposals of 12 Feb. 1946) p. 3, in WPR PPM Box 2, Folder 9, AALH.


³ Interview with Andrew Court; Howe and Widick, UAW and Walter Reuther, Chs. 7-9; II; Frank Marquart, An Auto Worker's Journal: The UAW From Crusade to One-Party Union (University Park, Pennsylvania State Univ. Pr., 1975); Jack Stieber, Governing the UAW (New York, John Wiley & Sons, 1962), Ch. 5. Court's interpretation of GM managerial motivation is interesting, but - naturally - impossible to confirm.
In the final settlement, maintenance of membership provisions were eliminated, but in their stead the union was granted a mandatory checkoff of dues from members' paypackets, providing they did not take advantage of a 10-day 'escape period.' And the union was forced to accept a return to 1941 terms on the rule of seniority in promotions and transfers only where 'ability, merit, and capacity are equal.' General Motors thereby accepted most of the KWLB's innovations, but it had stabilized its contractual relations with the UAW: the formative period of GM workers' job rights had ended. Stabilization was also the result of the provision extending the terms of the contract, except wage rates, for two years rather than one, as had been customary. Decreasing the frequency of bargaining rounds and possible mass strikes remained one of GM's objectives between 1946 and 1950, and the 1945-46 strike and negotiations represented the first major step towards making labour relations a source of stability, not unpredictability, in GM's operations.

General Motors considered its investment in the great strike well worth while. The UAW and its members had learnt of the corporation's will to resist: it was to be twenty-five years before the union again attempted to use a strike against GM to set the automobile industry pattern, preferring to take on the weaker Ford and Chrysler. The corporation had made its point, on behalf of the entire business community, that basic management rights were not negotiable. The scope of collective bargaining had been narrowly confined to wages, hours, and working conditions, and even there the corporation's power to take the initiative in instituting change was adequately broad. General Motors was well placed, as most efficient, lowest-cost producer, with guaranteed uninterrupted production, to consolidate its position of market leadership.

2. Interview with Andrew Court; General Motors Corporation, Here Is the Issue: Facts Concerning the UAW-CIO Strike Against General Motors (The Corporation, Detroit, 10 Jan. 1946), esp. pp. 1-13
Whilst the GM strike dragged on, the UAW attempted to settle with Ford, Chrysler, and the 'Independents' - Studebaker, Packard, Hudson, Nash, Willys-Overland, Kaiser-Frazer, in line with Reuther's 'one-at-a-time' strategy. But, for the reasons given on p.220 above, this course was totally miscalculated. In consequence, the UAW found itself banking everything on a hopeless struggle with GM, and unable to bargain effectively with Ford or Chrysler at all: it needed a quick settlement much more earnestly than they did, and it had no realistic strike threat to bring to bear. Ford Motor Company, in particular, took advantage of this unique opportunity to begin to practice an aggressive programme of labour relations reform which is a perfect demonstration of the application of the management commentators' recommendations.

Ford faced extremely grave problems as it entered the postwar era under the recently-installed command of Henry Ford II. The company's management 'structure' was a shambles, after decades of 'Old Henry' s erratic, personal, unsystematic, and production-oriented control. There was no financial control or corporate planning activity to speak of. And Ford labour relations between 1941 and 1945 had been extremely disturbed; Ford foremen were solidly unionized; labour costs and productivity were at such levels that the company was guaranteed a loss on every car it made under fixed, OPA prices. In the whole of Ford management, after the removal of the old thug Harry Bennett and his cronies, there was only one really bright spot: the Labor Relations Staff, under ex-FBI man John Bugas. Ford had certain advantages, however, to offset its massive handicaps: massive investment reserves, and the freedom of a closely-owned family enterprise to carry losses for some years whilst it rebuilt its production facilities, its model range, and its management structure, without having to bother about stockholders denied dividends, or financial backers unconvinced of corporate strategy.I

I. Nevins and Hill, Ford: Decline and Rebirth, Chs. 10, 12-13, for an excellent background study; Henry Ford II, 'One Solution to Our Problems', 8 Feb, 1946, pp. 4-7, for 'facts' of industrial disputes, productivity, labour cost, and competitiveness.
In the 1945-46 bargaining round, Ford knew it was as nearly free to write its own contract as it ever would come. The Labor Relations Staff - upgraded into an Industrial Relations Department on 27 September 1945, just six days after Young Henry became president - proceeded to do so. Ford followed classic reformist strategy: it kicked off the negotiations with its own list of 31 demands for contract changes, which were given wide publicity. It insisted that there was no hint of union-busting in its intentions: it simply wanted to obtain the benefits the UAW had promised from collective bargaining, back in 1941: freedom from unauthorized strikes, freedom to maximize production, as the company's return for paying the industry's highest wages and giving UAW an unprecedentedly liberal contract and a large measure of security. The way to do this was to go for the same kind of contract as GM already possessed, in much the same way as GM went about its labour relations business. In labour relations, as in other aspects of Ford's managerial renaissance, it paid GM the sincerest form of flattery - hiring in GM executives, copying GM management structure and techniques, and setting the Ford 'team' the simple goal of 'Beat Chevrolet.'

But there were differences: GM's management group was toughly realistic, but politically very conservative, staunchly entrepreneurial and authoritarian, unreconciled to the principles of unionism and the 'welfare state' but readily dealing with unions as a 'necessary evil.' Ford's style, on the other hand, was more free-wheeling. Young Henry hired himself a progressive public relations consultant, and set about reestablishing the corporate reputation for liberalism so badly dented by Old Henry's penchant for anti-semitism, fascism, and isolationism in the 1920s and 30s. Rebuilding the corporate

I. Manton M. Cummins (Director of Labor Relations, Fo Mo Co), 'Industrial Relations in the Automobile Industry', address before the students of the Institute of Industrial Relations, College of the Holy Cross, Worcester, Mass., 7 Apr. 1948 (mimeographed), esp. pp. 5, 10-II; see also Selekman et al., Problems in Labor Relations, pp. 286-98, for an account of the 1945-46 negotiations paralleling this and including much contemporary material, quoted in full.
image was one part of the programme designed to improve Ford's market position. But in addition, Young Henry allied himself in politics, quite sincerely, with the CED and corporate liberalism. GM management members, individually and collectively, supported radical-rightist causes; Ford was much less vocally and ideologically conservative. It is interesting to compare the two former chief executives of GM and Ford who served as Secretary of Defence to Eisenhower and Kennedy on this score - the practical conservative, production-oriented Engine Charlie Wilson, and the sophisticated whiz kid Robert McNamara, representative of a younger, more pragmatic executive style.

But the practice of the two corporations, in labour relations, was much the same for all that. Ford conducted its negotiations in private, wherever possible, without ringing appeals to 'The Public' and self-righteous proclamations that it was fighting the good fight for managerial authority and the free-enterprise system on behalf of the entire business community. Still, it had the same basic objectives in in-plant relations: improved control, efficiency, stability, predictability, and order; and it had even worse problems than GM, having to deal with a less disciplined, more militant body than Walter Reuther's relatively 'businesslike' and 'responsible' GM Department of the UAW.

I. For typical GM political credos and attitudes to organized labour, see C.E. Wilson, 'The Great Delusion: Where Marx Went Wrong', address before the American Society of Mechanical Engineers, Stevens Hotel, Chicago, 16 June 1947 (pamphlet, n.d.); Minutes of General Motors Corporation Conference for College and University Educators: Personnel Administration and Industrial Relations, Morning Session, 27 June 1946 (privately circulated, mimeographed), statements of vice-presidents Anderson and Coen, and of Steve Du Brul, pp. 6-14. See also below, Ch. 8, p. 302, for the radical rightist causes with which GM executives associated themselves. GM was at this time still effectively controlled by a large minority stockholding of the Du Ponts; Du Brul was one of their men. GM top management's 'entrepreneurial' style may have had something to do with individuals' very large shareholdings resulting from the executive bonus plan (Interview with Andrew Court). For Ford, see Henry Ford II, 'A Political Challenge to Business and Industry', address before the Economic Club of New York, 28 Apr. 1949 (pamphlet, n.p.) and, on McNamara, Jan G. Deutsch, Selling the People's Cadillac: the Edsel and Corporate Responsibility (New Haven and London, Yale Univ. Pr., 1976), pp. 56-60, 65-71.
Ford's 31 demands were all directed at its problems of job control. At the head of the list stood a requirement for clarification of the 'excluded categories' of workers whom neither the UAW nor any other CIO union should either organize actively, or even admit into membership. These included supervisors, timekeepers, pay clerks, draughtsmen, and white collar workers generally. Ford wanted to isolate the FAA from the UAW and the rest of the labour movement, and to make sure that unionization was confined to production and maintenance workers.

Second, Ford wanted the union to give it some real security against unofficial stoppages, by making the union itself financially responsible for each man-day's loss. Third, Ford wanted much more extensive and explicit protection of managerial prerogatives. Fourth, it wanted to reduce the numbers of union committeemen, to streamline the grievance procedure, and to insist on the first presentation of grievances by workers to foremen in person, without any intermediary. These were the most important provisions; with the others, they added up to a full GM-type package, including: a many-sided attack on the seniority system; unilateral management control over all bulletin boards, all union handouts etc. posted or distributed about the plant; explicit recognition of management's right to make, change, and enforce rules unilaterally; permission for supervisors to do production work; and a narrowing of the powers of the Umpire, including prohibiting him from making any ruling restrictive of the prerogatives of management.

What was new in 1945-46 was not just that Ford knew what it wanted, but also that the Company was prepared for businesslike negotiations and had a well-articulated philosophy to give its labour relations programme purpose.

I. The Editor, 'Management Revisions of Union Agreements', Personnel, 34 (1945), 425-7; Mel B. Lindquist to National Ford Council, 14 Nov. 1945, in Ford Department-UAW, Accession No. 105, Box I, Folder 4, AALH; Snyder, White Collar Workers and the UAW, pp. 32, 38-41, 43. Ford, like Chrysler, had problems with its white-collars. Cf. note I, p. 50 supra.

2. 'Management Revisions' and Lindquist to NFC.
- from 1941 to 1945, Ford had pursued the inconsistent policy of trying to buy industrial peace with a liberal contract, at the same time as continuing with an anti-union, authoritarian, provocative supervisory style. Now there was to be an end to such a period of drift and miscalculation.

Young Henry outlined Ford's whole postwar strategy in his keynote speech to the Society of Automotive Engineers in January 1946:

(We) of the Ford Motor Company have no desire to 'break the Unions', to turn back the clock to days which sometimes look in retrospect much more attractive than they really were. . . . We do not want to destroy the Unions. We want to strengthen their leadership by urging and helping them to assume the responsibilities they must assume if the public interest is to be served.

It is clear, then, that we must look to an improved and increasingly responsible Union leadership for help in solving the human equation in mass production. . . .

If we are to have industrial relations programs and labor relations staffs, and spend as much money on them as we do, we should do it expertly and efficiently, bringing to the task the same technical skill and determination that the engineer brings to mechanical problems. . . .

There is no reason why a union contract could not be written and agreed upon with the same efficiency and good temper that marks the negotiation of a commercial contract between two companies.

Ford determined to take the initiative, and to rely upon its own considerable managerial resources and bargaining power to get a solution.

We cannot ... expect legislation to solve our problems. . . .

(Man)agement must take the initiative for developing the relationships between labor and management. . . .

(Man)agement is in charge . . . .

2. Ibid., pp. 7, 4. B. Herndon, Ford: An Unconventional Biography of the Two Henry Fords and Their Times (London, Cassell, 1970), contains a fascinating account of the drafting of this speech - it was a definite public relations ploy on the part of Ford's counsel, Earl Newsom, and reflected the opinions of the senior executive group, not just Young Henry - pp. 192-4.
UAW negotiators seemed to agree. They understood and sympathized with Ford's problems, and replied to its central suggestion that the union should be responsible for its members' unofficial actions, by proposing that members alone should be. Around this desperately unpopular compromise the final contract was written, giving Ford full freedom to discipline those who led, instigated, or fomented a strike, or participated in more than one, with penalties up to immediate discharge; and to discipline mere first-time participants with lesser penalties. The Umpire's role in this procedure was very limited - he could not set aside any penalty, merely investigate the facts of guilt.

Management prerogatives were extensively defined; union committeemen's numbers, and thus the effectiveness of the grievance procedure, reduced; excluded categories of white-collar and supervisory employees very clearly defined, to the company's satisfaction (though not that of the union rank-and-file); and the company was guaranteed that the only kind of strike it need fear or expect would be the orderly mass walkout.\(^1\)

With this contract as security, Ford began its great postwar programme of increasing productivity - hiring in, for example, management engineers who had straightened out GM's wage and salary structure in 1940-41, and would go on to perform the same task for Chrysler in 1956-57.\(^2\) Unofficial strikes evaporated, though a great pressure of resentment was in fact building up - to explode, ineffectively, in the form of the companywide 1949 'Speedup Strike.' Ford Industrial Relations Department (Labor Relations Section) had registered one GI-style postwar victory. It went on to record several

1. For the UAW negotiators' viewpoint, see Address by Richard Leonard (Director, Ford Department), 8 May 1946, pp. I-6; for the final contract, see copy in Ford Department-UAW, Box I, Folder IO, AALH, esp. Articles IV (Management Responsibility) and V (Union Responsibility); for intra-union hostility, see Leonard to Bugas, 8 Apr. 1946, in Folder I4, and Telegram from Bert Hoffman (Secretary, International Skilled Trades Councils), in Folder I5 - the UAW convention rejected the 'excluded categories' clause - \(\text{cf.}\) Snyder, \textit{White Collar Workers}, pp.40-; and Tony Nicol (Secretary, District Auto and Aircraft Council No.5) to Leonard, 19 Feb.1946, in Folder I9.

more, finding collective bargaining a 'flexible and useful instrument' which 'makes it possible for us to handle many of our labor-management problems on a mature basis, and without strife.' I

The 1945-46 negotiations set the pattern for the postwar rounds:

(We) prepared for the negotiations with great care. We spent nearly a month in the preparation of our basic data - ... the very meat and sinew of modern collective bargaining. We could not have conducted responsible negotiations without it. The men who represented the company, moreover, were not selected merely for their skill as negotiators. They were experts in various aspects of company operations.

Ford held to this strategy of detailed preparation, of 'businesslike' collective bargaining, and of treating the process as a 'two-way street' along which company and union could proceed from different ends, seeking contractual improvements and making 'fair and valid concessions.' 3

In the 1947 negotiations, Ford showed the kind of concessions it was willing to make, if the union gave a quid pro quo. It continued the union shop for twelve months by signing up before the Taft-Hartley Act came into effect; and it was ready to give up on its right to sue the union for breach of contract in the event of unofficial strikes, provided that (i) the union had neither inspired nor authorized the strike; (ii) the union promptly and publicly denounced it; and (iii) the union and its officers used their best endeavours to prevent or end any such strike. Ford's realistic management knew that in return for not using one of Taft-Hartley's least worthwhile provisions, it could secure the union's cooperation or acquiescence in the imposition of a stricter form of managerial control. 4

2. Ibid., pp. 3-4.
3. Ibid., p.7
The UAW did not immediately agree: instead, Ford waived its right to sue for one year, during which negotiations on protecting company rights and giving the union freedom from legal liability continued. But the UAW lived up to what one might call the spirit of this unenforceable agreement, which went against the Taft-Hartley Act's intentions, and its proponents' expectations. In the 1947 strike, by which Ford dislodged and destroyed the FAA, even before it had lost its rights under Taft-Hartley, the UAW gave the foremen no assistance, and kept on working. Without the measure of solidarity it had received in war, the FAA was powerless. Once it was destroyed, another obstacle to Ford's programme for the recovery of workplace control was removed. It began to institute measures to meet foremen's grievances unilaterally - even offering FAA president Carl Brown a position in the new Management Relations section of the Industrial Relations Department - and to develop its supervisors into an instrument of more effective labour control, as outlined in the literature of managerial advice.

Ford used all of GM's bargaining stratagems - massive preparation, the counterproposal, the appeal to union members over the heads of the officials, the carefully-timed press release - and, in addition, was ready to make concessions to the UAW, freeing it of the burdens of the Taft-Hartley law in return for greater 'responsibility.' This was not uncommon practice - International Harvester did the same; many companies practically abandoned their legal rights, even though they did not write that policy into formal agreements.

1. Ibid., pp. 305-6.
under this regime, and their local union leadership was a thorn in Reuther's side. They sought increasing measures of formal job control at each negotiating session, but all they received were higher money wages and, in 1949, a pension plan, according to the pattern.¹

As at GM or in the steel industry, the pattern of postwar contractual relations had been set by 1946-48. Contracts and formal job rights froze at a level that represented some retreat from wartime achievements, and actual practice was even more restrictive, in a situation where production pressures were no longer so serious, unemployment was creeping up, and management resistance was more determined.² Ford's programme for the recovery of control was notably successful: it had seen its productivity fall by over 34 percent in wartime; as a result of its postwar efforts, the figure was restored to roughly 15 percent less than GM, with Chrysler, under its unreconstructed management, as far behind again.³ As well as undertaking a sustained, considered counter-offensive in 1945-49, Ford became more like GM in its rhetoric and other personnel practices. Vice-president Bugas hammered away at the point that collective bargaining was not the answer to all industrial relations problems, and that the union leadership only imperfectly reflected the interests and opinions of the rank-and-file.⁴ And, with the assistance of the most liberal opinion pollster, Fortune's Elmo Roper, the company began to look for employee grievances.

on its own initiative, with a view to remedying them, and to improve its policies towards supervisory, salaried, and rank-and-file employees unilaterally.¹

The strategy of Ford and GM became the model strategy of large corporations in American industry. At its centre was the emphasis on managerial preparedness for bargaining -

It is an around-the-calendar job, just like engineering, purchasing, manufacturing, or any other phase of the automobile business. We are not alone in this discovery. Many other companies in the industry are giving labor relations this kind of treatment today.

But it is impossible to isolate the contributions of managerial strategy and technical preparedness to its success in contract bargaining and contract administration; there are many factors in the overall bargaining power of business and labour which are totally extraneous to, and independent of, the particular parties in individual negotiations. But contemporary practitioners and observers had no doubts as to the effectiveness of their techniques.

In the war period, the lack of corporate preparedness and skill for the labour relations job had worried management men: the unions had been the competition, and had been ahead on points.² In the long run, however, in bargaining relationships where outcomes depended on forensic skills, detailed preparatory investigation, factual evidence, and clear objectives, the scales were clearly weighted in business' favour. In business-like collective bargaining, management clearly enjoyed an advantage, with its immense resources.

1. The results of the survey - remarkably frank in its disclosure of a bad climate of morale- are in Report of Management Meeting: March 1947 (Industrial Relations Dept., Fo Mo Co, processed); the programme of action is sketched in in R.E. Roberts (Director of Employee Relations), 'Human Relations in Industry', an address (1948, mimeographed).
3. Note Personnel's equivocal reaction to the inauguration of the Harvard trade union fellowship programme: on the one hand, training might make them more 'responsible'; on the other, it would make them even smarter than management's representatives. 'Labor Leaders Go to School', Personnel, 19 (1942), 517-518.
Thus far, I have been considering Ford as my chief example of managerial realism in labour relations. Ford's entire postwar programme, however, was designed to beat GM by imitating it. General Motors was the prototype; and at the same time as Ford was toughening up on its approach to labour relations, GM was freeing itself of some of its remaining anti-union animus, and building a remarkably efficient and civilized relationship with the UAW. The result of these two contrary movements was that, by the end of the decade, GM's labour relations practice was still more sophisticated than that of Ford, even if the tone of Ford management's public rhetoric was still more 'progressive'.

After the 1945-46 debacle, GM workers were not about to be the guinea pigs in any subsequent bargaining round. As a result, GM was in the favourable position of not having to expect a strike at each contract termination; the pressure was off. GM was consequently even freer than Ford to design a contract according to its wishes. The noneconomic provisions were about right: all that was necessary was to further stabilize relations with the UAW.

GM was already extremely well prepared for the labour relations job, but the experience of the 1945-46 strike was instructive for the corporation, pushing it more in the direction of a middle-of-the-road realism. GM's harsh, extreme propaganda in the great strike had won it few friends. As a massively-profitable oligopolist, it wanted less public exposure than convulsive industrial confrontations gave it. GM learnt that, as realists advised, conservative and individualist principles were out of place at the bargaining table.

In consequence, GM attempted to conduct its labour relations more privately, and Stephen Du Brul and Harry Coen were taken away from the bargaining table - the former confining himself to economic research and policy advice on the wage packages GM offered, the latter being granted the new title of Vice-President for Employe Relations, and
responsibility for all those areas of the personnel function which had nothing directly to do with collective bargaining. These two, who had been openly antagonistic towards Reuther and the 'collectivist principles' of unionism, were replaced by Harry Anderson and Lou Seaton, with a background in the law and in sales departments. GM seemed to be agreeing with the conventional wisdom of realism - that such experienced negotiators were likely to be smoother and more flexible than men who had clawed their way up through line management and become used to authoritative rather than manipulative interpersonal relations.

GM's preparation for collective bargaining was much more than even the research-conscious GM department of the UAW could match. As bargaining shifted its attention to the very technical issues involved in establishing and administering health-and-welfare funds, this was increasingly true. GM knew what it wanted, knew what had happened under the old contract and how it had worked out on the shop floor, and was easily able to shrug off repeated union demands for changes in contract language to extend 'job rights.' Such rights were frozen - where there was slight movement, it was in GM's favour.

What GM did, in 1948 and again in 1950, was to buy out possible UAW resistance to its obduracy in other areas by relative generosity in the central wages-and-hours and fringe-benefit provisions. Since 1941, GM had been seeking a way of stabilizing its labour relations and labour costs for longer than one year at a time, and to find a rational, factual basis for any adjustments. In the 1948 and 1950 agreements, by taking the initiative and getting the UAW to negotiate on - or, more properly, accept - its proposals, it secured its objective.

I. The best accounts of these negotiations are to be found in presentations before semi-private conferences GM held for industrial relations specialists. 'General Motors Fourth Conference, verbatim transcripts of Morning Session, 16 June 1948, pp. 6-18; Afternoon session, pp. 7-9; Afternoon session, 29 June 1948, p. 9; General Motors Corporation, Sixth Conference for College and University Educators: Personnel Administration and Industrial Relations, 17 through 29 August 1950 (privately circulated, processed), esp. pp. 3-9 of 17 August session transcript.
GM more than matched the patterns of wage and fringe-benefit settlements in other firms and industries, and added its own unique features: wages were tied to the Bureau of Labor Statistics cost of living index, and an annual 'Improvement Factor' of 2 percent in 1948 (4 percent in 1950) for anticipated productivity rises was built into the contract. GM workers were put on an elevator which was much more ready to move up than down, whilst GM secured a measure of downward flexibility in its labour costs - useful in the 1948-49 recession. More important, it won the union's endorsement of management efforts to raise productivity; and the long-term goal of stability and predictability in labour relations was brought closer. The 1948 contract ran for two years, without a 'wage reopening' clause; the 1950 contract, incorporating the most generous fringe benefits in American industry, ran for an unprecedented five year term. GM won recognition for the sophistication of its labour relations programme, as well as some condemnation from other industrialists for selling the pass on fringe benefits and inflationary wage increases - quite a change from 1945-46.

GM's contractual labour relations were stabilized by the declining frequency of rebargaining, the growing inflexibility of the contract, and the increased 'responsibility' of the UAW, once the Reuther caucus had defeated its Communist and rank-and-file radical opponents. GM was very satisfied with the extent of control it retained in all important areas, but, after the 1948 negotiations, determined to aim for even better labour relations in the future - to make achievement in

this area dynamic, as in other fields of a technically-
progressive corporation's activity. GM aimed to do a good
job of contract administration: in line with its basic
policy of 'tough but fair', it would try to settle legiti-
mate grievances and even take the initiative to remove
sources of discontent. In addition, it had the advantage
of dealing with a rapidly 'maturing' union, with the
result that labour relations lost its status as a crisis
area in the eyes of GM top policymakers.

From 1948 through to the current negotiations,
the union ... did a remarkable job of administering
the contract that we had. When a fire would start
they would put it out, and if they thought we were
wrong they would come to us and say, "We think you
are a little wrong and get into it yourself," which
we did on a number of occasions. The experience
through the period from 1948 to 1950 was very, very
good. On the basis of this performance, we were
satisfied that if we could put a five-year agree­
ment across, which was something new, something
unheard of, it would be the right thing to do.

The fire had gone out of GM's anti-unionism. It was still
unwilling to allow the area of joint regulation to expand,
but it was no longer qualified by reactionary inclinations
in its pursuit of a 'realistic' course. In consequence of
its newly-cooperative relationship with a newly-responsible
UAW, in which the Reuther administration was steadily
reducing local autonomy and extirpating opposition cells, GM
even laid aside its commitment to the 'right to work.'
In 1948, GM held the UAW to the individually-authorized,
revocable checkoff, and refused either to allow the NLRB
to conduct union shop elections on company property —
the only way, GM and the UAW calculated, that the union
could win — or to grant the union Taft-Hartley lawsuit
immunity. By 1950, GM was much more complaisant, and

1. Harry W. Anderson (Vice-President), 'The Job Ahead in
Industrial Relations', address delivered before the
Northern Ohio Personnel and Executive Conference, Cleveland,
Oct. 1948, in 1949 Industrial Management Symposium (New York,
Consolidated Reporting Co., processed), pp. 1-6.
2. General Motors Sixth Conference, 17 Aug. session, p. 4 —
remarks of Harry Anderson.
3. See works cited at p. 224 above, n. 3. As director of the
GM department, Reuther had always run a 'tight ship', to his
and GM's mutual advantage.
agreed to a modified form of union security - in effect, the reinstitution of maintenance of membership. The UAW's problems of keeping workers interested in the union, once it had ceased returning 'annual dividends' in the shape of contract improvements, was recognized; GM saw some merit in the union's contention that it deserved security in return for its good behaviour; and the one remaining problem in the GM-UAW relationship was solved by allowing the NLRB union shop election procedure to take its course.1

The 1946 UAW-Ford contract and the 1950 'Treaty of Detroit' have a significance reaching far beyond two large companies and their half million employees. Ford and GM are remarkable for the extent of the improvement in managerial policy and performance in the former company, and the consolidation of a position already extremely strong in the case of the latter. But they were not alone in the kinds of policies they pursued. Negotiation of company security and management's rights clauses in the postwar bargaining rounds was a common phenomenon;2 and other elements in the GM and Ford strategies can be seen in the performance of other large companies in similar heavy manufacturing industries.

In electrical equipment, for example, General Electric and Westinghouse were both struck in 1946, and were both pursuing policies like Ford's and GM's, trying to recover important lost ground. Westinghouse endured a long strike, but succeeded in laying the contractual basis for tightening up a demoralized incentive system, gained protected seniority rights for supervisors upgraded during the war, who might have to be demoted to production worker status, secured

union agreement to pay one-half the cost of time spent by stewards and committeemen in grievance handling, and modified the union shop agreement to allow a one-week annual 'escape period.' The company, like GM, made a large investment in taking such a costly strike, but reaped immediate benefits in increased productivity, and had 'clarified' its union-management relations for the longer term.1

General Electric's experience was rather different. GE, anxious about its relations with a Communist-controlled union, reviving its militancy after wartime collaboration, and concerned about its levels of labour cost and productivity, tried to strike the maintenance-of-membership clause out of its contract, and to get union agreement not to oppose any managerial actions to increase worker discipline and efficiency. In a strike of exceptional bitterness and, for 1946, violence, GE achieved none of its objectives, and was forced to meet the wage pattern negotiated between the United Electrical Workers (UE) and GM. After this shocking defeat, GE began a total rethink of its labour relations policies which, since the late 1930s, had been based upon a thorough acceptance of unionism.2

The same pattern of management counter-attack can be observed in the farm equipment industry. There again, the large units - International Harvester, Allis-Chalmers, and J.I. Case, all in different ways anti-union - endured long strikes. Harvester wanted to extirpate maintenance of membership, halve the payments to stewards for time consumed in grievance handling, and restrict the power of the arbitrator. After a three-month strike, it won its first and third objectives. The farm equipment industry persisted with its vigorous anti-unionism, within the law and whilst 'accepting'

collective bargaining.  

Probably because of having to deal with a more compliant union - in the Steel Workers - than the Communist-controlled Farm Equipment Workers (FE), the basic steel industry was able to secure the objective of minimal contractual restraint on management more easily. The pattern-setting Carnegie-Illinois contract of 1946 provided for union cooperation, or at least official acquiescence, in the attainment of managerial objectives.

It is the intent of the parties to secure and sustain maximum productivity per employee during the term of the ... Agreement... . In return to the Company for the wage increase herein provided and consistent with the principle of a fair day's work for a fair day's pay, the Union re-emphasizes its agreement with the objective of achieving the highest level of employee performance and efficiency consistent with safety, good health, and sustained effort, and agrees that the Union, its agents and its members will not take, authorize, or condone any action which interferes with the attainment of such objective.

The Union agrees that during the term of the ... Agreement ... neither the Union nor its agents, nor its members will authorize, instigate, aid, condone or engage in a work stoppage or strike.

The Steel Workers had bound themselves to an ironclad no-strike clause, and to a rather less watertight statement of cooperative intent. The union practiced what it preached: it collaborated with management on the joint study of the chaotic wage structure which the NWLB had ordered, and brought the process of rationalization to a successful conclusion.  

In 1947, Big Steel and the union went even further in the process of mutual accommodation on terms perfectly acceptable to management, agreeing that the aim of their joint

2. Supplemental Agreement of 15 Feb,1946, in WPR PPM Box 2, Folder 12, AALH. (GM's President Wilson was illustrating to Reuther the kind of agreement he wanted).  
relationship was
to promote orderly and peaceful relations with
the employees ... and to achieve the highest level
of employee performance ... ; Company and union
courage the highest possible degree of friendly,
cooperative relationships between their respective
representatives at all levels.

The cozy arrangements between two centralized bureaucracies
were cemented into place: thereafter, contract language
was stabilized, and locals were left, unassisted, to their
own devices in generally-unsuccessful attempts to regulate
working conditions. Steel industry labour relations were
not without bitterness, but the issues of conflict were
not matters of workplace order and control.

Postwar contract rebargaining rounds in several key
industries show certain common traits in the policies
managements pursued. Formal labour relations were
stabilized, partly as a consequence of a considered
managerial counter-offensive. There were, of course,
other reasons. Some companies used the 'political' bargaining
power Taft-Hartley gave them in order to reach 'bootlegal'
accommodations with responsible unions, à la Ford; others
exploited Taft-Hartley provisions in their continuing
attempt to weaken and de-radicalize labour, often with
official union support. Allis-Chalmers, for example, had
Reuther's assistance when, in 1947, it finally rid itself
of the Communist leadership of Local 248; International
Harvester used the 'employer free speech' provision and
the UAW's willingness to raid unprotected FE locals for
membership, in the hope that ridding itself of the Communists
would also bring labour peace. The electrical industry
used similar stratagems, and the net effect on the labour
movement was certainly debilitating. However, it needs

I. John A. Stephens (Vice-Pres. in Charge of Industrial
Relations), 'Significance of the Contract Between the
Steel-Producing Subsidiaries of US Steel and the United
Steelworkers', in General Management Series No.140 (1947), pp.
3-14 esp. p.7.
2. Herding, Job Control and Union Structure, pp.31-2.
to be recognized that even such hard-nosed firms no longer aimed at breaking the law in the interests of unilateral managerial control: they could use it instead, and the 'right kind' of labour leadership too.

Ideological and opportunistic employer exploitation of the Taft-Hartley Act, and the political climate of Cold War America, certainly contributed to the significant weakening of the labour movement which was a background factor in the success of management's programme for stabilizing labour relations. This was notably true in the case of General Electric's war on the United Electrical Workers which began in the late 1940s. The strategy and tactics of GE in the period associated with its vice-president for employee and plant city relations, Lemuel Boulware, have been extensively studied. What needs to be pointed out, before I close this Chapter, is that Boulwarism was not entirely sui generis. GE's strident anti-communism, its practical and rhetorical attacks on the strength and legitimacy of unionism, and its successful campaign to divide and undermine its organized workforce, certainly seem to hark back to an earlier, less sophisticated age of industrial relations policy. But in fact, GE's tactics - extensive research to discover what employee grievances were; unilateral action to remedy as many of them as possible; aggressive communication to union members, short-circuiting official union channels and leaders; influencing the content of the final collective agreement by introducing comprehensive management proposals at a critical stage of negotiations - were simply

the same kinds of practice which had served Ford and GM so well in their postwar campaigns on behalf of managerial control. By 1950, large corporations like GM, Ford, U.S. Steel and General Electric had all, in different ways, 'accepted' the permanency of some limited role for an acceptable, responsible union within their enterprises, and were ready to use much the same kinds of tactics to secure the stable and efficient labour relations they desired.

Conclusion

In this Chapter, I hope to have demonstrated the significance and the success of 'realistic' collective bargaining and labour relations strategies in the 1940s, as well as the limited but noteworthy contributions of the Taft-Hartley Act to the stabilization of union-management relations in the 'center firms' of the American economy. I have not claimed that the realists' was the only strategy for dealing with and incorporating labour unions within a corporate-controlled political economy, but I have argued that it was the most important. Anti-unionism was banished to the industrializing fringes in the South and West, and to the occasional Northern firm with authoritarian management and non-metropolitan location; the progressive strategy of union-management accommodation attracted more academic attention than it won managerial followers.

The adoption of a thoroughgoing realism, and the successful stabilization of collective bargaining on terms acceptable to management, were not processes which were completed by the end of the 1940s. Chrysler, for example, remained

prepared to embark on a three-month long strike in 1950 over the UAW's demand for a pension and welfare programme without even rudimentary actuarial information, and had clearly miscalculated its own bargaining power and the depth of the UAW's determination. Chrysler did not have an in-house labour relations department: it had contracted out its labour relations problems to a New York law firm. But such ineptitude was increasingly rare amongst large corporations. The period of contract development in American labour relations was largely completed by the end of the 1940s - but this is not to say that the pattern of informal and day-to-day relations between workers and supervisors, management and union representatives, was similarly fixed. It is difficult to be precise, but it is clear that there remained substantial areas of American manufacturing industry in which the kinds of job controls workgroups and local unions had developed in the war period continued well into the 1950s.

For, of course, the American economy neither collapsed nor stagnated in the postwar decade. In consequence, production pressures and lax labour relations practices persisted. When economic stagnation and cost pressures did affect manufacturers in the later 1950s, more firms followed 'realistic' strategy in opposing wildcat strikes effectively, defending managerial rights in practice, and raising discipline and output standards unilaterally.

1. 'Chrysler's Hundred Days', Fortune, 41:6 (June 1950), 70-72.
General Motors and Ford had led the way; but, by the late 1950s, the ground rules that they and managerial commentators had advocated in the 1940s were much more generally accepted and practiced. Summing up the findings of a celebrated inquiry into labour relations practice in manufacturing industries, Robert Livernash identified four key elements in successful corporate policy and behaviour: first, management by policy, not purely reactive decision-making in response to immediate crises and short-term considerations; second, 'a high degree of management initiative in formulating and carrying out labor relations policies'; third, developing labour relations staffs and training production managers and supervisors in day-to-day contract administration; and fourth, carrying out 'a balanced policy of firmness and fairness.'

If one examines the stagnation in union membership, the stabilization and gradual ebb of formal and actual job controls, the failure of collective bargaining as a means for extending workers' participation in the decisions affecting their own lives, one may conclude that the kinds of challenges to business power and managerial control which seemed serious and threatening in the late years of the war and the early years of reconversion were successfully headed off. I have examined the kinds of policies American businesses followed to this end. I have not, of course, been able to prove that the desirable outcomes, which could already be observed by the end of the 1940s, were the direct results of managerial action alone. I would not even attempt to argue for such a proposition. But it is surely not to be doubted that what large corporations, in the first instance, and much

of the middle rank of industrial firms, rather less quickly and surely, did to meet the problem of organized labour in the mid- to late 1940s and after represented a well-considered exploitation of favourable opportunities. Favouring circumstances, obviously, were of the greatest importance - the general conservatism of the political climate, the anti-Communist and anti-radical ethos of Cold War America, the general success and stability of the economy, allowing business to buy the acquiescence of the organized working class in the entrenchment of managerial control with job security, increased real wages, and liberalized fringe benefits. One must also accept that the new-style business unionism of CIO industrial unions lessened the possibility of an effective labour counter-thrust. By and large, the system appeared to deliver much of what the members wanted; union leaders were not subject to very great rank-and-file pressures in the 1950s, and were able to build the centralized, 'apolitical' bureaucracies able to play a part in the disciplining of workers and the control of local union militancy, where it occurred. American business was blessed with responsible, and responsive, bargaining partners.

Nevertheless, it remains the case that competent handling of labour relations problems, combined with a thoughtful and aggressive bargaining strategy, appeared to pay off in this situation. American business did not wait for the favourable circumstances of the later 1940s and 1950s before developing this approach. It was one large element in the immediate response of American management to the problems of labour in the late 1930s. At first it had to contend with serious rivals - continuing anti-unionism, and 'progressive' union-management accommodation. But, in time, it carried all


2. Mac Donald, Collective Bargaining in the Automobile Industry, esp. pp. 396-7. This is the general thesis of Mac Donald's work - the only such industry-specific union impact study of which I know.
before it, as the strategy best suited to the defence of managerial power in principle and practice, allowing only minimal and acceptable concessions to organized labour.

With this conclusion, the major part of my dissertation tracing American business' successful response to perceived challenges to its power and authority accompanying the organization of powerful industrial unions is complete. The next, and final, section of the work is of a rather different character, but is not unconnected. In it, I want to examine the ways, other than astute political action and skillful handling of labour relations, in which managers aimed to influence the attitudes of their subordinates towards work, their own status, and managerial authority, and to bring their behaviour more into line with that which was expected of the 'ideal' (i.e. loyal, efficient, contented) employee. In Chapters 5 and 6, my emphasis has been on overt conflict and on managerial strategy and tactics in areas where military metaphors were generally used by the protagonists, and were entirely appropriate. Chapters 7 and 8 deal, in contrast, with regions of industrial relations policy and practice where the language of organic social harmony prevails - on the management side, at least! It was upon personnel administration, welfare capitalism, and communications (or human relations) in industry that American managers relied for some long-term solution to the fundamental problems of industrial conflict. They hoped to get everybody back on the same team by practicing an increasingly manipulative managerial style. In examining the rationales for this kind of action, I shall say rather more about American management's world-view than about its actual achievement, because if that is difficult to isolate and estimate in the 'hard' subjects of political action and labour relations, it is next to impossible in the 'soft' regions where personnel men, industrial psychologists, and public relations men worked.
Chapter 7

Beyond Collective Bargaining: Personnel Administration and Welfare Capitalism in the Management of Men

Introduction

This study has concerned itself so far with problems and policies in labour relations. Such an emphasis is necessary and proper: in the 1930s and 1940s, unions and their members caused American management many of its most serious industrial relations problems, and compelled it to pay more systematic attention to the object of retaining or regaining control over the workforce in the workplace. Corporations devoted their own resources to that end, and their efforts were complemented by the activities of the 'peak associations' of the American business community - the NAM in particular - which were designed to provide a favourable political environment for the successful prosecution of management-union conflict.

But collective bargaining affects only a part of the management-worker, business-labour relationship. And the politics of labour relations policy was only one - albeit an important - aspect of the large struggle for power and influence between the supporters of state intervention in economic and social policy of New Deal/Fair Deal political inclination, and the advocates of return to a more traditional political economy, characterized by a greater measure of unobstructed private economic power.

In Chapter 2, I made it clear that, during the first third of the twentieth century, American business developed and used other means, besides the overtly conflictual, for achieving its connected objectives of maximum influence and effective control over the workforce, in and outside of the workplace, and maximum prestige and power for business men and institutions in society at large. These were the tactics of firms following the so-called 'progressive' approach to problems of industrial relations, and deploying the techniques of scientific personnel administration and
welfare capitalism in their attempts to build islands of benevolent rationalization in the midst of social upheaval.

Changes in public policy, and the rise of strong unions, signalled an important defeat for this strategy during the 1930s. But that defeat was neither total nor permanent. Instead, the techniques and the experience of managerial progressives were well suited to more thorough application, in modified forms, by corporations trying to keep all or part of their workforces non-union by legal methods, or to achieve less troublesome relations with unionized workers. By and large, the company union disappeared, and it was usually impossible to keep production and maintenance workers from unionization. But there were many tools left in the progressives' cupboard, and adapting them to the new world of Big Labour and Big Government was not difficult. Indeed, the presence of unprecedentedly strong centres of opposition to management's power and moral authority provided new incentives for the adoption of progressive techniques for controlling the behaviour and influencing the attitudes of workers, manipulating them until they conformed to its ideal - efficient, disciplined, willing, cheerfully obedient, loyal.

Where management acts in faithful performance of its responsibilities in handling grievances, in promoting extracurricular employee activities, and where more than a majority hold an implicit faith in the idea that their management and directors have their best interests at heart . . . . there is unity of purpose and teamwork in the attainment of progress toward the company's objectives.

The ideal of the frictionless, conflict-free workplace was naturally attractive for itself. The means used to achieve it were often, frankly, a flank attack on the labour movement's strength, an attempt to undermine its following amongst its members.

The strategies of personnel administration and welfare capitalism had their greatest applications within the plant, within the employment relationship. But, just as in the 1920s, welfare capitalism was also intended as a way of allowing the business community to retain the maximum possible prestige and freedom of action. It aimed to limit unions' and the state's intrusions upon its sovereignty by providing—for some or all of the population—the kinds of benefits they would otherwise ask unions or the state to supply. Business thereby gained the credit for meeting employee needs, kept control over the rate and process of social change, and staved off pressures for the expansion of the welfare state. Welfare capitalism in this guise enjoyed a revival and reinforcement in the 1940s, and I aim, in the last section of this chapter, to examine its rationale, to look at the connections between intra-firm manpower management and business' larger political action.

Human Engineering: the Ethos and Activities of Personnel Administrators

Personnel administration, as the term is commonly understood, began with World War I. It grew out of the recruiting, training, and payment of vast masses of new workers in the war-production effort. . . . Everything we know about Personnel Administration was known in the early twenties, everything we practise was practised then. There have been refinements, but little else.

The greatest part of the outlook and procedural tool-kit of 'scientific' personnel administration developed independently of the need to combat labour unions. Instead, it was an aspect of the growing rationalism of the modern industrial bureaucracy. Changes in the technology and organization of production, increases in the size of workforces, and a

mechanistic attitude towards problems of social organization fostered by the scientific management movement, had combined to produce a long-term imperative toward systematization in the use of 'human resources' within the firm. The personnel specialists' approach to man-management was persuasive in part because of its congruence with a specifically managerial pattern of thought and action. 

Management must set up objective measures of everything that can be measured and supplement this with semi-objective ratings of those items for which there are not yet reliable yardsticks. 

The proper approach to the satisfactory solution of problems in industrial relations should be as scientific as the approach to problems in sales, production, corporate finance, or in the development and marketing of a new product. 

Personnel men introduced a collection of administrative procedures for the perfecting of managerial control and information systems in complex organizations. They formulated and promulgated formal, central policies and principles, established programmes and machinery for their implementation, and reporting systems to check up on actual practice. They promised to eliminate uncertainties in the human organization of production: for example, standardized rules should govern most employment decisions; centralized appeals machinery could limit the deviations from rule of supervisory subordinates. Personnel staffs engaged in research, within and outside the organization, to make the maximum useful information about best and actual practice available to top management. And they attempted to eliminate the possibility of individuals' taking decisions not in conformity with the logics of the organization by the diligent production of organization charts and job descriptions, extending even into the ranks of middle management. Their object was to

1. See works cited at note 2, p. 26 and note I, p. 27 supra. 
3. Elmer W. Earl, Jnr., Personnel Factors in Factory and Office, II : Studies in Personnel Policy No.59 (New York, NICB, 1943), p.5. The NICB's studies of best and actual practice were one among many different aids to the standardization and improvement of managerial performance in this field.
make the firm a perfect, hierarchical system of functions and functionaries, in which the problems of overlapping responsibility and imperfect compliance might be minimized. Personnel specialists appeared devoted to a military concept of organization, in which they would occupy a valuable staff role, and to a vision of the corporation as a perfectly-engineered social mechanism - of which they were the chief engineers.

But the central preoccupation of personnel men was, in fact, employment management - handling masses of low-status blue and white collar employees. Workers, they declared, should be hired, placed at jobs, trained, promoted, paid, disciplined, and fired according to rules rather than as the result of uncoordinated supervisory decisions. Proper wage and salary administration should guarantee efficient and equitable payment for carefully-classified jobs, and minimize sources of friction in the employment relationship. Employment management shared with scientific management a rather restricted, mechanistic-economic view of worker motivation, implying that they wanted little more than equitable payment and predictable treatment according to standards rationally determined and uniformly applied by management and its staff specialists.


Employment management and organizational design were two of personnel administration's parent disciplines. The third, industrial psychology, contributed a rather more complex and rounded explanation of human needs and aspirations, and a variety of devices and recommendations to combine with systematic employment procedures in order to produce the ideal of the efficient and conflict-free workplace.

The techniques of industrial psychology promised to produce efficient and contented employees, by recognizing that every person had certain specific attributes which could best be utilized, with greatest satisfaction to him, by placing him in the right job, giving him the right training, and promoting him in line with his capabilities. Testing of the individual would select the 'square peg'; scientific job design would already have created the 'square hole.' Different aptitudes and the hierarchy of job opportunities in industry could therefore be matched perfectly, minimizing discontent and maximizing efficiency—both individual and organizational.

In addition, industrial psychologists insisted on the individual's need for the recognition of others and the protection of his amour-propre, and on his right to expect and receive fair, respectful treatment. People were not all equally capable or ambitious, but they all wanted to progress as far as their abilities could carry them in order to achieve satisfaction in life, and needed the sense of personal security and dignity which arbitrary treatment destroyed.


3. Whiting Williams, Mainsprings of Men (New York, Charles Scribner's Sons, 1929). Williams was an important practicing personnel man and popularizer of industrial psychology's applications, whose career spanned the time from the First to the Cold War.
Industrial psychologists' observations were validated both by primitive behavioral science, and by a set of normative principles derived from the mainstream of the American culture of democratic opportunity. The difficulty was that workers carried their expectations of equal rights and individual achievement into working life, where they had to seek most of life's necessary satisfactions in a relationship of continuing dependency upon large and generally authoritarian organizations. The way for a progressive management to meet the desires of the mass of employed Americans, thereby turning them into efficient workers and contented citizens, was to treat them at work as industrial psychologists recommended.

Employment management's fair and rational techniques had an important contribution to make to building the correct organizational environment, as did scientific placement work. Beyond this, the individual's contacts with the organization should be softened and humanized: crudely authoritarian styles of man-management should be abandoned, and replaced by smooth manipulation and persuasion. All-American salesmanship should be applied to industry; hiring and firing should be courteously done; supervisors should lead their men to do what they wanted, by instruction and example, rather than relying on peremptory orders, issued without ceremony or explanation, and backed up by the real threat of harsh discipline. Discipline should be treated as a branch of adult education in the reasonableness of following rules. Industrial psychology could even be taken to require the adoption of a consultative or participative managerial style, as the most efficient, because the most in conformity with American mores and workers' expectations.

Personnel administration developed its techniques and its ethos in the 1920s. But for personnel men actually to establish a place outside of large or progressive corporations was very difficult. They met powerful resistance from line managers and foremen, who regarded them as imposing unconscionable restrictions on their control over the rank-and-file. And many top managements were apparently convinced that personnel work was a frill, an overhead cost producing few discernible benefits, something to be sacrificed in a recession.

In the 1930s and 1940s, however, personnel men acquired in increasing measure the power and status they had long craved, not so much because of their own efforts and arguments, as because of a change in the operating environment of business. Personnel men were invaluable assistants in meeting the challenges of Depression, New Deal, Big Labour, and Full Employment, by the more extensive application of their established techniques for imposing systematic, centralized control over man-management. During the mass layoffs and recalls of the 1930s, they could regulate a disorderly process, allocating job opportunities according to some criteria of 'fairness' - usually seniority and family responsibilities - modified by the company's need to retain a cadre of skilled workers. Then, the social legislation of 1935 and after multiplied the openings for personnel men by creating the need for more systematic employment procedures and higher standards of record keeping in all but the smallest firms. The Social Security and Wage-and-Hour Administrations spewed forth regulations, forms, and requests for data. The NLRB imposed its own demands: to prove that union members had not been discriminated against in respect of hiring, placement, promotion, discipline, or layoff and recall, required a company to have definite rules and procedures, uniformly implemented, centrally recorded. Bargaining with a union

I. Milton, Ethics and Expediency, Ch. 4; Lescohier and Brandels, History of Labor in the US, III, 324-9; Houser, What the Employer Thinks, pp. 160-5.
had the same effect: seniority systems, grievance procedures, and contract negotiations required expertise in their administration, produced new demands for data and record-keeping, and strengthened the inexorable tendency toward centralization of control of the employment relationship in a particular staff department. The further elaboration of formal rules governing man-management strengthened the hand of the personnel staff as against line managers and supervisors. I

Personnel departments lived in an atmosphere of crisis throughout the later 1930s, searching for men and procedures to handle manifold new problems and, hopefully, to forestall unionism. Coordination and consolidation of the new activities had to wait: personnel work was a matter of 'fire fighting', meeting immediate problems rather than planning for the long term. Then came the war, bringing new difficulties for established personnel departments and stimulating the creation of others.

Personnel departments and other fringe managerial activities met less resistance from cost-conscious policymakers when overheads were relatively unimportant during a period of high gross profits and corporation taxes. And personnel men promised to help solve that pressing problem of war industry - getting and keeping workers. War agencies further increased


the unavoidable administrative burden on employers: records had to be kept for the purposes of Selective Service (the draft), War Manpower Commission (labour stabilization controls), Office of Price Administration (rationing schemes), pay-as-you-go taxation and enforced savings schemes. NWLB orders compelled companies to systematize their job classifications and wage schedules, and brought other innovations requiring the accumulation of specific data on each employee. Checkoff of union dues, maintenance of membership, and the voluntary or bargained extension of fringe benefits, all increased the complexity of record keeping and personnel administration.1

Outside agencies' requirements encouraged personnel departments' natural tendency to systematize and centralize control over the employment function. The need to maximize manpower utilization in a tight labour market had the same effect. New sources of labour were developed - women, minority groups, the disabled, the very old and the very young were recruited, placed at redesigned jobs where their skills could best be used, and trained. Once new or non-marginal (adult white male) workers had been hired, they had to be kept at work. Absenteeism and turnover were the key problems, and personnel men set about tackling them. Car pools were organized to solve transport difficulties; services were provided within the plant to dissuade workers from taking time off.2 In-plant catering expanded enormously, as did childcare services and even assistance with shopping for


women workers. Counselling also experienced an upsurge of popularity, as firms realised that their workers' morale and effectiveness were impaired by factors outside of the plant as well as within it. Much of the assistance given was practical-help and advice on housing, legal, financial and family problems in the disturbed conditions of war-boom communities with many single-parent families. The more problematic side of counselling aimed at adjusting workers to their work situation by giving them a chance to talk through their problems, and perhaps have them solved.¹

Personnel departments were also charged with the responsibility for less direct means of relieving the tensions of continuous maximum production and increasing worker morale to which companies resorted - music while you work, recreation and entertainment programmes, and the in-plant broadcasting of peptalks. They also supervised War Production Drive committees and the other media - films, house magazines, posters - firms used in an attempt to turn patriotism into productivity.²

New personnel departments, like many of the plants possessing them, were 'war babies': and, after the war was over, the emphasis of their activities changed. Labour supply difficulties eased; pressures within industry for all staff departments to make direct, measurable contributions to cost-reduction and the improvement of productivity increased. Personnel departments had, once more, to prove their utility and justify


2. J.C. Aspley and E. Whitmore, eds., The Handbook of Industrial Relations (Chicago, Dartnell, 1943), esp. Chs. 8, 9, 27, 31, 35-6, 39, gives a full and detailed account of these characteristically wartime activities.
the share of corporate resources they and their service activities claimed. Marginal, morale-boosting programmes and employee services were trimmed or eliminated; and, in the more questioning, economistic context of management decision-making in the late 1940s, personnel specialists reverted to the rationale they had adopted since the 1920s. They emphasized the contributions of effective handling of human resources to corporate productivity and profitability.

In a slacker labour market, there was obviously more room for personnel specialists to promise that their selection and placement tests would build the most productive, well-adjusted workforce, weeding out less serviceable employees either at the pre-employment screening stage, or before the end of the probation period, common in union contracts, after which employees acquired seniority rights and tenure during good behaviour. Criteria used in employee testing need not relate just to ability to perform the job: GM's Delco-Remy division experimented with attitude testing, with the aim of building a domesticated workforce in the postwar atmosphere of industrial and ideological conflict. Candidates' basic political beliefs and social values were plumbed, as were more directly work-related matters: attitudes towards the necessity and value of work; towards supervision and authority; towards the company and its property; towards quantity and quality of work; towards self as part of a work team; towards acceptance of 'necessary changes.'


Most of the offerings of personnel men were rather more directly concerned with establishing administrative procedures for keeping labour cost and productivity under control. Job analysis and evaluation were increasingly used, to build sound, defensible rate structures, proof against unions' exploitation of inequities to promote wage drift, and to minimize employee discontent over relative pay. Merit rating could similarly be used in everyday campaigns to restrict union and workgroup influence on corporate personnel policy, by determining whether or not employees were suited to jobs to which their seniority entitled them. A plausible, quasi-objective standard could be used to discriminate between two or more employees of comparable seniority, and to restore to management some flexibility in making decisions on manpower allocation. In addition, supervisors were forced to follow some standard rating procedure and were less likely to make arbitrary decisions which were vulnerable to probings via the grievance system.  

Personnel administration, then, provided ways of limiting union intrusions along the frontier of everyday job control, to complement what companies were doing in contract-negotiation and -policing. It also offered some solutions to the worrying problems of supervisory discontentment and union-consciousness. Its analysis of the reasons for 'low supervisory morale' agreed with the bargaining objectives of unionized foremen, and the evidence of attitude surveys: foremen were concerned about the insecurity of their employment, the decline in direct and indirect pay relative to the rank-and-file, wage inequities within the supervisory group, and the uncertain

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scope of their authority and responsibilities. The managerial solution offered to foremen, as an alternative to collective bargaining, was not simply the reestablishment and determined maintenance of supervisors' differentials over their subordinates, but the extension into the ranks of management of the practice of systematic personnel administration, developed to deal with the masses of production and maintenance workers over the previous quarter-century. Supervisors were provided with formal or informal appeals procedures against arbitrary decisions (particularly discharge) made by their line superiors; seniority was given some weight, with 'ability and merit', in matters of job tenure and promotion; supervisory jobs were analyzed, fair or rational payment systems set up, rating systems established, all with the intention of enabling the foreman to function more effectively and giving him some assurance of equitable treatment and protection (through the centralization of administration of standard procedures) against his immediate superior.

White-collar employees displayed restiveness in the 1930s and 1940s for reasons similar to those of mass-production supervisors. Here again, preemptive personnel work could remove grievances at source, and assist managements determined upon resisting unionism, if possible by legal means.

I. For survey evidence, see Staff of the Foremen's Letter, A Report on Foremanship Attitudes (Deep River, Conn., National Foremen's Institute, Inc., n.d.–mid 1940s by internal evidence); 'Here's Your Modern Foreman', Modern Industry, 14:1 (July 1947), 54–64 at 60; cf. 'What Foremen's Unions Want', FM&M, 105:4 (Apr. 1947), 62. The literature analyzing the problem and proposing or describing remedial action is vast, but most of the core programme is found in 'Answers to the Foreman Problem', Modern Industry, 15:6 (June 1948), 40–44, and in Ernest Dale, The Development of Foremen in Management: Research Report No. 7 (New York, AMA, 1946). Cf. Pearson, 'Ford Foreman Program' - Ford's, following GM's lead, was one of the most comprehensive courses of remedial action.

The autonomous Society of Designing Engineers - later incorporated into the UAW - gained its first and most important beachhead at Chrysler, in December 1941, as a result of managerial ineptness, and without significant opposition. Chrysler's mistakes included

- a chaotic white-collar rate structure and job classification system. Merit increases were widely misused by supervisors. Favoritism, arbitrary promotions, demotions, and discharges, and salary "secrecy" were prominent features of the white-collar worker's life.

Wartime neglect by management, at a time of rank-and-file pressures and liberal NWLB fringe benefit orders, compressed or even reversed traditional differentials. But here, as in the case of supervisors, well-managed companies moved to guarantee fair, rational, and predictable conditions of employment. General Motors, for example, introduced a modified seniority system, a regular performance review procedure, and a union-free grievance system, with appeal to higher stages of the management. Differentials were maintained by increasing white-collarites' pay and fringe benefits in tune with improvements in the basic UAW contract. After the war, favourable organizing opportunities for white-collar unions, and managerial malpractice, continued to go together: companies like GM and Ford, which used aggressive anti-union propaganda and other illegitimate pressure tactics as well as progressive personnel administration, were able to stay union-free.

With supervisors, white collar workers, or companies like Thompson Products, which managed to keep their rank-and-file non-union in strongly organized industries and communities, as examples of success, personnel specialists found the

I. Snyder, White Collar Workers and the UAW, pp. 32, 46-7.
most convincing arguments for the value of their services to management. Progressive personnel administration offered a tried-and-tested, thoroughly legal method to be used by any company which wanted to keep all or part of its workforce non-union, or to outflank the unions with which it was compelled to deal, by undermining the sense of grievance on which militancy thrived, and by outright competition for the 'loyalty' of the rank-and-file.¹

But the practice of personnel work was not necessarily anti-union. At Boulware's General Electric, it certainly was - and in 1962 the NLRB so ruled, finding GE's aggressive bargaining strategy, anti-union communications to its workers, and preemptive grievance handling and unilateral improvement of conditions of employment to constitute an unfair labour practice. At non-union Thompson Products or Eli Lilly (pharmaceuticals), 'progressive' personnel administration is also best thought of as an updated, sophisticated anti-union strategy.² However, personnel work also had a large contribution to make in companies pursuing altogether different courses in labour relations policy. Its basic purpose was to increase higher management's control over the activities of its subordinates, particularly those affecting productivity, cost, and overall efficiency; its promise was to create a stable, contented, and hard-working labour force - something of obvious value in a period of continuing high employment and production pressures, when serious industrial conflict was a recent memory and real and present danger.


The techniques of personnel administration found a place in a variety of industrial relations policies - in Ford's and GM's, where they were designed, inter alia, to take the fire of employee grievance out from under responsible labour leadership; or in Johnson and Johnson's or Bigelow-Sanford Carpet Company's, where they were one part of a dynamic management's programme to achieve the maximum management-worker and employer-union harmony. In any case, the practice of personnel administration inevitably increased as the growth of firms, the imposition of administrative burdens by the state, and the problems of control created by unionized workers all encouraged the more widespread adoption of what had been distinctively 'progressive' in the 1920s.

The strategy of personnel administration remained essentially 'unilateralist' - that is, it depended on managerial action to solve problems within the firm. The firm was considered to be the essential unit of society; work and workplace relations were taken to be the 'central life interest' of most employed Americans; and management was constantly enjoined to act, to take the initiative to satisfy its subordinates' needs, or face the consequences - lowered morale, lower productivity, a turning away from proper loyalties and obedience, and increased intra-organizational conflict. Such was also the world-view of advocates of corporate welfarism in the pre-New Deal era. Welfare capitalism was evidently

1. For Ford's and GM's personnel 'philosophies', see Roberts, 'Human Relations in Industry' and Industrial Relations Round Table Discussion; Report of Management Meeting No.12 (Ford Motor Co., Industrial Relations Dept., Oct.1948; processed); General Motors Fourth Conference for College and University Educators, transcript of 16 June 1948 afternoon session.
On Johnson and Johnson, see Johnson, Or Forfeit Freedom, Ch. 4 and for Bigelow-Sanford, James De Camp Wise (President), Positive Management Action in Human Relations, in Personnel Series No. 124(1949), pp. 20-31.
closely related, in purposes and outlook, to the practice and philosophy of personnel administration. In the second section of this chapter, I shall examine what became of corporate welfarism in the 1940s, when the state had assumed some of the functions previously assumed by 'progressive' firms, and collective bargaining limited the freedom of the individual management to initiate and control its own welfare programmes.

Welfare Capitalism in the 1940s

Welfare capitalism developed in the first quarter of the twentieth century, as both a collection of practices and a philosophy of action, designed to attach individual workers to the corporate system by ties of self-interested 'loyalty' and frank dependence. It involved active company concern for the housing, education (vocational and otherwise), religion, recreation, health, occupational safety, economic security, and even morality and 'character' of workers and their families. But its hard core, particularly in the 1920s, was the systematic provision of accident, sickness, and retirement or death benefits. Profit sharing and stock ownership programmes were less common; guarantees of stability of income and employment least common of all, though efforts were made, by individual firms like General Electric, and some industrial communities, like Rochester, N.Y., to soften the impact of layoffs by severance pay and unemployment insurance plans.

Such programmes had many defects - they only covered a minority of large and progressive firms, and did not include

all of the latter's employees, or treat them all equally. Benefit levels were inadequate, and conditions were often very restrictive; benefits were firm-specific, not transferable, and entitlement could be lost, without appeal, in the event of layoff or disciplinary discharge - a powerful sanction against, for example, union activity. Worst of all, programmes were not actuarially sound: benefits were only 'guaranteed' as long as companies were willing to meet the cost. In consequence, they provided fragile defences against the social costs of the Depression. In cost-cutting exercises, most were curtailed or scrapped.

In the later 1930s, with the return of some prosperity, and the need to compete with unions for the 'loyalty' of employees, welfare plans enjoyed renewed corporate support. But at the same time the federal government and the states began to provide standard benefits, tax- or contribution-funded, on a much wider basis than the efforts of large and progressive corporations had achieved. And, in the 1940s, unions began to make serious encroachments upon what had once been management's undisputed territory. They wanted to make the conditions and administration of benefit programmes bargainable issues. In part, this was to limit management's freedom of action to improve terms and conditions of employment, in competition with the union. But it was also a result of the NWLB's encouragement of bargaining on fringe benefits as an alternative to direct wage increases, and a response to the needs of a security-conscious membership, facing an uncertain postwar economic prospect. Costs of medical services and insurance were increasing; Social Security benefits stood still in inflationary times, and their coverage was even cut by an economizing Congress. Unions therefore turned, in the late 1940s, to seek liberalized, preferably employer-financed benefit programmes, and to have a voice in determining their provisions and administration. Paradoxically, Taft-Hartley

smoothed the path the Steel and Auto Workers blazed towards managerial acceptance of expansion of the scope of collective bargaining to cover welfare issues. The law had been intended to prevent the spread of union-dominated, employer-financed welfare programmes of the kind the pioneering Mine Workers had won; in fact, it was interpreted by the NLRB and the Supreme Court, in the precedent-setting 1949 Inland Steel case, as legitimizing more moderate union demands for the negotiability of benefit levels and terms.¹

Unions, then, affected the practice of welfare capitalism by their bargaining strategies; and their political action on behalf of an enlarged welfare state threatened further to reduce the direct dependence of employee on employing firm - a basic theme in corporatist, managerial views of the proper organization of society. Unions were also ready to compete in the provision of the other services welfarist companies had traditionally provided: in the postwar years, 'social unionism' of the UAW/needle trades variety, in particular, expanded the range of benefits available to members in the form of organized recreation and entertainments, adult education, legal, financial, and medical advice and assistance. Unions, as well as firms, tried to strengthen the organic and nonwork ties which bound plant communities together.²

In the new world of the late 1940s, the practice of corporate welfarism was obviously much modified, and the scope for unilateral action much reduced - but not eliminated. For managements in non-union plants, or in their dealings with supervisors and white-collar workers, the freedom to implement and administer welfare benefits was as great as ever.

And of course, the incentive to do so was much


larger than it had been in the 1920s, as unionization remained a real possibility. In addition, even bargained fringe benefits continued to serve many of the old purposes of stabilizing the employee population of the plant and increasing its attachment, if not to the work, then at least to the job. Reducing labour turnover of prime adult males, and increasing the seriousness of the threat of disciplinary discharge (which came to mean loss of accrued seniority and welfare entitlements), increased management's control over the workforce. 

Welfarism, however, was more than a collection of practices which were subject to change; it was also a philosophy of action, which was much less affected by developments. American workers were considered to be rational, security-conscious, and self-interested, only taking collective action if management defaulted on its obligation of supplying them with the material benefits they wanted. The management which wanted its authority unchallenged had to deserve and win the compliance of its subordinates by its performance in satisfying their needs by remedial and preventive action within the corporate system. 'Our people look to us first; only when we fail them do they look elsewhere.' 

This line of thinking led naturally towards an implicit attack on the legitimacy of, or necessity for, unionism. Unions were considered to be an imperfect way for workers to protest managerial action and pursue their own interests: only where management was incompetent or inconsiderate might they be justified; otherwise, they only caused needless conflict and intruded into an essentially stable and harmonious, organic relationship. The way for a management


to secure the union— or, at any rate, strife-free employment relations that it wanted, was to take the initiative in finding out what workers wanted, and then, if possible, give it to them; to identify and remove sources of potential conflict; and to emphasize the community of interests and personal ties between superior and subordinate within the plant.¹

Welfarism, therefore, went well beyond the use of fringe benefits, however liberal. It included efforts to discover workers' grievances, using devices under management's control. The most important of these were the attitude survey, and the hierarchy of production supervision. Both ignored or circumvented the union (if any was present), and were designed to give management the information it needed as a basis for effective remedial action.

The attitude survey, modelled on market research and public opinion polling techniques, had obvious advantages for the management which wished to identify the sore points in its organization. Information was obtained which was neither filtered nor distorted—by union machinery or supervisory hierarchy. Respondents were guaranteed anonymity, and surveys were frequently conducted by outside agencies with an air of independence.²

¹ 'Billy Rose of Labor Relations', 68; Appley, 'Management's Responsibility to Its Forgotten People', Personnel Series No. 91 (1945), p. 38; but the best versions of this aspect of the personnel rationale come from General Foods and Thompson Products—see references to General Foods' Thomas Spates' philosophy, in note 1, p. 52 supra; for Thompson Products, see in addition Livingstone, 'Settling Disputes Without Interrupting Production' and Stanley R. Black (Assistant to Vice-President Livingstone), 'Earning Employee Backing', in College Forums on Current Economic Issues (1948), pp. 25-43. Thompson Products' opinions on 'The American Worker' are consistently fascinating. This was also a part of the ideology of Boulwarism, and of other, less noteworthy companies—cf. James J. Nance (President, Hotpoint, Inc.), 'Top Management Views the Job Ahead in Industrial Relations', in Personnel Series No. 124 (1949), pp. 32-39.

² Interestingly enough, the UAW did the same when it commissioned a survey of members' anxieties to support its case for liberalized, bargained fringe benefits, particularly health care. UAW's hireling, however, was C. Wright Mills. 'The Auto Worker's Blues', Fortune, 38:5 (Nov. 1948), 210-14.
University industrial relations specialists offered their services, and consulting firms made all the expertise of applied social science (particularly psychology) available to industry. The oldest of these, including Houser Associates and the Psychological Corporation, dated back to the 1920s, but most, including the Gallup, Roper, and Robinson (Opinion Research Corporation) organizations, were more recent. The benefits to be expected from attitude surveys were twofold. In the first place, areas of managerial deficiency could be spotted. Morale in a particular department might be unusually low; workers could be shown to be dissatisfied with, or ill informed about, some particular phase of corporate personnel policy. Personnel men were able to find evidence—often alarming, always apparently conclusive—of the need for higher management to endorse the adoption of progressive techniques to solve revealed problems. They were thus able to weaken resistance to their recommendations, and actually to implement new programmes. Once implemented, repeated surveys followed up a programme's success or failure. Attitude surveying offered a plausible, 'scientific' or at least semi-objective, method for the concerned management to produce a 'fever chart' of the soundness or otherwise of organizational morale, and to run 'quality controls' on its personnel policies.

Best practice relied upon managerial willingness to alter its policies or their implementing procedures in response to revealed dissatisfaction or deficiencies. There had to be a change in workers' actual on-the-job experiences if they were to be convinced of management's good intentions. But there was another dividend to be reaped from the morale survey: the very act of taking one assured workers that 'their' management was concerned about what they thought

I. The pamphlet in which Pitney-Bowes reported the results of a survey back to its employees had a picture on its back cover of an eminent, bespectacled and bow-tied professor from prestigious Dartmouth College ceremoniously burning the ballots after producing his results, as a guarantee of confidentiality. Walter H. Wheeler, Jr. (President), What You Think About Your Company: A Report on the Pitney-Bowes Employee Opinion Poll (privately printed, 13 Oct. 1949).
and felt. The mere opportunity of expressing an opinion might be therapeutic; the cathartic effect of talking through a grievance might be valuable, even if there was no change in managerial policy on the basis of information received.\textsuperscript{1,2} 

Attitude surveys were generally, and deliberately, impersonal. The other way of discovering workers' grievances and attempting to remove them was quite the reverse.


2. R.C. Mc Murry, \textit{Handling Personality Adjustment in Industry} (New York, Harper&Bros., I944), pp. 40-54, is the only one of many more sources than the above selection which rates the 'cathartic' effect of the procedure anywhere near as high as the beneficial effect of consequent improvement in personnel policies. This only reflects the prevailing opinion that employees were rational, and that experience was the great educator. This contrasts sharply with the psychologizing strain in the well-known Mayoite strain of 'human relations' studies - cf. Wilensky and Wilensky, \textit{Personnel Counseling}, 273-77; Harold L. Sheppard, 'The Social and Historical Philosophy of Elton Mayo', \textit{Antioch Review}, IO (I950), 396-406 at 399 - of whose practical, as opposed to rhetorical, influence upon management in the late I940s I have found scant evidence. Even 'human relations training' for foremen (p.274, below) was nothing more than First World War / I920s 'new foremanship' principles and axioms. The manipulative management of men antedated Mayo and the Hawthorne studies; the practical impact of the latter, before the I950s, seems to have been limited to American Telephone and Telegraph companies.
It amounted to an attempt to create a parallel to, or a substitute for, the union's shopfloor organization of stewards and grievance committeemen. Supervisors were trained and encouraged to take a personal interest in their men's problems, to exercise authority in a non-abrasive manner ('how to reprimand a worker and make him like it'), to remove the causes of grievance, if possible, and to try to solve those that occurred by personal negotiation with the worker or workers involved. Supervisors were further supposed to act on their men's behalf, bringing problems with which they were unauthorized and incompetent to deal to the attention of higher management. The supervisor was supposed to turn into the accepted, not just the designated, leader of his workgroup, manipulative in his style of interpersonal relations, building a 'democratic', 'participative', or at least 'consultative' organizational climate at the grass roots. Management-oriented shopfloor solidarity would remove the need for unionism and solve many everyday problems in 'human relations'. This was the strategy of 'man to man on the job', intended to rebuild union-free, pseudogemeinschaftlich relations between superior and subordinate, advocated since at least the First War, but still practiced by companies including General Electric, General Motors, General Foods, Thompson Products, Armstrong Cork, American Rolling Mill, et al. in the 1940s, with white-collar and blue-collar workers alike.


The effectiveness of management's investment in 'human relations training' in changing supervision's actual leadership styles may be doubted. The pedagogic techniques employed were usually authoritarian - formal lectures; or crudely manipulative - the 'discussion group', guided towards predetermined conclusions. These could produce verbal acceptance of the principles of 'leading, not bossing', etc., but had little apparent effect on foremen's actual behaviour in the workplace. Experience of a punitive leadership style at the hands of their own superiors told them what the real policies of the organization were; and, in the workplace, they continued to rely on the usual combination of threats and favours. Leland P. Bradford, 'The Future of Supervisory Training', *Personnel*, 22 (1945), 6-12 esp. 6-7; Edwin A. Fleishman, *A Study of the Leadership Role of the Foreman in an Industrial Situation (With Special Implications for Leadership Training): A Summary of Research Conducted with the Cooperation of the International Harvester Co.* (Columbus, Ohio, Personnel Research Board, Ohio State University, 1951, mimeographed); Schuyler Dean Hoslet, 'Training in Human Relations: A Review and Evaluation', *Personnel*, 23 (1946), 85-97. More sophisticated instructional techniques apparently enjoyed more success - Allan H. Tyler (American Type Founders, Inc.), 'A Case Study of Role Playing', *Personnel*, 25 (1948), 136-42.
Welfare capitalism's injunction that business should act planfully to satisfy American workers' desires within the corporate system affected the business community's political action and strategy, as well as its personnel policies. The welfarist rationale provided a model of the functioning of the American political system, as well as of the contest for leadership and loyalty within industry. It recognized that, in a representative democracy with an egalitarian public ideology, the continuation of proprietorial and managerial power and privilege had to rest on public support. The way to win that support was by demonstrating the business elite's 'social responsibility' and by justifying its claim to power in terms of its superior performance — its record of operating the economy in the general interest. The business elite had to behave 'politically', accommodating itself to at least some of the demands American workers and the public made upon it, responding to or anticipating the pressures of its 'constituents' in order to retain the maximum possible freedom of unilateral action. If constructive business leadership was not forthcoming, the public would turn to rival elites — union leaders, liberal or radical politicos — for answers.

The welfare capitalist political strategy, usually termed 'corporate liberalism' or, in C. Wright Mills' better phrase, 'sophisticated conservatism', developed in the first quarter of the twentieth century, but more as promise than performance, rhetoric than actuality. Popular and working-class pressures were easily managed, more by the coercive deployment of business-class power than by a policy of expedient concessions.

I. See the important review essay, 'The Discovery and Study of a "Corporate Liberalism"', by Ellis W. Hawley, in the most recent Business History Review, 52:3 (Autumn 1978), for the rather different meanings historians and political scientists have given to this term. Mills' vision of the spectrum of opinion within the business community in his own time is to be found in New Men of Power, pp.25-7; for the rhetoric of corporate social responsibility and managerial professionalism, see Morrell Heald, 'Management's Responsibility to Society: The Growth of an Idea', Business History Review, 31 (1957), 375-84 and 'Business Thought In the Twenties: Social Responsibility', American Quarterly 13 (1961), 126-39.
Business in the 1920s claimed to be socially responsible, but that 'responsibility' was given no concrete meaning, with no effective sanctions to compel specific performance. The Crash, Great Depression, and New Deal came as an education for businessmen in the political consequences of failure to meet the basic demands the public made of the system they controlled. The loss of prestige businessmen suffered was accompanied by: a real reduction in their power vis-a-vis an interventionist state over which they no longer exerted the greatest direct influence, and the labour movement which it fostered; an impairment of their traditional freedom to manage their own affairs; and a real loss of certainty and security in a political environment they could no longer control.

The great majority of the business community, after a brief honeymoon in 1933-34, was alienated from the Roosevelt administration and all its works. It went over into a relentless, purely negative, and largely ineffective opposition. But a minority of businessmen - some of them representative of truly giant firms, like General Electric and Eastman Kodak, but more of them recruited from medium-sized, family-controlled companies like Jones & Lamson (Machine tools) and Leeds & Northrup (precision instruments), and all of them 1920s-style 'progressives' - recognized that a more constructive response to the revealed weaknesses of the American business system was required. They recognized that the state could play a vital role in stabilizing and regenerating the economy, and some of them were even willing to grant a small place to a cooperative, responsible labour movement in the new, pluralistic political system (within and outside the firm).

This minority provided the few businessmen who collaborated in the drafting of the Social Security Act, who served on the Department of Commerce's Business Advisory Council (designed to keep open some of the lines of communication between government and business leaders), and who were willing to accept some version of a Keynesian solution to the problem of restoring the American economy to life after a decade
of stagnation.¹

Corporate liberals were ready to work with the government to try to, as they saw it, moderate the New Deal's worst excesses and restore the influence of the business community in the nation's inner councils.² They received their great challenge and opportunity during the Second World War. The administration turned to them to staff mobilization agencies at the highest levels; it also turned to the Business Advisory Council (BAC) to help answer the question plaguing so many politicians, economists, union leaders, and businessmen: 'After the War, WHAT?' The economy had only recovered from the depression as a result of the war boom. For the moment, it provided jobs for all. People's expectations were thereby raised: demonstrably, state expenditure, intervention, and coordination of economic activity on a scale the New Deal never dreamed of could provide prosperity. If in war, why not in peace also?

As a result of independent stirrings within the business community - associated particularly with General Electric and Studebaker Motors - and of Secretary of Commerce Jesse Jones' urgings, the BAC gave birth to a new organization of businessmen to provide constructive answers to the problems of reconversion of the economy to a peace footing, and thereafter maintaining a stable prosperity. This was the Committee for Economic Development (CED), officially established in September 1942.

³ Ralph E. Flanders, The Function of Management in American Life: Lectures Delivered at the 7th Annual Stanford Business Conference, 19-23 July 1948 (Palo Alto, Stanford Univ. Press, 1949), pp. 22-25. Flanders was a fully-paid-up corporate liberal, going from the presidency of Jones and Lamson, via the BAC and CED, into the Senate as a liberal Republican.
The CED was a new type of business organization: it had close links with the corporate liberal minority, but it also established good working relations with the more inclusive, conservative NAM and CCUS. It aimed to develop proposals for national economic policy acceptable both to businessmen and to moderate elements in the New Deal's ranks. To this end, it actively cooperated with economists of reformist, Keynesian temper, and sought to 'educate' the conservative business community, to 'rescue the businessman from his own intellectual neanderthalism, to wash the cliches of an outworn ideology from his mind.'

What is interesting about the CED is not so much what it did - chiefly the sponsorship of very practical research into the problems of reconversion and maintenance of an economy of abundance according to (modified) laissez-faire principles, and the concentration of businessmen's minds on their own companies' part in the solution to those problems - as its strategy and rationale. The CED's members - and liberal elements in the NAM and CCUS - realized that it was no longer enough to resist all proposals for change on the grounds that they were unconstitutional, immoral, subversive, contrary to human nature, against the law of supply and demand, etc., as the business community had tended to do. Rather,

Business can capture the leadership of public opinion only if it makes, and dramatizes, a conscientious and determined effort to solve the nation's legitimate economic problems when they exist.

This does not mean we can or should sponsor every scheme for welfare and security that comes along. We can't. But we can effectively oppose those things which are unsound only if we have associated ourselves

3. Walter B. Weisenburger, Challenge to Industry: Address Before the 51st Congress of American Industry (New York, NAM, Jan.1947).p.5. The liberalization of NAM rhetoric was noted at the time - see 'Renovation in NAM' (subtitle: 'Industry's Intransigent Spokesman Now Says "Yes" as Well as "No".')
with social objectives that are sound.1

Making constructive proposals, taking the initiative, accepting that government had a useful role to play and trying to influence its policies—these were the CED's tactics, and they paid off. The managerial elite retained effective control over the corporate system; the federal government confined itself to acceptable, stabilizing and supportive action at the macro level, as authorized by the 1946 Employment Act, which the CED endorsed and helped salvage from conservative business lobbying masterminded by GM's Donaldson Brown.

At the same time, the CED was able to present a new image of enlightened business activism to the American people after years when the business community's collective response to any novel proposal had been perfectly predictable, and 'always ... in the form of objections.'2 The CED represented that important section of American business which had come to terms with the institutional legacy of the New Deal, and appreciated its contribution to the rationalizing of American capitalism, making the system more secure and more acceptable to the people. CED members led the rest of the business community in the 'Conservative Acquiescence in the Changed Economic System' taking place in the postwar era.3


2. Ralph E. Flanders, 'Address of Award', in The Henry Lawrence Gantt Memorial Medal: Personnel Series No. 101 (New York, AMA, 1946), pp. 7-15 at p. 15. Flanders was Chairman of the CED's Research and Policy Committee; the award went to Paul Hoffman, perhaps the most influential corporate liberal of the period. His ideas can be traced in 'The Survival of Free Enterprise', Harvard Business Review, 25 (1946), 21-7 and Management's Responsibility to Capitalism: An Address (New York, CED, 1947).

CED-type sophisticated conservatism was notable for its spirit of optimism about the survival of a form of free enterprise in postwar America, and its compatibility with an enhanced interventionist role for the federal government. Businessmen like Hoffman, Flanders, or Eastman Kodak's Marion Folsom, all CED activists, found their home in the liberal consensus of Cold War America, and pursued active careers in government service. They believed in the essential stability of the American social order, barring economic collapse. Corporate liberals were true 'conservators', recognizing that

the best in the past was not static. It was moving. Our problem is to see that we keep on moving ahead in our own time, in an orderly manner, as fast as we can go, without recklessness.  

They were not especially troubled by the ideologically loaded demands organized labour and its New Deal/Fair Deal allies made for economic controls and social welfare provisions in the late 1940s. They were reassured by their favourite opinion pollster, Elmo Roper, that the American people believed in the principles upon which the Free Enterprise system was based and were generally satisfied with the way it operated for them. If it provided full employment, a measure of economic security in times of ill health, temporary worklessness, and old age, the chance of advancement, and the promise of fair treatment for its employees which good personnel administration guaranteed, it was safe. The American people's hostility and suspicion towards business and management, evident in the 1930s, waning in the 1940s, was not based in any deep-seated, revolutionary ideology, but in their doubts as to its ability or willingness to satisfy the reasonable and limited instrumental demands they made of it.  


2. Roper, 'Public Opinion' and 'The Public Looks at Business'; even the NAM learnt this lesson - Ira Mosher (Chairman), 'Making Regular Jobs Regular', address before the 50th. Congress of American Industry, 5 Dec.1946 (NAM Press release, mimeographed); NAM's earnest encouragement of 'progressive' personnel administration in the later 1940s reflected its growing sophistication.
Conclusion

In personnel administration and welfare capitalism, American business found ample resources with which to carry on the struggle for power and influence, within the workplace and in the wider society beyond the factory fence. Personnel administration promised to be able to make American workers more efficient, contented, loyal, and willingly obedient; to reduce management's problems of control, and to restore its moral authority by bringing workers to accept their own role in the enterprise, and the reasonableness of the rewards they received from working. It offered a more manipulative style of man-management - 'the art of dealing with people in such a manner that they will want to conduct themselves in a desired fashion' - which was at the same time more effective in producing compliance, and less objectionable in a representative democracy than more traditional, punitive and coercive styles. Personnel administration and welfare capitalism were more than control procedures, ways of managing the pressures subordinate members of authoritarian organizations could bring to bear. They were connected political strategies, offering management fresh legitimations of its authority within the enterprise, and the business community a renewed claim to social power on the grounds of its being a competent and responsible elite. So armed,

American businessmen have the opportunity to replace indifference and resistance with willing effort and teamwork; to drive out ignorance with understanding, suspicion with confidence, contempt with respect; in short, they have the opportunity to supplant conflict with harmony. All that is needed is the disposition and the will to do it.


More practically and prosaically, 'progressive' tactics were a means for companies to rebuild 'dual loyalty' on the part of industrial workers after the shocks of the post-Depression years. Responsible unions were accorded some legitimacy, as an 'insurance policy' for their members against managerial default and backsliding in everyday personnel administration, and as bargaining agents for material gains. But unions were not really necessary, were not generally desirable, and could be confined to the already-organized sectors by the astute, progressive management. Even union members could be brought to see that 'the relationship of the individual to the enterprise is the basic one' by demonstrating that their hopes of security and limited opportunity were tied up with the success and competence and 'enlightenment' of their employer, rather than with their union.

Personnel administration and welfare capitalism, as management strategies, had a distinctly political purpose. Viewed most broadly, they were designed to restore the American people's faith in material progress under business leadership, and to demonstrate that the existing elite was the one best qualified, by past performance and the promise of a golden future, to retain predominance.

I. Harold B. Bergen, 'Improvement of Employer-Employee Relations', Management Record, 2 (1940), 65-71; Earl Bunting (Managing Director, NAM), Industry Looks at Its Relations With Employees (New York, NAM, 1950); C.L. Huston (Assistant to the President, Lukens Steel Co.), 'Design for the Future of Industrial Relations', Personnel, 20 (1943), 24-31 at 26. Bunting's address is an interesting rebuttal of Solomon Barkin's well-founded assertion that personnel strategy was purely unilateralist, and a flank attack on unionism - see his 'A Trade Unionist Appraises Management Personnel Philosophy', Harvard Business Review, 28:5 (1950), 59-64.


Workers and the public were supposed to learn the correct lessons from their experience of managerial skill and benevolence. But the evidence is that they did not - or at least, not fast enough, nor completely enough, nor unquestioningly enough, to suit many American executives. Experience is not the only educator, nor is it necessarily the best way of transmitting ideological constructions between superior and subordinate, elite and mass public. The claim that management was 'socially responsible', etc., was an essential justification of business-class power.

If the intended audience did not read the message from their own everyday observations, how was it to be conveyed? The answer was straightforward. Mass persuasion - particularly where the message to be communicated is a loaded conclusion justifying the power and policies of an existing elite - is the realm of the propagandist, the expert in the 'engineering of consent'. The strategy of personnel administration and welfare capitalism was 'propaganda with facts'; the more direct approach of many businessmen and their organizations in the 1940s was straight propaganda - aiming at

the control of opinion by significant symbols, or, to speak more concretely and less accurately, by stories, rumors, reports, pictures and other forms of social communication. Propaganda is concerned with the management of opinions and attitudes by the direct manipulation of social suggestion rather than by altering other conditions in the environment ...
Chapter 8

Communications in Industry and the Great Free Enterprise Campaign

Introduction

(Management) is, or at least would like to be elected representatives of the employees with whom and the communities in which we work. Is it not true that the power of industrial management is limited by the degree and kind of popular support which it can command? Maybe the obvious conclusion is that modern industrial management is, strictly speaking, in politics, and if it is to have the power commensurate with its responsibilities, it must literally seek that power in the political arena... Power is exercised through leadership, and it takes followers to make a leader. We in industrial management had better make a serious bid for leadership, not only of our own fellow employees, but the whole community. We have the opportunity and the challenge and the responsibility.

In the previous chapter, I described how managers of large corporations accommodated themselves to at least some of the demands American workers and the public made of them, responding to or even anticipating the pressures of their 'constituents' in order to retain the maximum possible freedom of unilateral action. But this was not the only strategy espoused and actively adopted in the 1940s to the end of creating a climate of public opinion favourable to the continuation of managerial power and privilege. In an America where political rhetoric allowed of few other legitimations, businessman had to be able to justify their power by claiming they had a mandate, that the majority of real Americans supported them. But how to create this consensus, how to win the moral authority given by popular agreement, or at least compliance? The sophisticated conservatism or 'corporate liberalism' of the CED and of

I. Martin, 'A Bid for Employee Cooperation', 4-5.
'progressive' personnel administration gave one answer; equally influential voices within the same business community gave another. Their prescription was based in a different analysis of the causes and nature of the problem with which they had to deal, a different model of human rationality and of the workings of the political system. They were much less ready than were the sophisticates to accept that there were imperfections in the workings of the American economy - particularly in its failure to deliver full employment and economic security - and in the internal operations of large business corporations - their actual denial of American pretensions to respect the dignity and equality of man. America was not perfect - none of man's creations was - but it was as near perfect as any social artefact; America was a success - it needed to be defended.

The problem, then, was not to be found in the policies and practices of industrial management, but in people's perceptions of them. It was a matter of ignorance, misunderstanding, and the competition of false doctrines for the allegiance of the American working class and mass public. As the problem was one of public attitude and belief, it could be dealt with directly - not by altering the real world of their social experience, but by providing them with the facts on which to make correct choices about which ideology to adopt (free enterprise and individualism vs. collectivism and the welfare state), which of several competing elites to follow (businessmen vs. union leaders or radical and liberal politicos).

Somebody has got to help the little man in the street get himself a big pile of facts so he can get up high enough to see the business and economic landscape for himself. And the best place for him to get the facts about the business system is the same place where he gets his bread and butter out of that system - from the man or the company where he gets his regular weekly or semi-monthly pay envelope.

I. Millard C. Faught, 'It's Your Story - You Tell It', Nation's Business, 35:3 (March 1947), 47-76 at 47. Clearly, the 'little man' was the blue-and low-status, routine white-collar worker - an opinion confirmed by survey research, below.
In the rhetoric and practice of these 'practical conservatives' there was no sensitivity, no willingness to compromise, no recognition that social and political change was necessary, nor that the public demands for full employment and economic security to which the CED responded were wholly legitimate or entirely safe. Theirs was a crudely elitist and authoritarian vision of society, and of the microcosm of the firm. Management, 'which is industry', had exclusive possession of the truth, and was naturally the leader of its subordinates' opinions.

When I say "our side", I mean the truth. The truth is not only good enough for General Electric and this country and the world - it will destroy a whole lot of economic counterfeiters and political charlatans the minute the public knows the truth.

In this chapter, I shall examine the ways in which practical conservative businessmen defined and explained the reluctance of workers and the public to accept their vision of the good society. I shall discuss briefly what they did about the problem, and identify the firms most active in the 'communications in industry' movement and the 'Great Free Enterprise Campaign'. Finally, I shall consider the significance and possible impact of all this anxious activism.

The social upheaval of the past quarter century has brought new leaderships into power, challenging management's decisions within its own house. . . . The battle for men's minds and loyalties is thus one of the realities of corporate existence. Member companies frequently ask . . .

Why won't our own people listen to us? Here we are, joined together in one enterprise, all of us dependent on the company's prosperity for our

3. Boulware, 'How Big Is Our Job?' p.13. Boulware's address is an absolutely classic statement of the practical conservative position, and a rationale for the connection of unilateral personnel administration and heavy propaganda in the effort to restore managerial authority and control.
When management decides what needs to be done, why doesn't everybody go along?

Whichever part of the postwar political scene managers surveyed, they found plentiful evidence of conflict—industrial, political, ideological—in which majorities or significant minorities of American industrial workers were to be found lined up in opposition to the values and objectives of the organized business community. Such conflict threatened businessmen's power over their own firms and their authority in large areas of American life. It was dangerous, and it was also extremely offensive to businessmen's conceptions of the right ways of ordering society.

Speaking about 'Current Human Problems in Quality and Productivity' in 1949, Scovill Mfg. Co.'s vice-president Alan Curtis identified a certain widespread demoralization amongst industrial workers which led them to think and act in ways contrary to those management required, and knew to be in their best interests. His opinion on this score was shared by many other commentators, anxious about workers' indiscipline, poor productivity, indifference to managerial appeals, and support of undesirable union objectives. The symptoms of demoralization included '(f)ailure of the individual to realize that good work and quantity output are in his own self interest', the 'too prevalent belief that reducing production will gain job security' and that 'the worker gets but a small part of the company's income and that profits range between 20 and 30 percent', the 'don't care attitude of individuals, developed by the belief that they will be taken care of by the government or some other agency', lack of interest in the job, and 'the belief that there is no road to advancement.'

Curtis' remarks were more than jaundiced elitist animadversions on the degeneracy and sheer cussedness of the rank-and-file. They were confirmed by the evidence of worker attitudes, as revealed in more or less scientific surveys, and by the objectives of labour unions and the New Deal/Fair Deal wing of the Democratic party which enjoyed workers' active support.

In 1950, the Opinion Research Corporation reported that 35 percent of a sample of industrial workers believed that laboursaving machinery destroyed jobs; the same percentage thought that employee and stockholder interests were in conflict. 61 percent denied that the chief benefit from increased productivity went to workers; the same proportion refused to accept that monopoly or oligopoly, not free competition, was not the predominant condition in most industries. 52 percent declined to believe that more of company income went on wages and salaries than on dividends and top management pay, and 51 percent that wealth was not becoming increasingly concentrated. In these and similar fallacious beliefs about the structure and working of the economy, businessmen thought they saw part of the explanation for employees' endorsement of programmes their superiors knew to be wrong, and detrimental to their subordinates' best interests.

Attitude surveys also produced disquieting evidence relating to job satisfaction. Success was a part of the promise of American life; the individual's desire for personal recognition and advancement was a motivating force upon which much of personnel administration relied. But a belief that extra effort brought no payoffs appeared to be widespread. 'A danger signal for management is that workers are beginning to feel that opportunity is dead.' Only 14 percent of the ORC's

I. 'Trends in Employee Thinking on Simple Economics', The Public Opinion Index for Industry, 8:2 (Feb. 1950), 34-5; cf. Fallacies About Our Private Enterprise System (New York, NAM, March 1944 - Ist. printed 1940). The 'fallacious beliefs' for which the ORC was testing were the most frequently repeated, and understandably worrying, in managerial analyses of the climate of public opinion - understandably, because they related to real issues of public policy.
sample believed they had a very good chance of promotion; 46 percent thought their chances small. Most employees were reasonably confident of the security of their jobs, but expected not to rise in status. In consequence, they supported collective action to improve their conditions — including welfare programmes and claims for higher wages without price increases, that is, for a higher distributive share of corporate income. They gave a formal, verbal assent to the individual incentive principles management espoused, but in practice supported seniority rules and across-the-board wage increases.

ORC's image of the American worker is of a somewhat sceptical, group-minded character, resistant to management's appeals. Factory's annual surveys of 'What the Worker Really Thinks' produced similar evidence. In 1945, for example, 40 percent of its sample thought that 'When a man takes a job in a factory,... he should turn out ... as much, say, as the average man in his group' rather than maximizing his individual output, as management said he should. If he turned out more than the norm, 'Management would raise production quotas' (30 percent) or reduce piece rates (11 percent); in any case, 'It would be unpopular with other workers' (23 percent). 'Only' 61 percent gave their formal, verbal assent to the loaded proposition that elimination of loafing would help workers. In these and similar responses, management could see the causes of union members' support for programmes and unofficial actions designed to sabotage its productionist efforts — output restriction, opposition to incentive schemes, objection to technological innovation, support of work-sharing and of reduction in the length of the working week, or working life, as devices to stave off unemployment.

Workers' opinions about work and the job needed correcting; and so did their attitudes to managerial authority and large public issues. In 1947, 42 percent of union members in Factory's sample believed the 'head men' of their companies had 'not much' interest in what happened to them, and 60 percent considered union leaders 'more interested in the personal welfare of the working man.' Welfare capitalism's educative achievement was evidently insufficient: workers did not follow management's leadership trustingly and with gratitude. Instead, on issues such as price control, profit and salary limitation, government ownership, state provision of social security benefits, guarantees of full employment, and the legitimacy of strong unions, workers and management were on opposing sides of a real political divide.

Polls seemed to demonstrate that, in many respects, unions and their leaders, and liberal politicos, quite fairly represented what their members and supporters thought. Their programmes had a legitimate basis in a real popular mandate. America's democratic public ideology and the realities of its political system made this widespread opposition to managerial authority and management's world-view seem truly threatening. Whether questions related to job satisfaction or to social values and opinions on public issues, the evidence of conflictual behaviour, political action, and attitude surveys was the same: there was a worrying ideological gap, with serious practical implications, between the managements of large firms and their rank-and-file workers in particular. ORC's surveys revealed that groups of workers making the most favourable responses to its questions on job satisfaction were those living in small cities, non-union or in white-collar jobs, with at least a high-school education; those making the least lived in medium and large cities, with a grade school education

I. 'What the Factory Worker Really Thinks—About His Job; Unemployment; and Industry's Profits', FM&M, 105:12 (Dec. 1947), 86-92 at 87; 'What the Factory Worker Really Thinks...' (Jan.1946), 89-90; 'Trends in Employee Thinking on Simple Economics', 29. Claude Robinson's ORC was the polling agency favoured by Mc Graw-Hill, publishers of Factory, as well as the blue riband, public-relations-conscious firms which supported the Index.
at best, were unionized, and worked in manual jobs. Factory's surveys showed consistently more anti-business responses from CIO members and workers in medium or large plants in the industrial heartland East of the Mississippi and North of the Ohio than from any other group.1

The results of attitude surveys, and the evidence of conflictual behaviour, delineated the problems of employee morale and public opinion with which American management had to cope.2 Proper treatment, however, has usually to be based in a sound analysis of the causes of the problem. In the next section of this chapter, I shall examine the explanations managers advanced for the failure of their subordinates and the public to think and act as they should, and the courses of remedial action they proposed.

Explanations of the climate of public opinion - 'partially hostile and largely indifferent'3 towards management's claims for the superiority of the American system, under its control, over any actual or recorded competitor, revolved around two themes: the first, that management had not done enough to inform and persuade Americans as to the virtues of private enterprise; the second, that 'the competition' had been active and effective. The conclusion was inescapable: the business community must make up for lost time and get fully involved in the tasks of indoctrination and propaganda in its own behalf.

Taking the first point, individual corporations had in fact engaged in deliberate 'public information' programmes for decades, and they and their inter-firm organizations

1. 'What the Factory Worker Really Thinks About Union Behavior and Industry Earnings', FM&M, 104:11 (Nov.1946), 81-8 at 88; 'Trends in Employee Thinking', 44.
had massively increased the resources devoted to such activities to meet the challenge of the New Deal. But the claim of negligence was both an explanation of the present, unfortunate state of affairs, and a call to greater action in the future. 1

The 'competition' which practical conservative businessmen feared was not that of the Communist Party - though, in the context of American-Soviet tension, radical or even liberal ideas were tainted with 'unAmericanism' by their past association, in the Popular Front era, with the CP. The real competition consisted of America's labour leaders, liberal sections of the intelligentsia, and the New Deal/Fair Deal wing of the northern, urban Democratic party. The basic cause of industry's political problems, of the unreasonable pressures upon it by unions and the government, acting with the support of their members and constituents, lay in the ignorance of proper principles of economics and social organization of the latter - a void which had been filled with the false preaching of the former. 2

The untruths must be destroyed at their source - in the colleges, national union headquarters, political headquarters, religious headquarters, even business offices - because the thought leaders there get their stuff into our plant cities and into our employees' minds through the wire material on the front pages of the local newspapers, through union and religious and educational publications, through contact with our extremely mobile population from everywhere, through subversive agents in and out of the unions and government and business. 3


2. References for this theme are simply beyond number; Holcombe Parkes (Vice-President in Charge of Public Relations'), 'NAM's Public Relations Program', an address before the 51st. Congress of American Industry, 4 Dec.1946 (NAM Press Re ease, mimeographed), pp. I-3 and J. Howard Pew (Chairman, NAM Public Relations Policy Committee), The NAM's Public Relations Program', an address before the 52d. CAI, 3 Dec. 1947 (NAM Press Release, mimeographed), pp. I-3, are good examples.

Articles and addresses by practical conservative businessmen and their public relations advisors commonly included a sobering analysis of business' political problems, and of the stiff competition it was meeting in the marketplace of ideas. They conveyed a sense of urgency - 'Madame Guillotine, it almost seems, is just around the corner for every speaker' — and insisted on the need to seek a cure before the disease of popular ignorance proved fatal.

Our competitive enterprise system must have the vote of confidence of our citizens. To get this vote, we must be understood. To be understood, our actions and the reasons for our actions must be made known to, and believed by, the people of our community. That is our job. If we fail, there will be no second chance in our lifetime, or that of our grandchildren.

But they were not pessimistic. The apparent support a confused public gave to the competition - its lies and distortions - was accounted for simply in terms of the greater vigour and astuteness in the presentation of the false prophets' case.

The bright side of the picture is this. When the citizens of Main Street are given the facts, almost invariably they come to sensible conclusions about what should be done. Public opinion in America rarely goes off on crazy, impractical tangents.

But there was nothing natural or inevitable in this state of affairs: Americans actually wanted and were waiting for the kind of leadership businessmen were uniquely qualified to give. If businessmen provided the truth, they would find a willing and receptive audience.

1. Leonard W. Trestor (Director, CCUS, and Chairman, Committee on Advertising), 'Free Enterprise - How Long Can It Survive', an address before the Rotary Club of Marion Ohio, 11 Jan. 1949, p. I. Trestor's is an optimistic, reflective speech.
3. Dr. George Gallup, 'Main Street Rates the Issues', an address before the 52d. CAI, 3 Dec. 1947, p.2; cf. Martin Dodge (Management Consultant), 'Does Management Get Its Message Across to Employees?' in Personnel Series No. 102 (1946), pp. 3-14. This theme, again, was a commonplace.
Businessmen believed, it seems to me, in an ideal of society as organic, holistic, homogeneous, united by a value consensus-and at the same time hierarchical and deferential. Not only that, they also seemed to believe that actual America was not too far different from being the land of their dreams—and that they could close the gap between ideal and reality. This belief, and the stereotyping of the 'real' average American, even if a worker, as fundamentally middle class in his values, provided them with both the hope of success in a propaganda campaign, and another way of deeming ideologies at odds with the Business Creed to be un-American, their support unnatural and easily eroded. Businessmen could present as 'facts' what were in truth mere ideological projections, and hope to be able to fit them around their audience's prejudices; they could appeal to a common fund of symbols.

The greater reason for business optimism was a confidence that, given the resolve to use its resources, it had the ability to convey its sense of the 'truth' and the 'facts' to the American people. 'We have worked miracles in mass production and mass distribution, but now we must have mass understanding.' This was imperative, and it was also expected to be quite easy. A generation of American businessmen had witnessed the effectiveness of advertising in creating public demand for new consumer products, in changing and reinforcing brand loyalties, and even—during the late war—in persuading people to change their habits on, for example, fat conservation. Many senior executives themselves had an advertising and sales background, public rhetoric of the 1920s—Prothro, Dollar Decade, esp. Pt.I—but persisted into the 1930s and 1940s—Brady, Business as a System of Power, esp. pp.288-93; cf. Black, 'Earning Employee Backing', p.29. 2. Morris Sayre (President, Corn Products Refining Co. and NAM), 'We Owe It To America', address at the 53d. CAI, 3 Dec. 1948 (NAM Press Release, mimeographed), p. 8. 3. Otis A. Pease, Responsibilities of American Advertising (New Haven, Yale Univ.Pr., 1958); Theodore S. Repplier, 'Advertising Dons Long Pants', FDU, 9 (1945), 269-78.
and the metaphor of the sales campaign sprang easily to
their lips when they thought to describe the political
strategy they recommended for getting the better of the
competition in the 'marketplace of ideas'.

Advertising was a source of much more substantial things
than metaphors: it also provided a body of experience and
techniques for using the mass media to greatest effect. It
had a vision of the audience, the potential consumer, as
especially materialistic and self-interested, but also
susceptible to emotional, non-rational appeals; and it had
a conviction of the power and value of sheer volume and
repetition. The skills and the folklore of advertising could
be directly applied to the 'selling' of the Free Enterprise
System. Achievement in ideological merchandising might not
be very great, but the potential seemed enormous; once
the essential task of fighting misinformation with the
truth, false prophecy with the American Business Creed,
had been successfully undertaken, then opposition to manag-
erial leadership within the firm and in the larger society
would subside. The interests of the public and of the business
community, of workers and management, were actually the same.
If the followers could be brought to recognize the fact,
to share their leaders' enlightened world-view, desirable
consequences would ensue. The person who came to 'think
straight' would surely come to act and 'vote straight' too.°

l. 'The 900', 135, 232; Mabel Newcomer, The Big Business
Executive: the Factors That Made Him 1900-1950 (New York,
Columbia Univ. Pr., 1955), pp. 107-8; Trestor, 'Free Enterprise-
How Long Can It Survive', p. 2-3. (Trestor was recanting his
former belief in the merchandising of free enterprise concepts);
Thomas D 'A. Brophy (President, The American Heritage Foundation-
Advertising Council), 'We Found an Abiding Faith', Manage,1 :10
(June 1949), 12, 32-3.
2. Curtis, 'Changing Concept of "Human Nature" in the Literature
of American Advertising'; Chase, 'Public Relations of Management's
Labor Relations', p.19; Austin M. Fisher and Fred G. Rudge
(Management Consultants), 'Employee Manuals - A Key to Improved
Employee Relations', Personnel, 22 (1946), 288-91 at 289; Dodge,
'Does Management Get Its Message Across to Employees?' p.8;
L.C. Morrow (Editor, FM&M), 'Management Outlook in Labor
Relations', CPMA Management Report No. 13 (1948), 9-10. See also,
for all this, William H. Whyte, Jr., Is Anybody Listening?
How and Why Business Fumbles When It Talks With Human Beings
(New York, Simon and Schuster, 1952), esp. Ch.1 - a classic
example of wittily destructive criticism of this approach.
So far in this chapter, I have described the rationale of practical conservatism's propagandist political strategy, and of its counterpart in industrial relations, the 'communication within industry' movement. Both operated with the same assumptions - that there was a true unity of interest between superior and subordinate, elite and mass, in industry and society; that the elite's political programme and world-view were in the general interest, and allowed of no legitimate opposition; that patterns of conflictual behaviour, attitude and belief on the part of those who should have been loyal followers were to be put down to their ignorance of the true facts, or to their having been deceived and misinformed; that the solution to the problem consisted of 'information' - the transmission, with all the skill and force of the mass media, of the superior's viewpoint to his constituent publics.

The 'communications in industry' movement concentrated its fire on the demoralized employee public - seeking to cure the latter's faulty beliefs about work, their own status, and managerial authority, as well as about large public issues - notably, the question of whether indeed the corporate system, under managerial control, actually behaved in the public interest, and divided its net revenues fairly between the various claimants upon them. The employee public was obviously 'at risk'; but it was also supposedly more accessible than any other to management's attempts to convert it.

Think of it: About fifteen million American men and women spend eight or more hours a day, five or six days a week, in the mills, factories, or plants of America - figuratively at the very elbows of the managers of manufacturing industry... Armed with the economic facts, these millions with their families could be a mighty force, probably a determining factor, in the growing struggle between American individualism and foreign-bred collectivism. So in our plants we're not only manufacturing goods. We're manufacturing reactions to our way of life...

I. Wallace F. Bennett (President, NAM), 'Preface' to Employee Communications for Better Understanding (New York, NAM, June 1949), p.5. The pamphlet was one product of NAM's late 1940s efforts to aid and encourage its members to become more active in 'selling free enterprise' to their own workers, to complement its national advertising and 'information' programmes.
The job was the 'center of the employee's universe': his experiences at work shaped his attitude towards the whole of the free enterprise system. These experiences should include being told, and convinced, that management's view of the enterprise and of society was the correct one.

Every employee who understands in reasonable degree how his company operates, and who is proud of its company and its products, who has a sense of participating in a worthwhile effort and of being treated fairly and with dignity is, perhaps without realizing it, an advocate of our competitive economy and our system of political freedom. Every employee who has to do simply what he is told with no understanding of why, who doesn't care about his company or its product, who works reluctantly and only for his wages, who has no feeling of job pride and is dissatisfied is, again perhaps without realizing it, a real or potential enemy . . . . The front line in the battle to preserve a free America may well be at the work bench as well as at the polling booth or in the halls of Congress.

Management's message had to be supported by employees' experience of the proper working of good personnel policies, but would only be properly received if it was rammed home repeatedly and forcefully, in such a way that no reasonably right-thinking American could fail to accept it.

Add it up for the employee: \( 2 + 2 = 4; \) repeat 4; repeat 4.

(D)istribution of information about the economic system is not enough; companies need to draw ideological conclusions from economic information if they want to build attitudes favorable to the continuance of competitive capitalism.

Firms used a great many techniques in this endeavour - bulletin board notices, pamphlets, brief messages in the pay envelope, posters, direct mailing to the employee's

2. Collyer, 'America's Decade of Decision', unpaginated.
home, employee handbooks, magazines, and newspapers, films, courses in the structure of business enterprise and/or the workings of the economic system, structured contacts between superior and subordinate - orientation courses, occasional lectures - and social gatherings. These in-plant media were supplemented with advertisements in local newspapers and on radio or TV stations in industrial communities, and by other attempts to shape the climate of community opinion so as to reinforce the message employees received directly from their employers.

I. For descriptions of such media and their message, and instruction in their preparation and use, see the following books: Aspley and Whitmore, *Handbook of Industrial Relations*, Chs. 27-31, 40-42; G. and D. Griswold, eds., *Your Public Relations - The Standard Public Relations Handbook* (New York, Funk & Wagnalls, 1948), esp. Chs., 9, 10, 22, 25-30; Alexander R. Heron, *Sharing Information With Employees* (Palo Alto, Stanford Univ. Pr., 1942) - a pioneering work; R. Newcomb and M. Sammons, *Speak Up, Management! How to Communicate with Employees and the Public* (New York, Funk & Wagnalls, 1951) - the work of the leading specialists in employee relations media; R. W. Peters (Head, Employee Relations Research, Esso Standard Oil Co.), *Communication Within Industry: Principles and Methods of Management-Employee Interchange* (New York, Harper & Bros., 1949) - containing valuable survey evidence of best and standard practice; Fred Rudge, *Economic Information for Employees: Helping Employees Understand the Operation of Their Own Company as a Prerequisite to Their Understanding of the American Business System* (New London, Conn., National Foremen's Institute, Inc., 1952); articles and pamphlets - too numerous to mention, but see *How to Tell Your Company's Story* (New York, Research Institute of America, 1947) - excellently illustrated with examples of tabular, graphical, etc., ways of explaining away the size of corporate profits; PSB-GID, *Community Relations - Telling the Company's Story* (New York, MLIC, 1949, processed); For sample survey evidence on the use of media, see 'How Management in a Hundred Plants Gets Information to Workers', *FM&M*, 104:7 (July 1946), II4-7; 'Industry's Communications System 1950', The Public Opinion Index for Industry, 8:10 (Oct.1950); Personnel Practices in Factory and Office (revised): *SPP No. 88* (New York, NICB, 1947), Tables 66-70, 778-81, pp. 27-8, 57. The NICB, most usefully, relates use to plant size, demonstrating, as one would expect, increased use of formal media and structured contacts in larger plants, where problems of employee morale were greater, informal methods more difficult and less adequate, and staff resources for supporting communications activities more numerous.
An examination of the message management produced and intended for its subordinates reveals much that is interesting and distinctive – notably, the rationalization of rules, which are in fact managerially determined, as expressive of the collective will and experience of the plant community, and in the best interests of it and its members; the attempt to restore meaning to subdivided, de-skilled and alienated labour by making employees aware of their place in the whole complex, interdependent scheme of company operations, and of the end-products of their collective endeavour; and an unmistakable, understandable emphasis on the firm as a community in which there is an accepted hierarchy of power, skill, responsibility and reward, but in which common objectives and values provide organic unity – the firm is a 'family' or a 'team'. But much of the hortatory and didactic effort directed at the employee public concerned the very same subjects as that designed for the mass public in the 'Great Free Enterprise Campaign' of the late 1940s. It involved a straightforward, repetitive presentation of the central tenets of the American Business Creed – essentially, that government regulation of the economy was inefficient, un-American, dangerous to national morals and the basic liberties enshrined in the Constitution; and that decentralized managerial control, on the other hand, delivered economic progress for all, threatened the liberties of no one, and produced fair shares of the fruits of profitable operation and economic growth for all parties with an interest in the enterprise.

2. Robert A. Sutermeister, 'How to Interest the Employee in His Job', Personnel, 21 (1944), 131-8; 'The Problem of Boredom', Management Record, 10 (1948), 567-75.
3. The best sources for such imagery are employee orientation manuals and company newspapers – whose titles alone are often quite revealing – Getting Along as a Member of the NCR Family; GM Folks; the ARMCO-Operator; Allis-Chalmers' We; Goodyear Tire and Rubber's Wingfoot Clan.
The Campaign was a resumption and intensification of the work coordinated by the NAM's National Industrial Information Committee in the later 1930s. It used national advertising in the press, 'planted' editorials and syndicated material, billboards, pamphlets, sponsored programmes on radio and TV, nationally-distributed films and every other sort of media outlet. The Advertising Council sent its Freedom Train, with the Liberty Bell on board, around the country to rekindle the patriotism of right-thinking Americans. Organizations active in the Campaign were, overwhelmingly, those of the business community, or those which, whilst claiming to act in the public interest, depended on businessmen for their funding and direction. The NAM, the CCUS, the Advertising Council, and the Association of National Advertisers - American Association of Advertising Agencies, together with trade associations, were most active at the national level; local Chambers, manufacturers' associations, and individual firms participated on a smaller scale in America's industrial communities.

All of this technical expertise was used to present a generously-funded, essentially unchanging, thoroughly-conservative message. Some of it was downright reactionary; and if we examine the contributors' lists for extreme conservative and prototypical radical-rightist pressure groups in the late 1940s, we can find the hard core of

the politically-active, practical conservative business community. The Committee for Constitutional Government was a seasoned anti-New Deal campaigner, rabidly anti-labour and reactionary in its tone; its supporters shared its views — non-union Eli Lilly & Co., the anti-union Fruehauf family (supporters of the abortive 'Society of Sentinels' in Detroit in 1946), and J. Howard Pew of Sun Oil Co. (Pew was also high in the councils of the NAM, chairing its public relations committee in 1946). The National Economic Council, a more secretive lobbying organization, had behind it Gulf Oil (the Mellon family), the Texas Co., ARMCO Steel and Monsanto Chemicals (both extremely active in the NAM), the American Cyanamid Co., Sears, Roebuck & Co. (mail order and associated manufacturing, controlled by extreme conservative isolationist Gen. Robert E. Wood), and the J.I. Case Co. (anti-union, farm equipment makers) as only the more notable of its corporate providers.

But the most generously funded and broadly based of all of conservative business' pressure groups was the Foundation for Economic Education, established in 1947. The three groups' aims and supporters interlocked. Behind them all, as large contributors and activists, were members of the Du Pont clan—Lammot, Irenee, John J. Raskob, and, from General Motors, Donaldson Brown and Alfred Sloan. These were the men who had funded and directed the American Liberty League's anti-New Deal crusade in the mid-1930s; they overlapped with the group of 'Brass Hats' who had revitalized the NAM at the same time.

The Foundation's donors list is large and impressive. It included sixteen of the fifty largest manufacturing corpor-

ations. Some firms whose managements were undoubtedly conservative in their political outlook - Allis-Chalmers, for example - did not contribute; and of those which did, Ford, Esso, and U.S. Steel seem to belong at the liberal end of any spectrum of big business political outlook, whether evaluated according to their labour relations policies or the tone of their official pronouncements. These caveats aside, the Foundation's organizers and chief contributors illustrate the extent of support for the practical conservative political viewpoint, and its propagandist strategy, in the executive suites of many of America's centre firms. All three big automobile firms supported it, and Chrysler's B.F. Hutchinson, together with GM's Donaldson Brown, were responsible for getting it off the ground. (These were also the two who had led conservative resistance to the NAM's 'liberal' Labour Policy of December 1946, and to the Full Employment Bill). Five of the eight large steel firms, including US Steel, and both large electrical manufacturing firms, GE and Westinghouse, were large contributors, together with E. I. du Pont de Nemours & Co., two of the big five meat packers (Armour and Swift), one of the big four rubber companies (B.F. Goodrich), and Pittsburgh Plate Glass, one of the automotive industry's major outside suppliers. These firms, clustered around the automotive industry, were at the heart of American manufacturing and in the storm centres of CIO activity. Other Foundation backers were also large and important - Standard Oil of New Jersey, Consolidated Edison, International Nickel, the three giant mail order houses, and U.S. Gypsum, controlled by Sewell Avery of Montgomery Ward. Less important contributors were still nationally-known firms: Armstrong Cork Co., Caterpillar Tractor, Champion Spark Plug, Chase National Bank, Electric Auto Lite, Humble Oil and Refining, Johns-Manville (building materials), Kohler Co., Libby-Owens-Ford Glass, Owens Illinois Glass, Seiberling Rubber, Timken Roller Bearing, and Union Carbide.

I. Ford, through its own Foundation, almost singlehandedly supported a more sophisticated, CED- backed public information service, the Joint Council on Economic Education; for which see Summary Report of the JCEE 1948-51 (New York, The Council, 1951), pp. 9-II. Ford's contribution was $105 thousand - 21 times as much as it gave to the FEE; the latter's total receipts from corporate givers, 1946-1950, were only 8$ times the size of that one donation. Lobbying Hearings, Pt. 8, p.52, 14-20.
These were not inconsiderable enterprises. Only one of them - Libby-Owens-Ford Glass - had amicable relations of working harmony with its rather unaggressive union; most of the rest followed the course of realism in labour relations, often reluctantly, and worked out an 'armed truce' through institutionalized conflict. Some of them - Armco, Armstrong Cork, du Pont, Esso and Humble - belonged to that small group of pre-New Deal 'progressive' firms which had managed to maintain the substance of 'independent' (i.e. company) unionism after the passage of the Wagner Act and the rise of the CIO; whilst others - Montgomery Ward, J.I. Case, and Kohler - were in that even smaller minority of large firms still, in the 1940s and even 1950s, able and willing to resist unionization, within the law if possible, outside of it, and violently, if necessary. The fit between labour relations strategy and tactics, and managerial political outlook, is not perfect, either for the 1930s or 1940s; but it is close, and suggestive. It reinforces my conclusion, developed in Ch. 5 (concerning the legislative history of the Taft-Hartley law), and Ch. 6 (on collective bargaining), that the evidence of business' industrial relations policies, broadly defined, in the later 1940s, contradicts interpretations of business' contributions to the development of the modern American industrial relations system and social policy which have emphasized the creative role of corporate liberalism. The latter's following, within the business community, does not appear to have been either important or decisive in any of the areas of corporate action to restore the power and authority of the managerial elite which I have studied, the work of the Committee for Economic Development (CED) alone excepted.

I. Works in this vein were mostly products of the New Leftish 'Wisconsin School' of American historians in the 1960s - William Appleman Williams and Gabriel Kolko provided the large interpretative framework; on industrial relations, detailed statements include Scheinberg, 'Development of Corporation Labor Policy' and James Weinstein, 'Big Business and the Origins of Workmen's Compensation', Labor History, 8 (1967), 156-74.
Conclusion

What was the significance of all this anxious activism, carried out by and on behalf of the practical conservative majority within the business community? Concerning its impact, it is almost impossible to reach any firm conclusion. Almost a decade after Factory's first survey of worker opinion spurred businessmen to put great efforts into saving the free enterprise system and managerial authority from the supposed threat posed by alienated employees, Opinion Research Corporation revealed a stubbornly unchanging pattern of attitudes. Unions, not management, were still credited with raising workers' living standards. Workers rated their managements very poorly on the amount of concern they had for their employees. And they distrusted the business community as an advisor to government on large issues of public policy, where they persisted in seeing a necessary conflict of class interest.1

The very different, General Motors-financed inquiry into Big Business as the People See It similarly revealed that 'the predominant impressions of big business management are that it is "impersonal and distant".' Only 14 percent saw management as ' "conscientious and principled".' There was widespread acceptance of state regulation of business in the public interest, and the 'great majority of persons interviewed (71 percent) regarded big business profits as excessive.'2

Evidently the educative achievement of welfare capitalism and business propaganda alike had been slight. Possibly one might argue that not enough companies had behaved with social responsibility, and publicized the fact, or that much more remained to be done in purveying the business message.

1. 'What Employees Say About Management's Leadership', 10, 16, 20-1. This is the kind of inchoate class consciousness John C. Leggett calls 'skepticism' — see his 'Uprootedness and Working-Class Consciousness', American Jnl. of Sociology, 68 (1963), 68 2-92.

A more profitable exercise, however, is to look for defects in the premises for propaganda.

(T)his approach - conversion to economic truths through mass efforts - overlooks one tremendously significant phenomenon - namely, that many people believe the propaganda purveyed by those anti-business groups (Com·unists and fellow-travellers) because they want to believe it.

One reason for the plausibility of the approach to curing industry's problems of power and authority by the dissemination of economic and other 'facts' was the discovery, which the ORC turned into a commonplace of the communications campaign, that a better informed worker was a contented, pro-business worker.

(T)he more an employee knows about the workings of the free enterprise system of business we have in this country, the more he believes in it.

The dissatisfied employee, it was admitted, was the result of a complex of factors - mostly indicative of poor personnel administration, and therefore controllable - but was in large part the product of 'lack of information and understanding.'

But was information the answer?

Interested people acquire more information than the uninterested; people seek the sort of facts which are congenial to their existing attitudes; different groups interpret the same information differently.

Businessmen and their communications specialists operated with a mechanistic model of the process of persuasion congenial to an elite forced to resort to manipulation instead of authoritative dominion for the 'engineering of

1. Leonard W. Trestor, 'Looking to the Future', an address before the Marion, Ohio, Chamber of Commerce, 10 Jan. 1949 (Mimeographed), p. 3 - an excellent critique.
3. 'Trends in Employee Thinking on Simple Economics', 44.
Many attempts to communicate fail unnecessarily because a speaker or a writer acts as though he were the only active agent. He behaves as if his audience were passive. He seems to imagine that his meaning can be poured into their minds like grain into a bin.

Practical conservative businessmen did not seem to understand that people could make up their own minds, on the basis of personal experience and observation, about the legitimacy of the political system to which they were subject. Instead, it was assumed that the mass of the people were almost infinitely manipulable, dependent on elites and the media for their knowledge and beliefs about the great world. The process of political socialization within the family, peer group, school and work group was ignored.

Quite simply, management's reliance on formal media, which it could control and use to transmit information in, supposedly, undistortable form, guaranteed that its effects would be severely limited. Management passed on 'facts', but they were received, if at all, by people rooted in a different subculture, having different life-experiences, vocabularies, and interests. Teaching people economic thought is not as simple as instructing them how to run a machine, but free enterprise campaigners seemed to persist in the belief that it was. They could not understand that employees' attitudes and beliefs constructed out of years of living in the blue collar world, and constantly being reinforced by everyday experience, conditioned them to reject the ideological conclusions management drew from the 'facts' it presented.

Instead, believing as they did that mutuality of interests between master and man was the objective reality, they thought it only needed to be revealed to employees to be accepted.

1. Fritz J. Roethlisberger, 'A "New Look" for Management', in Worker Morale and Productivity: General Management Series No. 141 (New York, AMA, 1948), pp. II-22. Roethlisberger was attacking the communications movement, which ignored his sophisticated interpersonal emphasis.

What management's communications programmes could do, producing measurable results, was to alter people's verbal responses to ideologically-loaded questions. Their stock of what businessmen thought of as accurate knowledge might be apparently increased, but 'practically no evidence is available to indicate whether knowledge of economic facts itself changes attitudes or motivations.'

The actual impact of communications programmes and the Great Free Enterprise Campaign itself must, it seems, be discounted. Practical conservative managements concentrated on communicating what they wanted their employees and the public to know, rather than finding out what the former, in particular, desired. In consequence, management-controlled media gave the accurate impression of having been written by and for management, with only the idiot-proof presentation to declare otherwise.

But if this was the great weakness in the communications techniques of practical conservatives, it is surely an advantage to the researcher interested in the ground where management practice and management theory meet. The impact of corporate communications may have been marginal, at best; their significance in the scheme of this study is quite otherwise.

In the examination I have presented here of the practical conservative business mind in action, I believe there is a key to understanding the world-view of senior executives of many large manufacturing firms in postwar America. Their anxiety, its reasons, and some of its consequences, stand out clearly. Their strategy of mass persuasion, apparently so ill-founded and quixotic, becomes, in a sense, rational.

I. Stanley Payne, 'Is Economic Fact the Answer?' POQ, 15 (1951), 144-6 at146. There was a direct, demonstrable relationship between 'high morale' (favourable attitudes towards work and managerial authority) and conservative responses to questions about the workings of the economy and other political issues. Opinion Research Corporation's essential fallacy, however, was its hypothesis that correct information was the main ingredient in such attitudes, and that the provision of such information would automatically produce the correct behavioural responses. 'Trends in Employee Thinking on Simple Economics', 37-9.
In what these businessmen wanted to communicate to their subordinate publics one can see the bare outlines of their ideological justifications of the hierarchical society from which they benefitted. In the way they went about the task of mass persuasion, one can discover the models of human rationality and the political process—both crude, elitist and mechanistic—with which they operated. In their perceived need to communicate, to try and win a mandate from the people, one can observe the lasting effects of the New Deal 'revolution' on the political standing of the business community, and on the strategy and tactics it had to use to maintain that standing once coercion was generally unacceptable and its old moral authority was challenged by other definitions of the public good.  

We have a selling job to do in management. We must sell to employees that it is to their best interest to do what we want done.

The scale of the problem may well have been exaggerated, its causes and significance misinterpreted, but in the communications within industry movement and the great Free Enterprise campaign one can find important pointers to the state of mind and the patterns of thought of a considerable section of policymaking industrial management. What they did may well have been misconceived, and of little practical significance; understanding why they did it, however, remains worthwhile, particularly for the interested British observer of our own managerial group's similar reactions to rather worse problems of securing its power and status, and restoring the legitimacy of its own authority, in the Britain of the 1970s—reactions including an emphasis on 'communication' which is likely to be even more futile.

1. C. Wright Mills, 'The Contribution of Sociology to Studies of Industrial Relations', in M. Derber, ed., Proceedings of the First Annual Conference of the Industrial Relations Research Association, 1948 (Champaign, Ill., IRRA, 1949), pp. 199-222, for a stimulating discussion of this matter. (The main focus of the address, however, was a trenchant criticism of Mayoite 'human relations' research).

Chapter 9

CONCLUSION

In the fall of 1949, Raymond S. Livingstone, Thompson Products' vice-president in charge of personnel, gave one of his frequent inspirational addresses to fellow-businessmen. Against a fairly dismal background - economic recession at home, a Democratic administration still in Washington after the surprise and disappointment of the 1948 elections, the fourth postwar bargaining round, and tense international relations - Livingstone was remarkably confident and reassuring. He directed his audience's attention to the success of management's strategy for the recovery of the initiative in industrial relations, and the restoration of its power and status in society.

Why had the sense of crisis, so ubiquitous in the late years of the war and the early years of reconversion, so greatly relaxed? Livingstone pointed to grounds for real optimism. First, there was the 'tremendously more informed and sober thinking on the part of virtually all American workmen.' They had accurate information on, and understanding of, business economics; they had pride in the American Way of Life and standard of living, especially in comparison with conditions they observed in Western Europe or the Eastern Bloc. In their relations with management, amicable fair-mindedness prevailed. Thompson Products was a very survey-minded company, but what Livingstone was showing here was the decline of his own anxiety, rather than a confidence born of measurement of changes in the climate of public opinion.

Secondly, he mentioned 'the general employer enlightenment and earnest desire to do better in all his relations, and particularly those with his own people.' At last, the business community at

large had adopted as standard practice the progressive techniques of personnel administration which had once been reserved to vanguard companies.

Thirdly, Livingstone was reassured by the fairness and equity of the Taft-Hartley Act as compared with the almost incredible Wagner Act, and its morally dishonest administration. Witness how a power-grasping and politically motivated horde (the Democratic 81st. Congress) that intended to emasculate the Taft-Hartley Act was successfully fought off. Mark the serious concern with which committees of Congress are now directing their attention to the subject of labor monopoly. Note the laws that are being passed in state legislatures for peaceful regulation of labor relationships within the state. Judges are applying the same principles of law to labor matters as apply to all other types of human controversies, and police bodies are beginning to require unions to respect the laws of peace and order in the same manner as do other groups of citizens.

As I made clear in Ch. 5, it is impossible to speak with certainty on the actual impact of Taft-Hartley. Some of its provisions backfired, others simply disappointed their proponents' hopes, and when Livingstone spoke many of the clauses of that immensely complicated law had yet to be infused with meaning by the NLRB and the courts. All the same, Livingstone was in no doubt that the supercession of the reviled Wagner Act and old NLRB had cleared the air and opened the way to behaviour by agencies of the state at all levels which did not encourage the spread of the labour movement, nor the increase of its power. Scholarly investigation may reveal no clear break in the policies of the pre- and post-Taft-Hartley NLRB, and find it just as hard as I do to assess the law's contributions to the stabilization, later stagnation, of the labour movement's numbers and power. But, as far as business observers were concerned, the overall effect on union strength and behaviour was beneficial, and the reassurance to management

well worth having in the anxious years of the later 1940s, 'a period of precarious prosperity, threatened by insecurity and torn by strife.' 1

Fourthly - presumably as a result of the experience of the postwar strike wave, and of the beneficial effects of the Great Free Enterprise Campaign - 'the public is not blindly tolerant or sympathetic today to strikes, and the public now has a vastly increased understanding of some of the problems faced by industry.' Even the unions had become more tolerable, as a result of the CIO's war on Communism in its ranks. They had become responsible. 'In many instances, within the four walls of the company, healthy relationships exist between employee members of the local union committee and the management. It's not until the international interjects its own theories and ultimatums that difficulty occurs.' Livingstone's remarks indicated the extent of the practical and ideological accommodation with unionism possible even for an authoritarian progressive, erstwhile open shop, management. 'Our boys' were still alright, even if they did happen to be union members, even committeemen. Labour relations strategy had altered its aims from fighting off unionism to attempting to confine the scope of bargaining, limit it to local levels, and turn the union machinery into a force for stability within the plant. The International might still be a disruptive force, bringing its claims for industry-wide increases in wages and for novel fringe benefits. But it could also be a force for stability, helping management to manage local militancy and discontent. Collective bargaining, as a way of handling much of in-plant labour relations which was not threatening to the fundamentals of management's power, had won a substantial measure of acceptance.

I. Walter H. Wheeler, Jr., 'Profit Sharing—the Spark That Jumps the Gap', address before the 19th Pacific Coast Management Conference of the California Personnel Management Association, 20 Apr.1948 (Hartford, Conn., Connecticut General Life Insurance Co., n.d.), p.2. The sales pitch of a firm of management consultants—specialists in the engineering of consent—points up the anxieties of American management in a fascinating, if crude, manner—see Oren Arbogust ad., Industrial Relations, 2:3 (July 1944), 34.
And so my point is this: During the past fifteen years we have been through a veritable hurricane of social and economic revolution. Today the storm is all but blown out, and incredibly good things are rising all about the horizon.

Livingstone's speech marks the effective end of an era of profound anxieties for the business community, generated by real challenges to its power and authority. Immediately after the war, it had still been possible to believe that liberal or radical reformism was still on the American political agenda. A labour movement of unprecedented size and real militancy was a force to reckon with. The threat to the viability of individual firms, and the survival of what was left of the Free Enterprise system after the ravages of the New Deal, might depend on the economic and political consequences of the inevitable, however long-delayed, postwar recession.

American business' concern about the postwar political climate, so evident in 1944 through 1946 particularly, was reasonable, though perhaps exaggerated. Forces over which the business community had next to no control brought it deliverance, and speeded America into the age of affluence, Eisenhower's era of no hard feelings within the bounds of consensus politics. The Marshall Plan, European recovery, and the dramatic (and permanent) increase in the scale of America's military spending consequent on the Korean War brought the American economy through a rough patch in the late 1940s; thereafter, the system did deliver the material benefits businessmen understood to be fundamental to the American people's continuing satisfaction with an economy of private capitalism. The Cold War at home aided in the ejection of Communists and other radicals from a divided labour movement, and made serious criticism of the institutions of a liberal capitalist political economy into something quite beyond the pale. This was the favourable environment in which businessmen carried on their struggle for influence, within the plant and outside it. It seems to me, as I have stated in my conclusions to Chapters 5 and 6 in particular, that conditions most of the business community did little to create were of fundamental importance in
allowing its programme to succeed. (If one examines Boulware's bargaining strategy at General Electric, for example, the division of its blue-collar labour force between mutually-hostile unions, one of which, the United Electrical Workers, did not enjoy access to the NLRB because of its officers' Communist ties, seems to be more important in explaining GE's strike-free record from 1946 until the 1960s than the company's bargaining posture and tactics).

What, then, of all of the programmes of action — in labour relations, personnel administration, propaganda, and political action — which the business community undertook in the 1940s to meet its perceived problems, and which have been the focus of my attention in the latter half of this dissertation? I would not wish to throw the baby out with the bathwater; what business did in particular instances may well have been not a necessary, still less a sufficient, explanation of the generally-favourable outcomes to be observed by the end of the 1940s. But I would argue that, in most cases — the Great Free Enterprise Campaign alone, perhaps, excepted — what the business community did was a significant contributory cause — of the reorientation of the climate of public opinion, and public policy, towards organized labour; of the stabilization of in-plant and contractual labour relations on terms acceptable to managements; and of the confinement of unionism to already-organized sections of the workforce, as a result of skillful use of the Taft-Hartley Act and of preemptive personnel work.

Beyond this argument for the significance of the picture of past reality which I have presented in these pages, there is another. From this work there emerges, I hope, a greater appreciation of the character of America's most important elite, the controllers of the key institutions of its economy. The reader should understand, as I do, the reasons why policymaking industrial management conceived that its power and authority were seriously threatened, and that certain steps should be taken by the business community itself, using its own resources to help in its own salvation.
In spending some years with the rhetoric of American businessmen, and studying the record of their actions, I have frequently been bored by the commonplace and shallow arguments they often employed, irritated by the uncongenial ideology reflected in the claims they made - for the purity of their own motives, for example - which seemed to me preposterous, faintly amused by the worried, urgent tone of their reflections on their own times, which seem to misrepresent so utterly the reality of the 1940s as seen with 20:20, liberal, academic, and unAmerican hindsight.

Such an alienation from one's cast of players is no advantage to the historian who wants to understand why men said, saw, thought, and acted as they did. But despite my negligible affection for 'my' paper businessmen, my study left me with an overwhelming respect for the general competence and astuteness of America's business elite; for when all is said and done, one cannot but be impressed by the problem-oriented activism of General Motors, or the resurgent Ford management; one cannot deny that these men and their fellows had a clear view of many of their problems - especially those having to do with in-plant labour relations - a perfect awareness of their long-term objectives, and a reasonable ability to match means to ends, and to carry policy through into practical execution. It is not a matter of justifying what they did - simply an appreciation of their general 'fitness' to continue to exercise great power, as demonstrated in their ability to exploit and reinforce favourable circumstances so as to preserve the social system from which they derived their influence, prestige, and the greatest benefits.

In this age of management, in which the manager enjoys power, material reward, and a feeling of satisfaction in exercising his experience and abilities, the preservation of his position must be to him and his class a matter of serious consideration.

It was.

I. Flanders, Function of Management in American Life, p.8.
APPENDIX: The 1945-1946 General Motors Strike

The secondary accounts cited at p. 120, above, together give an adequate account of the course of the GM-UAW dispute of 1945-1946, and of its issues. I have therefore not given it a very extensive treatment. However, for the benefit of those researchers who may tread the same path as I have, I consider it worthwhile to provide a guide to the best sources for a reconstruction of company and union positions in this crucial dispute; which follows.

For the union:

Walter P. Reuther, address on Mutual Broadcasting System, 26 October 1945, transcript in UAW-GM Collection, AALH, Series VI and VII, Box I.

UAW-GM Department, Supplementary Brief in Reply to Corporation Brief of 7 November 1945: 'General Motors' Plan for Longer Hours, Lower Wages, High Prices, Mass Unemployment, Inflation and Economic Imperialism', 9 November 1945 (same location).

'Purchasing Power for Prosperity: The Case for Maintaining Take-Home Pay Without Increasing Prices', Summary and Special Briefs Presented to the President's Fact-finding Board in the UAW-CIO - General Motors Corporation Wage Dispute, 21 December 1945 (same location).


For the company:

General Motors Reply to UAW-CIO Brief Submitted in Support of Wage Demand for 52 Hours' Pay for 40 Hours' Work, transmitted over signature of Harry W. Anderson, vice-president for industrial relations, 7 November 1945 (location: DFL).

Alfred P. Sloan, Jr., and Charles E. Wilson, Here Is The Issue (Detroit, GMC, 30 December 1945) (location: DFL), and materials cited in text of this thesis.

For the Industry and the Union together:

Statements of George Romney (Automobile Manufacturers' Association) and Walter Reuther in Town Meeting, Bulletin of America's Town Meeting of the Air, sponsored by the Readers Digest, 11 October 1945.

All of the above material, and the other UAW, GM, and Romney material which I have cited directly and used in my text, was in the nature of public rhetoric - evidence of a high-level ideological conflict, and of the need both sides felt to win the legitimacy for their case that sprung from public support.

But equally fascinating, in a different sense, are the
statements of union and corporate representatives, made in the course of long, arduous, and acrimonious negotiating sessions. These were not intended for publication, and management representatives, in particular, made their gut feelings clear in rather unrestrained language. Reuther, in contrast, spoke his high-minded liberal rhetoric - and then, in a quite unprincipled publicity coup, released the edited transcript to the Press. Note particularly the remarks of vice-president Harry Coen - from 'Excerpts of Transcript of UAW-GM Negotiations', WFR PPM Box 2:

Coen: 
'(Y)ou are getting clear out of your sphere as a trade union leader ... You can't talk about this thing without exposing your socialistic desires. (p. II)

Reuther: 
You see, the thing that is wrong here, the thing that is wrong with these whole negotiations is that the General Motors Corporation hasn't at any time been willing to step up to a very fundamental responsibility in collective bargaining and to recognize that collective bargaining in the year of 1945 ... between the biggest labor organization and the biggest corporation, should have matured to the point where discussing the question of wages, prices, profits, ability to pay and cost data, would be accepted as just a normal proposition.

Coen: 
Sure it would if labor-management had gotten where you would like to have seen it, which means labor-management right up to the top. We haven't accepted that doctrine at all.

Reuther: 
I know you haven't. And yet that doctrine is not foreign to sound American collective bargaining.

Coen: 
I think it is, and I think it came from foreign countries.

... Anderson:
It is part of your business about the wages you are paid.

Reuther:
But about the profits?

Anderson:
That is over on our side of the table.

... Coen:
Yours (i.e. business) is wages, hours, and working conditions. (pp. 24-7)

... Walter, I think you have made your case; you are a Socialist. You have proven it again this morning. You would like to socialize industry, so far as can be; you would like to set the profits, fix the salaries, and you would like to fix the wages. Whenever you get down to the level I think you belong on, and that is just one of representing the UAW people in our plant, we might be able to understand each other. But you are wasting your time and wasting our time with all this crap.' (or, p. 34, 'Horse Shit') (p. 16). He was - and apparently came to realize it.
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Richard W. Gable, 'A Political Analysis of Organized Industry -- the National Association of Manufacturers' (Univ. of Chicago Ph.D. thesis, 1950). An excellent work, without which this dissertation's writing would have been much more difficult and, at Chapter 5, impossible in present form.


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Press Release of March 1945 on UAW-GM Contract ordered by NWLB, in WPR PPM, Box 9, AALH.

Walter P. Reuther to Charles E. Wilson, 8 Jan 1946, folder 7, UAW-GM Collection Series VI-VII, AALH.

Summary of Changes in 1945 UAW Agreement Indicated by Corporation Proposals of 2-12-46, WPR-IPM, Box 2, Folder I2, AALH.

Supplemental United Steelworkers - Carnegie-Illinois Agreement of 15 Feb.1946 in WPR PPM Box 2, Folder I2, AALH.

R.J. Thomas (President, UAW-CIO) press release of 7 Jan.1946 in folder 7, UAW-GM Collection, AALH.

R.J. Thomas and W.P. Reuther, statement of 20 Nov. 1945, in UAW-GM Collection, Series VI, Box I, Folder 4, AALH.

Union Wins Fight Against Corporation Demands', in WPR-IPM, Box 2, Folder 9, AALH.

UAW-CIO GM Top Negotiating Committees to President Truman, 22 Jan.1946, folder 8, UAW-GM Collection Series VII, AALH.

Charles E. Wilson to UAW Top Negotiating Committee, 18 Feb. 1946, typed transcript in WPR-PPM Box 2, Folder 12, AALH.

(The collections of the Archives of American Labor History which I used heavily consisted of official materials on UAW - Big Three Carmakers negotiations and interchanges in the 1940s, and Walter P. Reuther's working files as director of the GM department and union president in 1946-47. These files are short of explicit material on the making of policy, and chiefly contain statements of what had already been decided).

Unpublished manuscript by Harry D. Garrett (formerly GM Labor Relations Staff), n.d., pp. II2-50, from General Motors Corporation - Labor Relations Section Archives; copy in my possession. (Garrett's manuscript was produced as part of GM's effort to instruct new staff men on the history of its collective bargaining policy.)

Transcript of oral history interview with Cyrus S. Ching, John Truedale, interviewer, August-September 1965, Labor-Management Documentation Center, Cornell University, Ithaca, N.Y. (Hereafter LMDC).

Robert H. Ferguson, 'The Unionization of Foremen' (Cornell Univ. Ph.D. thesis I948) - adds nothing to published accounts, but incidentally interesting for interview material quoted.

Notes on interviews with Andrew Court, Ralph Deedes, and Warner Pflug, conducted November 1974, all in my possession, c/o History Department, SDUC, Lampeter.
Kim McQuaid, 'The Frustration of Corporate Revival During the Early New Deal: Or, the Revisionists Revised', ms. forthcoming, The Historian, 1979, copy in my possession. (Thanks are due Prof. McQuaid for his generosity in sending me offprints and drafts of his own and others' articles).


(For the reasons given in Ch. I, this dissertation does not rest heavily on manuscript sources. Most of the primary material I have surveyed crept into the public domain - as press releases, mimeographed and processed transcripts of addresses, or privately circulated materials which were subsequently acquired by research collections - or was actually printed and published. Section B I, commencing below, is thus the most important section of this bibliography).

(B) Printed Sources

(I) Primary Sources


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American Management Association, Training for and by Management in the Principles and Methods of Management (New York, AMA, n.d., but format says late 1940s).


'Answers to the Foreman Problem', Modern Industry, 15:6 (June 1948), 40-44.


Oren Arbogast advertisement, Industrial Relations (Dartnell Corp., Chicago), 2:3 (July 1944), 44.

Armstrong Cork Co., The Supervisory Six (Lancaster, Pa., The Corporation, 1945). (Like a lot of other privately produced material - employee handbooks, indoctrination and training programmes, employee newspapers, annual reports to employees, and other managerial propaganda produced for subordinates' consumption - which I have studied, and which has informed my understanding of management's unitary ideology to an extent I have not made obvious in the text, this was obtained from the Corporations File of the Labor-Management Documentation Center, New York State School of Industrial and Labor Relations, Cornell University, Ithaca, N.Y. - hereafter LMDC, when giving locations of generally-inaccessible or unavailable sources).


J.C. Aspley and E. Whitmore, eds., The Handbook of Industrial Relations (Chicago, Dartnell Corporation, 1943).

Automobile Manufacturers' Association, Freedom's Arsenal; the Story of the Automotive Council for War Production (Detroit, The Association, 1950) - self-serving official history.

'Avery Says Policies He Fights Mean "Dictator Government" ', New York Herald-Tribune, 28 Apr. 1944 (any press story cited without page number comes from the RIIA-Chatham House clippings file, Labour Unions and Labour Rights series, Nuffield College, Oxford. The file is a rotting but valuable source, containing a systematic selection from a broader range of American city newspapers than the HU at Collindale has ever held).

William J. Baade, Jr., Management Strategy in Collective Bargaining Negotiations: How to Negotiate and Write a Better Contract (New London, Conn., National Foremen's Institute, Inc., 1950) - a management advisory service rather broader than the 'Foremen's' of its title would imply, the NFI produced many brief and entirely practical works, primarily directed at the smaller firm.

Leonard C. Bajork, 'The Foreman as a Labor Relations Man', Supervision, 4:6 (June 1942), 4-5.


C. Canby Balderston, 'What Has been Happening to Employee Compensation?', Personnel, 21 (1945), 266-71.


Wallace F. Bennett, 'Preface', in Employee Communications for Better Understanding (New York, NAK, June 1949), pp. 5-6.


Harold B. Bergen, 'Determining Employee Attitudes', in Informed Leaders for Better Industrial Relations: Proceedings of 23d. Silver Bay Industrial Conference, 24-27 July 1940 (n.p., n.p., n.d.). (The Silver Bay conferences were held annually at a resort on Lake George, N.Y., under the auspices of the YMCA Industrial Service. The 'Y' had been in at the very beginning of the industrial welfare and progressive management movements, and the Silver Bay conferences retained a 'progressive' spirit into the 1940s. Most of their participants came - as was only natural - from firms in the New England, Middle Atlantic, and East North Central states, with the first two sections best represented. Publication details for these Proceedings were only formalized and printed in the usual place from the mid-1940s). Harold B. Bergen, 'Measuring Attitudes and Morale in Wartime', Management Record, 4 (1942), 101-04.

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'Billy Rose of Labor Relations', Modern Industry, 14:6 (Dec. 1947), 67-74. (The title refers to Bausch & Lomb Co.'s 'progressive' personnel director's belief in the place of company-sponsored social events, entertainment, and recreation in a well-rounded union-free personnel programme).

Dr. Reign H. Bittner, 'Selection, Training and Promotion of Employees', in Lectures on Personnel Management (Urbana, Ill., University of Illinois Institute of Labor and Industrial
contd.

Relations, 1949; processed), pp. 56-71.


Tom N. Boggs and Louis L. Manesa, 'How to Conduct Employee Opinion Surveys', FM&M, 104:3 (March 1946), 90-94.


Goetz A. Briefs, Can Labor Sit In the Office? Sociological Aspects of Union-Management Cooperation (New York, NICE, July 1948) - a justification of unilateral management control.

Thomas D 'A. Prophy, 'We Found an Abiding Faith', Manage, I:10 (June 1949), 12, 32-3.


John S. Bugas, 'Labor Relations and Productivity', address before the AMA, New York City, 2 Oct. 1947 (processed). (AALH)


Harry A. Bullis, 'Personnel Is People', address before the 53d. CAI, 2 Dec. 1948 (NAM Press Release, mimeographed). (LMDC)


Samuel L.H. Burk, 'Labor Relations and Hindrances to Full Production', CPMA Management Report No. 19 (1948). (This was more of an occasional series than a periodical).


*Business In A Democracy* (New York, NAM, 1942).


Cyrus S. Ching, *Review and Reflection: A Half-Century of Labor Relations* (New York, B.C. Forbes & Sons, 1953) - interesting, with Clarence Hicks' biography, below, because these two men's careers touched the progressive management movement, ca. 1900-1950, at every point.

Ewan Clague, 'The Facts on Productivity', address before the Society for the Advancement of Management, New York, 6 Dec. 1946 (mimeographed). (Location: LMDC)


Fred W. Climer, 'Management Experience in the Rubber Industry', in *Proceedings of the Conference on Industry-Wide Collective Bargaining*, 14 May 1948 (Philadelphia, Univ. of Pennsylvania Pr., 1949). (The 'Big Four' Akron rubber companies came nearest of all the heavy manufacturing industries to true industry-wide bargaining; their experiences were therefore particularly relevant.)

Clipping on 1947 Ford foremen's strike, from 28 May 1947 Detroit Free Press, in AALH vertical files, under 'Foremen and Supervisors'.

(324)


Frederick Coolidge Crawford, 'On Guard for Freedom', an address before the 52d. CAI, 5 Dec. 1947 (NAM Press Release, mimeographed). (Location: LMDC)

Manton M. Cummins, 'Industrial Relations in the Automobile Industry', address before the students of the Institute of Industrial Relations, College of the Holy Cross, Worcester, Mass., 7 Apr. 1948 (mimeographed). (Location: DPL)


'Developing the Man for Executive Management', Manage, 1:3 (Nov.1948), 40-1.


William Donald, 'Effective Executive Personnel Administration', Personnel, 10 (1933), 46-64.

'Do We Want a Wave of Postwar Strikes?' (Editorial), Chicago Sun, 24 Apr.1944. (The supposed effect of management-union hostility à la Sewell Avery)

Stephen M. Du Brul, 'Authority and Responsibility in Industrial Management', a talk originally delivered 14 July 1934, in Department of Public Relations, GMC, The Responsibility of Management (Detroit, The Corporation, n.d.-but 1945; processed); a classic absolutist statement. (Location: AALH)

Eastman Kodak Co., Principles of Supervision (n.p., The Corporation, Dec. 1947) - a training course in 'human relations'. (Location: LMDC)


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Ford Motor Company Supervisor's Manual (February, 1948) (Location: LMDC)


'Foremen Are Management', Supervision, 9:5 (May 1947), 4-7.

'Foremen's Compensation', Industrial Relations, 2:9 (Jan.1945), 11-12, 32-33.

'The Fortune Survey', Fortune, 35:1 (Jan.1947), 5-16 and 35:5 (May 1947), 5-12 - conducted by Elmo Roper.


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Carroll E. French, 'Management Views the National Labor Policy', address at Univ. of N. Carolina, Chapel Hill, 12 May 1949 (mimeographed). (Location: LMDC)


Lloyd K. Garrison, 'Trends and Principles Established in wartime Bargaining', in Management's Stake in Collective


Walter Geist, 'Allis-Chalmers' Experience With a Left-Wing Union', FM&M, 105:3 (March 1947), 80-82.


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General Motors Corporation, Here Is the Issue: Facts Concerning the UAW-CIO Strike Against General Motors (Detroit, The Corporation, 10 Jan.1946). (Location as last reference).

General Motors Corporation, The General Motors Strike - The Facts and Their Implications : A Special Message to General Motors Stockholders (n.p., The Corporation, 18 Apr.1946), issued over signature Alfred P. Sloan (Location: as above)


General Motors Corporation, Fourth Conference for College and University Educators: Personnel Administration and Industrial Relations, verbatim transcripts of sessions, June 1948 (processed). (Location: LMDC). General Motors' Conferences were organized to allow it to pick the brains of university industrial relations experts, and to inform them of its policies and try and persuade them of their wisdom.

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C.S. Golden and H.J.Ruttenberg, The Dynamics of Industrial Democracy (New York, Harper & Bros., 1942) - an important account of the process of bureaucratization within the early CIO.

William Gomberg, in 'Areas for Labor and Management Cooperation' (A Panel Session), in Personnel Series No. 99 (New York, AMA, 1946), pp. 16-34. The discussion is generally interesting, on prerogatives questions.

'Government spending Is No Substitute for the Exercise of Capitalistic Imagination', Fortune, 18:3 (September 1938), 63.


R.L. Greenman, Getting Along With Unions (New York, Harper and Bros., 1947) - Greenman advised the NAM, and worked for General Cable Corp.


Fred A. Hartley, Jr., Our New National Labor Policy - The Taft-Hartley Act and the Next Steps (New York, Funk and Wagnalls, 1948) - the 'next steps' of the title were more radical revisions of labour law than even NAM wanted.


'Here's Your Modern Foreman', Modern Industry, 14:1 (15 July 1945), 54-64.

Alexander R. Heron, Sharing Information With Employees (Palo Alto, Stanford Univ.Press, 1942). The same author's Beyond Collective Bargaining (Palo Alto, Stanford Univ.Press, 1948), though not directly cited in the text, was a useful work for understanding the progressives' labour and industrial relations strategy of the 1940s.

C.J. Hicks, My Life in Industrial Relations: Fifty Years in the Growth of a Profession (New York, Harper, 1941) - this memoir's usefulness is largely restricted to the 1890-1920s period of welfare and progressive capitalism, particularly in Rockefeller-connected enterprises.

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Lee H. Hill, 'Company Organization of Manpower', address delivered to AMA Personnel Conference, Chicago, 10 Feb. 1943 (mimeographed). (Location: LMDC)


'How Management in a Hundred Plants Gets Information to Workers', FM&M, 104:7 (July 1946), II4-7.

'How One Union Swept Out the Communists', FM&M, 106:II (Nov. 1948), 66-69.


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'Improving Management's Score at the Bargaining Table', in Personnel Series No. 91 (New York, AMA, 1945), pp. 49-63.

'Industrial Discipline Upheld', Journal of Commerce, 17 May 1944.

Industrial Relations Division of the NAM, Management Faces the Pension Problem (New York, NAM, 1950).


idem, Dealing With Employees as Individuals (New York, NAM, March 1960 revision).

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Industrial Relations Round Table Discussion; Report of Management Meeting No. 12 (Ford Motor Co., Industrial Relations Department, Oct. 1948; processed). (Location: LMDC)

'The Industrial War', Fortune, 16:5 (Nov. 1937), 104-10 - excellent reportage on industrial conflict and employers' attitudes towards the rise of organized labour.


'Industry on WLB Asks a Court Test on Union Security', New York Times, 30 April 1944.

'Industry to Fight Union of Foremen', New York Times, 10 April 1945, p.15.

'Industry's Communications System 1950', The Public Opinion Index for Industry, 8:10 (October 1950).


'In-Plant Feeding Is Here to Stay', Industrial Relations,2:6 (Oct.1944), 20-22.


H.F. Johnson, 'Will Industry Adopt Voluntary Profit Sharing Without Tax Incentive Legislation', an address, 15 March 1947 (mimeographed). (Location: LMDC)

Robert Wood Johnson, Or Forfeit Freedom (Garden City, Doubleday, 1947).

Eric Johnston, America Unlimited (Garden City, N.Y., Doubleday Doran, 1944).

Joint Botany Woollen Mills - Textile Workers Union of America, CIO, Training Program (no title, mimeographed transcript). (Location - LMDC). An extremely interesting collaborative product between a 'progressive' management and a social democratic union, in which they pooled their resources to train foremen and stewards together, indicating the extent of the agreement on ends and means between the two sets of leaders.

H.W. Jones letter, reprinted in 'A Significant Labor Decision', Personnel, 20 (1943), 182-5. A stronger statement of the lack of legitimacy of unionism could hardly be found - the significance of the (Supreme Court's) decision in this case is that it overruled the NLRB, and allowed employers to use extreme anti-union propaganda freely.

Thomas Hoy Jones, 'The Scope of Collective Bargaining', in Management's Stake in Collective Bargaining; Personnel Series No. 81 (New York, AMA, 1944), pp. 40-51 - extremely important as a 'call to arms' on the need to defend managerial prerogatives through labour relations policy and political action, by a NAM activist and leading NWLB member.


Nicholas Kelley, 'The War Labor Board Panel Hearings', in The Foreman in Labor Relations; Personnel Series No. 87 (New York, AMA, 1944), pp. 3-11.


A.L. Kress, 'A Sound Compensation Structure - the Foundation of Morale', in Morale Factors in Production; SPP No. 54 (New York, NABC, 1943), pp. 3-4.


'A Labor Leaders Go to School', Personnel, 19 (1942), 517-8.

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Richard Leonard, address before the Industrial Relations Council of Metropolitan Boston, 8 May 1946 (mimeographed). (Location: LMDC)

Sam Lewisohn, Human Leadership in Industry: the Challenge of Tomorrow (New York, Harper & Bros., 1945) - much of the book is merely a rehash of ideas which were fresh when he first published them, in the 1920s.


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Walter G. Merritt, General Motors' Statement Before Fact-Finding Board (Detroit, GMC, 1946). (Location: GM Archives)


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George S. Moore, 'The Story of Joe Workman', address delivered 8 June 1948 (mimeographed), on Murray Body's wartime labour relations problems and policies. (Location: LMDC).


Ira Mosher, 'Making Regular Jobs Regular', address delivered 5 Dec.1946 (NAM News Bureau Press Release, mimeographed). (Location: LMDC). Mosher was a great believer in the need for business to act to guarantee full and steady employment.


NAM Labor Relations Bulletin, Nos. 29-30 (Jan. Sept., 1939) - for examples of NAM's membership services, and character of its advice on labour relations problems.


NAM, Unit Thinking and Unit Action (New York, NAM, 1935).

(All NAM publications above from Record Series L-2, LMDC).


F. D. Newbury, 'Wages and Hours Problems of Cost Reduction', in Wages and Production Costs; Production Series No. 159 (New York, AMA, 1945), pp. 3-10.


R. Newcomb and Marg Sammons, Speak Up, Management! How to Communicate With Employees and the Public (New York, Funk & Wagnalls, 1951).


Kathleen North, 'Counseling for Men By Men', FM&M, 103:2 (Feb. 1945), 119-20.


NWLB, Termination Report: Industrial Disputes and Wage Stabilization in Wartime (Washington, D.C., USGPO, 3 vols. 1947-9). This official history is absolutely invaluable, for the account it gives of the development, and the details, of Board policy, of the problems facing it, and of its members' views on those problems. Vol. I is the most important; Vol. II contains some valuable Appendices.


Organization of Personnel Administration: SPP No. 73 (New York, NICB, 1946).

Holcombe Parkes, 'NAM's Public Relations Program', an address before the 51st. CAI, 4 Dec. 1946 (NAM Press Release, mimeographed). (Location: LMDC)

idem, 'Building on Faith', address delivered before the 52d. CAI, New York City, 3 Dec. 1947 (NAM Press Release, mimeographed). (Location: LMDC)

Archie A. Pearson, 'The Ford Foreman Program', talk given at AMA Production Conference, Chicago, 19 Nov. 1948 (processed). (Location: LMDC)


Charles W. Perrelle, 'Leader Selection', Supervision, 8:12 (December 1946), 4-5.

Personnel Practices in Factory and Office (revised): SPP No. 88 (New York, NICB, 1947). NICB surveys covered routine practices affecting hourly paid and salaried workers - but much of the detailed information is not strictly relevant to Ch. 7, to which most of it refers.


Merlyn S. Pitzele, 'The Outlook for White-Collar Unionism', Management Review, 33 (1944), 184-9 - rather broader in content than the title implies, this article discusses the significance of management's wholesale adoption of 'progressive' techniques of personnel administration in the post-New Deal period.


idem, Competitive Enterprise Versus Planned Economy (New York, NAI, August 1945) - a classic statement of the traditional business creed.

'President Moves for Labor Peace', New York Times, 12 Dec. 1941, p. 34.

The Problem of Boredom, Management Record, 10 (1948), 567-75.
Proceedings of the Conference on Productivity, 4 June 1949, Milwaukee (processed), including valuable contributions by Ewan Clague (Commissioner, Bureau of Labor Statistics), and Martin Gainsbrugh (Chief Economist, NLCB). (Location: LMDC)
PSB-GID, Supervisory Training- Case Studies (New York, MLIC, 1949, processed). (Location: LMDC)


Report of Management Meeting: March 1947 (Industrial Relations Department, Ford Motor Co., processed). (Location: LMDC). These meetings were inaugurated by the new group of top executives, under Henry Ford II, who took the company over in 1945. Their purpose was to communicate their intentions to the middle management group.

Research Institute of America, Inc., Facing a Union Drive (New York, The Institute, 1946) - advice on how to be law-abiding, and yet succeed with anti-unionism, if management so desired.


Sherman Rogers, Why Kill the Goose? (Irvington-on-Hudson, N.Y., Foundation for Economic Education, 1947) - an idiot-proof presentation of the 'facts' of business economics - 'One who can't read this, can't read' (Lobbying Hearings, Pt.8, p.  ).


idem, 'A Dangerous First Step: Reconversion Brings American Industry to the Crossroads', delivered 20 Sept. 1945 before the
Romney's target was the UAW's supposed pressure for industry-wide bargaining, of an expanded scope.


Charles F. Roos, 'Economic Considerations for Production Executives', in Management Techniques for Increasing Labor Productivity: Production Series No. 163 (New York, AMA, 1946), pp. 5-16.


Fred Rudge, Economic Information for Employees: Helping Employees Understand the Operation of Their Own Company as a Prerequisite to Their Understanding of the American Business System (New London, Conn., National Foremen's Institute, Inc., 1952) - a course of economic education for supervisors, to set their heads straight and enable them to trickle the truth down to their subordinates.


Noel Sargent, War Control of Labor (New York, NAM, n.d.).

Morris Sayre, 'We Owe It to America', address at 53d CAI, 3 Dec. 1948 (NAM Press Release, mimeographed). (Location: LMDC) - business rhetoric of the most banal, mindless character.

'Says Union Forces Men to Ease Off', Detroit Free Press, 22 Jan. 1944.


'Sewell Avery Against the Government at War', *Chicago Sun*, 26 April 1944.


*eadem*, 'Put the Reason With the Rule', *Management Record*, 10:11 (Nov. 1948), 541-3.


'Should Management Waive Its Right to Sue Unions?' *Modern Industry*, 14:4 (15 Oct. 1947), 112-20. In *Modern Industry*'s debates on labour relations issues, the 'liberal' side was taken by representatives of the garment industry, who had achieved stable, often cooperative, relations with their unions.


*eadem*, Remarks at Labor Relations Session of the 52d. CAI, New York City, 4 Dec. 1947 (NAM Press Release, mimeographed). (Location: LMDC)


'Solving the Shopping Problem', *Personnel*, 21 (1944), 66-7.


Staff of the Foremen's Letter, A Report on Foremanship Attitudes (Deep River, Conn., National Foremen's Institute, n.d.- but mid 1940s by context). Not as rigorous or sophisticated a survey as those conducted by ORC and Modern Industry. (Location: LMDC)

Statement of Allis-Chalmers Manufacturing Co. in Negotiations with Local 248, United Automobile Workers of America--CIO, before a panel of the National War Labor Board, 6 July 1942 (processed).

'A Statement of General Motors Policies Governing Its Relations with Factory Employees', 15 Aug. 1934 (privately printed). (Location: AALH). These policies included the standards and objectives which guided GM's behaviour throughout its later dealings with the UAW.


idem, 'Labor Relations', FM&M, 103:1 (Jan. 1945), 252-4.


H.W. Story, 'Communist Influence in Labor Unions', address delivered at the 52d. CAI, 4 Dec. 1947 (NAM Press Release, mimeographed). (Location: LMDC)


Supervisors and Foremen of Williamson Heater Co., 'How Does Top
Management Look at Cost Control', in Building a Cost-Minded Organization: Production Series No. 160 (New York, AMA, 1945), pp. 24-31. Williamson Heater was one of a number of middle-sized companies experimenting with 'multiple management' in the 1940s, whereby supervisors and middle management enjoyed more participation in the policy-making process than was usual in more centralized, hierarchical organizations.


idem, 'How to Interest the Employee In His Job', Personnel, 21 (1944), 131-8.


'The Time for Low Production Costs Is Now', PM&M, 103:8 (August 1945), 81-172.


'Trends in Employee Thinking on Simple Economics', The Public Opinion Index for Industry, 8:2 (Feb. 1950) - an interesting survey, including information for all post-1946 period.


Leonard W. Trestor, 'Looking to the Future', an address before the Marion, Ohio, Chamber of Commerce, 10 Jan. 1949 (mimeographed). (Location: LMDC)

idem, 'Free Enterprise - How Long Can It Survive', an address before the Rotary Club of Marion, Ohio, II Jan. 1949 (mimeographed). (Location: LMDC)


'Turning Point', Fortune, 39:4 (April 1949), I89-9I - on the 'fourth round' of postwar bargaining, the pension issue, and the internal politics of the UAW and CIO.


United States Congress, House, Military Affairs Committee, Hearings on HR 2239, HR 1742, HR 1728, and HR 992: Bills Relating to the Full Utilization of Manpower, 78th. Cong. Ist. sess., 1943 (Washington, D.C., USGPO, 1943) - testimony largely concerning the foreman issue, though the bills' backers' intentions to restrict the rights of organized labour were much broader.


U.S. Congress, Senate, Committee on Education and Labor, Report ... pursuant to Senate Resolution 266 (74th. Congress) ... 76th. Congress, Ist. sess. Senate Report No. 6, Pt. 6, Labor Policies of Employers' Associations, Pt. III The National Association of Manufacturers (Washington, D.C., USGPO, 1939) - one of the La Follette Committee's excellent, voluminous, and revealing reports, with much of interest and relevance to Ch. 8, esp.

U.S. Congress, Senate, Special Committee to Investigate the National Defense Program, Hearings, Pt. 28: Manpower Problems in Detroit (Washington, D.C., USGPO, 1945) - packed with important material on the subjects of Chs. 3-4.


U.S. Statutes at Large, 48, p.195 (The Wagner Act)

Clarence J. Valir, 'Job Evaluation and Wage Determination', in Lectures on Personnel Management (Urbana, Ill., Univ. of Illinois Institute of Labor and Industrial Relations, 1949; processed), pp. 29-56.


(Van Delden, with experience in Allis-Chalmers and in Libbey-Owens-Ford Glass Co., was an articulate proponent of the necessity for management to adopt 'realistic' tactics and strategy in collective bargaining. Accordingly, I include here addresses of his which I have not cited directly, but which have materially informed my ideas at Chs. 2-3 and 6.)


'The War Against Labor', PM, 14 Aug.1944.

'A War Issue', editorial, Christian Science Monitor, 27 April 1944 (on industrial conflict and the jockeying for position between Business and Labour in anticipation of the postwar era).
We Work in a Great Tradition at Allis-Chalmers (employee handbook, privately printed, 1944). (Location: LMDC).

(Employee handbooks are a variety of management-controlled communications medium of which examples are frequently found in the research collections of the long-established industrial relations institutes. They are quite valuable: the formal industrial relations policy of the issuing corporation is commonly presented in a straightforward way, together with a more-or-less sophisticated argument to persuade employees of the legitimacy of management's authority, the reasonableness of the rules it enforces, and of their self-interested obligation to be diligent, obedient workers. Reasons of space alone prevent me from discussing at length on the significance of this neglected evidence of managerial ideology, rhetoric, and policy).

Walter B. Weisenburger, Challenge to Industry (New York, NAM, January 1947). Ties together organized business' political action (Ch.5 of this dissertation) and its propaganda and public 'information' campaigns (Ch.8).


What Has Become of Discipline?' FM&M, 103:6 (June 1945), 82-7.

What's Itching Labor?' Fortune, 26:5 (November 1942), 101-2, 228-36.


(Factory's surveys, conducted 'scientifically' by the ORC, reported annually in the November through January numbers, are consistently fascinating).

What Will Happen to Wages? FM&M, 103:6 (June 1945), 82-7.


(Wheeler was an extremely articulate, remarkably liberal, proponent of welfarist measures to restore industrial harmony.)


idem, Mainsprings of Men (New York, Charles Scribner's Sons, 1925).


C.E. Wilson, 'The Great Delusion: Where Marx Went Wrong', address before the American Society of Mechanical Engineers, Stevens Hotel, Chicago, 16 June 1947 (privately printed, n.d.). (Location:LMDC). (There are numerous examples of the thoroughgoing traditionalism of 'Engine Charlie' Wilson's social values and political ideas - but this one is representative, and the title is irresistible).


(2) Secondary Sources


David O. Bowman, Public Control of Labor Relations: A Study of the National Labor Relations Board (New York, Macmillan, 1942) - there is a new history of the NLRB being written, but it has hardly advanced beyond the mid-1930s. We must therefore still content ourselves with Bowman's and Brooks' contemporary accounts.


S.D. Brandes, American Welfare Capitalism, 1880-1940 (Chicago, University of Chicago Press, 1976) - thoroughly researched, but analytically weak; and I disagree with his conclusion that the welfare capitalist impulse had burned out by the end of the 1930s.


idem, 'The Rise and Decline of Welfare Capitalism', in J. Braeman et al., eds., Change and Continuity in Twentieth
Century America: The Twenties (Columbus, Ohio State University Press, 1968), pp. 147-78.


idem, Unions of Their Own Choosing (New Haven, Yale UP, 1939).

idem, As Steel Goes...: Unionism in a Basic Industry (New Haven, Yale U.P., 1940).


Philip H. Burch, Jr., 'The NAM as an Interest Group', Politics and Society, 4 (1973), 97-130 - rather more concerned with radical-rightist connections of NAM leaders in 1950s.


'Chrysler's Hundred Days', Fortune, 41:6 (June 1950), 70-72.


Ira B. Cross, Jr., 'When Foremen Joined the CIO', Personnel Journal, 18 (1940), 274-83.


Russell W. Davenport, 'Enterprise for Everyman', Fortune, 41:1 (Jan. 1950), 55ff - on union-management cooperation to increase productivity, and share the benefits.


Jan G. Deutsch, Selling the People's Cadillac: the Edsel and Corporate Responsibility (New Haven and London, Yale University Press, 1976), pp. 56-60, 69-71 only. The book is largely a collection of documents; most of it is rubbish, as perhaps befits a work on the Edsel.


Peter F. Drucker, The Concept of the Corporation (New York, John Day, 1946). An extremely interesting study of General Motors - the 'bible' of the young executives, under Henry Ford II, who made over Ford Motor Co. after the image of GM.


Edwin A. Fleishman, A Study of the Leadership Role of the Foreman in an Industrial Situation (With Special Implications for Leadership Training): A Summary of Research Conducted with the Cooperation of the International Harvester Co. and the Ohio State Leadership Studies (Columbus, Personnel Research Board - Ohio State University, 1951; processed). My period of study ends just as applied social science research and techniques were coming to be thoroughly utilized, and were destroying many of the assumptions about motivation and morale which had existed, and inspired policy, since the 1920s or before.

R.W. Fleming, The Grievance Arbitration Process (Urbana, Univ. of Illinois Pr., 1965), Ch. I only.
J.C. Foster, *The Union Politic: The CIO Political Action Committee* (Columbia, Mo., Univ. of Missouri Pr., 1975).


Clinton S. Golden and Virginia D. Parker, eds., *Causes of Industrial Peace Under Collective Bargaining* (New York, Harper Bros., 1955) - the collection of case studies of particular firms and their experience, conducted since 1947 under the auspices of the liberal business National Planning Association, together with recommendations, drawn from that experience, as to how to achieve constructive/cooperative labour relations. The progressives' charter.


Richard Herding, Job Control and Union Structure: A Study on Plant-Level Industrial Conflict in the United States with a Comparative Perspective on West Germany (Rotterdam, Rotterdam University Press, 1972) — for all its appalling typesetting, translation, confusions, this book deserves to be read; it ranks alongside Chamberlain, Union Challenge, and Harbison/Dubin, Patterns, as interpretations of the reality of American labour relations in the 1940s — and since.


idem, 'Are Public Opinion Polls Fair to Organized Labor?', POQ, IO (1946), 484-50.


(If a number of works of business history that I have read, only this and Nevins and Hill, on Ford, devote much attention to industrial relations, in any kind of a useful way. Company histories usually cover an earlier period, when perhaps problems of labour management did not impinge upon senior executives to any great degree; any study of large firms in the 1920s-1940s, however, surely must pay attention to what was, then, a very salient problem).

Harold D. Lasswell, quoted in J.A.R. Pialott, Public Relations and American Democracy (Princeton, N.J., Princeton University Press, 1951) - which work is itself extremely interesting and useful; but much of its content concerns the public relations of federal agencies, and is therefore not relevant.


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F.W. Mc Culloch and Tim Bornstein, The National Labor Relations
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de mieux - see note to Bowman, Public Control, supra, p.348.

Robert M. Mac Donald, Collective Bargaining in the Automobile
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Kim Mc Quaid, 'The Business Advisory Council of the Department
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Mc Quaid for copy and for permission to use.

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of Business, 31 (1958), I-II.

Norman D. Markowitz, The Rise and Fall of the People's Century:
Henry A. Wallace and American Liberalism, 1941-1948 (New York,
Free Press, 1973) - one of the best interpretations of the
political atmosphere of the 1940s to date.

Frank Marquart, An Auto Worker's Journal: the UAW from Crusade
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Press, 1975) - quite informative on the effects of the Reuther
regime within the UAW.

Agnes E. Meyer, Journey Through Chaos (New York, Harcourt,
Brace & Co., 1944) - an account of a tour of war plants and
war-boom communities in 1943.

Julie Meyer, 'Trade Union Plans for Social Reconstruction in
the United States', Social Research, II (1945), 491-505 - an
interesting, critical analysis of the proposed 'human face of
reconversion' - never achieved.
Harry A. Millis, ed., *How Collective Bargaining Works: A Survey of Experience in Leading American Industries* (New York, Twentieth Century Fund, 1942) - invaluable; as well as studies of collective bargaining in long-unionized craft- and local-market industries, where the ideas and institutions of stable and responsible (etc.) labour relations were developed, it includes excellent analyses of the steel, automobile, rubber, and electrical manufacturing sectors.


C. Wright Mills, *The New Men of Power: America's Labor Leaders* (New York, Augustus Kelley repr. of 1946 ed., 1971) - a highly-persuasive analysis of the dynamics of union-management accommodation, and of the process of bureaucratization within the unions, as well as an essay on the political climate of early Cold War America which is suggestive, if occasionally rather hysterical.


Douglass C. North, 'Agenda for a History of Management Policies Towards Labor in the United States', *Journal of Economic History*, 16 (1956), 206-II. Brief but important article - indicated to
me the possible importance of the subject, and the range of management policies one would need to study.


Robert Ozanne, A Century of Labor-Management Relations at McCormick and International Harvester (Madison, University of Wisconsin Press, 1967) - written with full access to corporate archives, this book is, as far as I know, a unique and successful study of management policy in industrial relations in depth. International Harvester was a 'progressive' firm which made a slow, difficult, and unhappy transition to the new world of union recognition and collective bargaining; Ozanne's informed verdict on management policy and motivation is harsh.


James T. Patterson, Mr. Republican: A Biography of Robert A. Taft (Boston, Houghton Mifflin Co., 1972), Ch.23.


Theodore V. Purcell, The Worker Speaks His Mind On Company and Union (Cambridge, Mass., Harvard University Press, 1953) - the company was Swift & Co., the union the United Packinghouse Workers, CIO, the community Chicago - a revealing study.

Art Preis, Labor's Giant Step: Twenty Years of the CIO (New York, Pathfinder Press Pbk. ed., 1972; first published 1964) - a Trotskyist account by a longtime labour journalist and activist, but none the worse for that.
James W. Prothro, The Dollar Decade: Business Ideas in the 1920s (Baton Rouge, Louisiana State University Press, 1954) - often criticized because: he assumes that 'spokesmen' for the NAM and CCUS accurately represent the opinions of their members; that their rhetoric accurately reflects what they think, and the patterns of motivation that affect their actual behaviour; and that the NAM and CCUS comprehended the 'business community'. But these defects of methodology and conceptualization do not vitiate the book's conclusions irreparably.


idem, American Labor and United States Foreign Policy (New York, Random House, 1969). Radosh's work is extremely tendentious, but some use may be made of it.


'Renovation in NAM', Fortune, 38:1 (July, 1948), 72 ff.
Theodore S. Reppier, 'Advertising Dons Long Pants', POQ, 9 (Fall 1945), 269-78.


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dem, Communism in American Unions (New York, McGraw-Hill, 1959), Parts IV-V.


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Louis G. Silverberg, 'Citizens' Committees: Their Role in Industrial Conflict', POQ, 5 (1941), 17-37.


Summer H. Slichter, 'The Current Labor Policies of American Industries', Quarterly Journal of Economics, 43 (1929), 393-435 - an excellent retrospective analysis of 1920s 'progressivism', published - ironically - just as its achievements were about to be destroyed by the depression.


Francis X. Sutton, Seymour E. Harris, Carl Kaysen, and James Tobin, The American Business Creed (Cambridge, Mass., Harvard University Press, 1956) - open to many of the same objections as Prothro, Dollar Decade; see criticisms in Rogers and Berg, 'Occupation and Ideology', and Seider, 'American Big Business Ideology'; but, as with Prothro, much of the analysis remains standing.


Richard S. Tedlow, 'The National Association of Manufacturers and Public Relations During the New Deal', Bus.H.R., 50 (1976), 25-45. Tedlow's doctoral dissertation on public relations and business, 1920-1950, should be an important addition to the literature. Unfortunately, he has not made it available to University Microfilms, perhaps anticipating publication. For lack of anything more, we must refer to this good article of his for his ideas until then.

Robert Tilove, 'The Wage Rationalization Program in United States Steel', Monthly Labor Review, 64 (1947), 967-82.


John D. Ubinger, 'Ernest Tener Weir: Last of the Great Steelmasters', West Virginia Magazine of History, 58(1975), 487-507 -
by one of Weir's associates.


Colston E. Warne et al., eds., Yearbook of American Labor, Vol.1-

Idem, Labor in Postwar America (Brooklyn, Remsen Press, 1949).

Both of these Institute of Labor Studies collections are excellent, and provided an essential factual underpinning and interpretative introduction for this thesis. Singling out individual contributors would be invidious.


James Weinstein, 'Big Business and the Origins of Workmen's Compensation', Labor History, 8 (1967), 156-74. Has been undermined by other detailed studies of particular states' and industries' experience, but not demolished.


Donald E. Wray, 'The Community in Labor-Management Relations', in W. Ellison Chalmers, Milton Derber, et al., Labor-Management Relations in Illini City (Champaign, Univ. of Illinois Press), 1953), I, 70-4. The Illini City studies also contain interesting case-studies of the stabilization of formal-contractual and informal labour-management relations in the late 1940s in this not-untypical midwester industrial city - which confirm the conclusions of Ch.6. See esp. Vol. I, Chapter Case Studies 1, 2.

Roland Young, Congressional Politics in the Second World War (New York, Columbia University Press, 1956) - a poor book, but all there is in print on this important but neglected subject.

ERRATA AND ADDENDA (to Bibliography)

(A) Manuscript Sources

insert: between Scheinberg and Meyerowitz, p. 320.

(B) Printed Sources

(I) Primary Sources

Insert:
Chrysler Corporation, Shall the Rank and File Boss the Plants? (Detroit, The Corporation, 10 April 1946).

Transpose:
Craig and Charters, Personal Leadership, and Cooke and Murray, Organized Labor and Production, on p. 325.

Insert:
Henry S. Dennison, 'Management', in Committee on Recent Economic Changes of the President's Conference on Unemployment, Recent Economic Changes (New York, Mc Graw-Hill, 1929), II, Ch. 3 - a statement of progressive managerial hopes and intentions, between Curtis, 'Current Human Problems', and 'Detroit Labor Debate', on p. 325.

Insert:

Insert:
'Employment Records', NAM Labor Relations Bulletin, 33 (Sept. 1940), 37, between 'Employers' Standing' and Emspak, 'Labor-Management... on p. 326.

Transpose:
French, 'Industrial Relations' and idem, 'Management Views', on p. 327.

Insert:
Dr. George Gallup, 'Main Street Rates the Issues', address before the 52d. CAI, 3 Dec. 1947 (NAM Press Release, mimeographed) - Location: Record Series L-2, LMDC; between Gaer, First Round, and Gardiner, How to Create, on p. 327.

Insert:

Transpose:

(2) Secondary Sources

Insert:

Insert:

Insert:

Insert:
James J. Matles and J.Higgins, Them and Us : Struggles of a Rank-and-File Union (Englewood Cliffs, N.J., Prentice-Hall, 1974) — a valuable memoir by Matles, formerly top UE officer — but, like other ex-Communists' similar memoirs (one thinks of Wyndham Mortimer's Organize (Boston, Beacon Press, 1972), he is uninformative about the impact of CP tergiversations on labour history in the 1930s and 1940s, and understandably — embarrassingly? — silent about the UE's official policy of all-out production and collaboration with management during the Second War. This policy, almost as much as postwar Red-baiting, eroded the union leadership's rank-and-file support, which had to be carefully rebuilt.

Place to follow Marquart, Auto Worker's Journal, on p.356. Marquart, as a non—indeed, anti—Stalinist socialist, and Lens, Left, Right, and Center, give much more useful information on this phase.

Insert:

Before closing, it would be appropriate to extend my thanks to the librarians and archivists who made this work possible — to the librarians of Rhodes House and Nuffield College, Oxford; of the Martin P. Catherwood Library and Labor-Management Documentation Center at Cornell University, Ithaca, NY; of the Archives of American Labor History, Wayne State University, and of the Detroit Public Library; of General Motors Corporation; of the Princeton University Industrial Relations Section and the Department of Labor in Washington, DC; of the AIA Management Information Services, New York City; of the Eleutherian Mills-Hagley Foundation, Wilmington, Del.; and to successive interlibrary loan persons at St.David's College, who alone made continuation of research both practicable and pleasant after October 1975.