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INDUSTRIAL RELATIONS IN WARTIME

30 October 1950

CONTENTS

Page

INTRODUCTION—Mr. Albert L. Maserick, Member of the Faculty, ICAF 1

SPEAKER—Mr. Clinton S. Golden, Labor Adviser, Economic Cooperation Administration 1

GENERAL DISCUSSION 7

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Mr. Clinton S. Golden was born 16 November 1886 in Pottsville, Pennsylvania. At the age of 12 he went to work in an ore mine. In 1906 he started a career in the labor movement, and after serving for 10 years as a member and an official of the Brotherhood of Locomotive Firemen and Enginemen, he became an officer of the International Association of Machinists. In 1921 he joined the staff of the Amalgamated Clothing Workers and in 1923 became business manager and field representative of Brookwood Labor College. He served as senior mediator for the Pennsylvania Department of Labor and Industry, 1933-1934; regional director of the NLRB, 1935-1936. In 1936 he was made a regional director of the Steel Workers Organizing Committee (CIO) and in 1942 was elected vice-president of the United Steelworkers of America. The same year he was appointed alternate labor member of the War Labor Board and in 1943 became vice-chairman of both the War Production Board and the War Manpower Commission. In July 1946 Mr. Golden retired from the Steelworkers, later accepting a post as lecturer on industrial relations at the Graduate School of Business Administration at Harvard. He was appointed chief labor adviser to the American Mission for Aid to Greece in 1947. Mr. Golden is a Vice-Chairman of the Board of Trustees of the National Planning Association and Chairman of its labor committee. He is coauther of "The Dynamics of Industrial Democracy" and "Soil and Steel" and the author of numerous magazine articles dealing with union-management relations. Temple University in Philadelphia conferred the honorary degree of LL. D. upon Mr. Golden in 1948 and a similar degree was conferred by Harvard in 1949. In June of 1948 Paul Hoffman appointed Mr. Golden as labor adviser to the Economic Cooperation Administration.

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MR. MASERICK: General Holman, gentlemen: It is a pleasure to welcome back to the Industrial College of the Armed Forces, Mr. Clinton S. Golden, labor leader emeritus, who commands the respect of industry and labor alike.

A glance at his biography will show that he has received many honors from both industry and labor. Yet he has no formal education. When Temple University conferred upon him the honorary degree of doctor of laws, he remarked, "It took me 50 years of hard work to acquire a degree that I could have gotten in four years of college work."

His subject today is "Industrial Relations in Wartime."

I am proud and happy to present to you, Mr. Clinton Golden.

MR. GOLDEN: Mr. Chairman, General Holman, and friends: I am very happy to be back here to meet with so many good folks again today. I feel very humble in following the preceding speaker, General Eisenhower, for whom I, and I think most other people, have profound respect and admiration.

What I shall have to say concerning industrial relations in wartime is based upon some deep personal convictions fortified by some considerable experience in the field of union-management relations. These convictions have to do with people—all kinds of people—in a free, dynamic, democratic society.

As I understand the meaning of the term "democracy" in relation to a form of organized society and its government, it means a social system in which all sovereign power resides in the people and is delegated by them, through the operation of an orderly process, to certain designated representatives elected for the most part by the people.

This principle of ultimate power residing in the people is of vast significance. It means, for instance, that the people individually and collectively possess great basic responsibilities. I am one who profoundly believes that responsibilities should be widely shared. In other words, it should never be assumed that the people, in the main and in our kind of society, are either incompetent or untrustworthy.

Starting from this premise and narrowing the application of this principle of power to the industrial community, I believe that our governmental and military leaders should be not only willing but genuinely anxious to share their responsibilities, especially in wartime, with the people and those whom they select to represent and act for and in their behalf.

At this point it may legitimately be asked, "Just how is this sharing of responsibilities to be accomplished?" That perfectly natural question projects a number of problems that are not insolvable, but which, in my humble judgment, have not received the attention and thought they deserve.

First, I think we can all agree that our remarkable development into the world's leading industrial nation has been achieved largely by individuals acting in concert as organized groups. This has been true in finance, in corporate development, in education, and in many other fields of human endeavor.

It is possible today to reach vast numbers of our people through nongovernmental and, for the most part, voluntary, self-governing associations and organizations which the people themselves have created to serve their professional, vocational, occupational educational, spiritual, cultural, and other needs.

The fact that large numbers of people in all walks of life actively participate in these joint endeavors convinces me that they are capable of assuming far greater responsibilities than they are ordinarily asked or enabled to assume.

Because we are deeply influenced by the concepts of liberty and freedom that have been bequeathed to us, we have, through expressed national public policy, encouraged the development of voluntary, self-governing organizations in all fields of human endeavor. Yet, having done so, there are many in that vast bureaucratic organization usually referred to as "the Government" who appear to distrust these organizations which represent so many individuals and, in the aggregate, so large a segment of "the people."

I submit that, in a democratic society such as ours, we just cannot afford to distrust the people or fail to utilize the institutions that they have freely and voluntarily created to serve their needs.

Our problem, then, is how not only to accept them but to utilize their vast potentialities in the interest not only of all the people in our own country but of the world. This, it seems to me, is of greatest urgency in the divided world of today.

This leads, then, directly to a discussion of industrial relations in wartime. Modern warfare increasingly depends for its success on the industrial potential of the countries involved. That, in turn, depends on the coordination of the efforts of vast numbers of people possessing an infinite variety of professional, vocational, occupational, and other skills and talents.

The number one problem is to have the relations between the individuals and groups in this vast complex of such a nature as to insure the maximum amount of harmonious, cooperative effort efficiently and intelligently directed toward the production, transportation, and distribution of supplies required by the armed forces and for the needs of the civilian population at the same time. There are perfectly honest and sincere people who will claim that this is simply impossible without in some way curtailing the freedom and liberties of our people and centering unusual power over the people in some individual or governmental group or agency. Frequently, this is thought of as the military or defense department of our Government.

This calls to mind the observation of Clemenceau, the World War I premier of France, who said, so it is recorded, that "war is too serious a matter to leave to the military." In the light of our growing knowledge of human behavior, there may be more substance to this epigrammatic expression than appears at first thought.

I differ respectfully with the advocates of centralized military or bureaucratic authority and power over civilians in wartime. In addition to intelligently coordinated effort, of course, there will be need for intelligently administered controls of one kind or another, but my point is that in making use of them we cannot undertake to outcontrol the dictator-ruled countries if we are to outproduce them.

There is no question as to the need for centralized planning for the operation of the industrial potential, but the implementation and execution of the plans should be carried out through a process of consultation and sharing of both relevant information and responsibility.

In the specific application of this principle of power to industrial relations, I believe that the organizations of industry, management, and labor should be invited to confer with responsible governmental and military leaders in order, first, to acquaint them factually with the problems of production projected by the requirements for effective national defense.

Next, I think these representatives should be asked to assume the responsibility for seeing that there will be no interruption to production as a result of industrial disputes. They should be urged to agree among themselves as to the necessary machinery to be used for the resolution of any dispute that cannot be otherwise resolved, of course within the framework of clearly stated policy.

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Today, in contrast to the immediate pre-World War II period, our labor organizations are well established and are becoming increasingly accepted not only as legitimate but as necessary social institutions. New leadership has emerged and is emerging constantly and is becoming more seasoned and mature. Management representatives are likewise better qualified to meet their responsibilities to the union-management relationship. Because of the wide acceptance of voluntary arbitration, a corps of experienced arbitrators has developed in recent years.

The unions today, in contrast to a decade or more ago, are able to have their own economists and technical staffs. These experts, together with those on the staffs of individual companies and trade associations, have an intimate familiarity with the economic facts of life, the influence of personalities in industry, the facilities and resources of industry, and the mode of prevailing relationships in our most important industries. The Federal Mediation and Conciliation Service is another resource with cumulative, constructive, and useful skills acquired by the very practical experiences of its staff.

Taken all together, these various organizations and agencies possess knowledge and experience that add up to a resource of tremendous potential value.

But, the skeptics may say, suppose there is an unwillingness on the part of representative organizations of industry, management, and labor to accept these new and greatly enlarged responsibilities? Or suppose they, if they do accept them, misuse their authority or prove to be incompetent?

To which I reply by stating that, first of all, I am certain this will not prove to be the case. But, second, to insure against such possibilities and still remain within the framework of democratic procedure and action, I believe there should be a declaration of policy by the Congress of the United States, first outlining the responsibilities of these representative organizations and then declaring that, upon failure on their part to perform responsibly and effectively, the Government will have no other recourse than to take such steps as may be necessary to insure uninterrupted production.

There will no doubt be specific aspects of this problem that will require specific legislative or executive action. The wage-price relationship may be of this nature.

A few weeks ago the price of beef to farmers was about $30 per hundredweight. This was increased by 3 cents per pound, or $3 per hundredweight. Almost immediately the price of dressed sides of beef was increased 7 cents per pound, or $7 per hundredweight, while the commonly used cuts were increased as much as 20 cents per pound, or $20 per hundredweight.

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Such uncontrolled and seemingly wholly unjustifiable increases in the prices of basic commodities obviously cannot be permitted without running the risk of equally uncontrolled inflation and consequent industrial unrest. A point is reached somewhere in the wage-price relationship that most reasonable people will agree is fair. This, it seems to me, must be factually and equitably determined by an appropriate and competent government agency and then the necessary controls established and administered to insure that it will be maintained.

Where wages are out of line in their relation to prices, adjustments should be permitted to bring them into proper relation before the application of wage controls. Once price and wage controls are instituted along these lines, further upward wage adjustments or earnings above the base rates established, so far as possible by collective bargaining, should be geared to accurately measurable increases in output. The Bureau of Labor Statistics has developed techniques for measurement of output and could render an important service in this aspect of the war production problem.

As you are no doubt aware, the National Planning Association is conducting a series of studies into the "Causes of Industrial Peace." While the studies were necessarily limited to some 15 companies and unions operating in industries importantly related to the operation of our economy, some valuable principles are emerging that deserve most careful consideration by all concerned with maintaining industrial peace in wartime.

Thus far, some of the important ingredients of peaceful industrial relations to emerge from the studies are:

1. The willingness of management to accept the fact of union organization of employees in good faith and without reservation.

2. The acceptance by the unions of the fact of private ownership and operation of the industry.

3. The initiative of company management in inviting union participation in management on a consultative basis. This has made possible consultation and sharing of information on an almost unlimited range of problems.

4. The regarding of employees as adults and the shunning of paternalism in all forms.

5. The avoidance of pat formulas and rigid rules. A flexible approach to common problems has characterized the attitudes of both parties. Legalistic approaches to the problems of relationship are avoided just so far as possible.

6. The importance of strong unions which are at once responsible and democratic.

7. The importance of eliminating competition on the part of management with the union organization for the workers' allegiance.

8. Mutual trust and confidence between the parties and the absence of serious ideological incompatability.

There is reason to believe that as these rather simple principles are becoming more widely known, they are influencing the behavior of both unions and management in the industrial relationship.

There are other significant instances of really constructive and cooperative relations between unions and management that seemingly foreclose the possibility of either strikes or lockouts. It is significant that in each of these, voluntary agreement and mutual understanding, rather than legal restraints or coercive acts, provided the foundation for such a satisfactory relationship that it has been described by one of the participants as the "discovery of a new way of life in the workplace."

Time does not permit a detailed description of these developments and achievements. It is perhaps sufficient to say that in a growing number of instances, owners-managers and organized employees have discovered areas of mutual interest, and they are working together as joint and creative participants in a common undertaking to make the enterprises successful in every respect. This, in turn, assures satisfaction and a measure of confidence and security not previously experienced.

It is the knowledge of the existence of these fine examples of good relations plus reasonably wide contacts with sincere and earnest union and management people that not only fortifies my faith in my fellow men in our free society but assures me of their capacity to assume new and added responsibilities in time of war.

The most productive and satisfying industrial relations can and will develop out of an ever-widening understanding of human behavior in the workplace community.

I believe our military and governmental leaders, our educators, industrialists, and union executives are capable of promoting better understanding between the organized occupational and functional groups in industry. If we stick to the principle of safeguarding democratic processes, encouraging their expansion by enlarging the areas for participation and the sharing of responsibilities, I have no fear whatever as to our ability to outproduce any other nation and at the same time preserve our freedom and the institutions which we cherish and which were created by free men and women.

Thank you.

QUESTION: If it is within the province of your discussion, and I think it might be, I wonder if you would mind commenting a little on national service.

We in this country, I think, have no business getting into wars more often than about once in a generation. We have kind of fumbled a little this time and overshot the mark. As a result, I think we will be faced, for a number of years in the future, with a labor force that is considerably reduced from what we have had to draw on in the past.

There seems to be a national abhorrence to the very subject of national service. On the other hand, we contrive to reach the same end by indirect action. For example, a nondefense industry will be denied resources, and, therefore, the workers are put out of work. In other words, they are "gently" nudged somewhere else. But where they go is of their own choosing, and they will generally gravitate toward the highest pay that is available. When they do that, there is no way to nudge them into other defense industries of a very necessary character.

We have not heard very much discussion pro and con on the subject of national service, and I would appreciate your comments on that.

MR. GOLDEN: Of course, in speaking about it, I want to make it perfectly clear that I am expressing my own views rather than reflecting those of any organization I have previously been or am now identified with.

I want to say to you very frankly that up to the present time I have never been convinced of the necessity for national service legislation of the type that has previously been proposed during the course of World War II. This is not to say that under any set of circumstances I am unalterably opposed to it.

I quite agree that we are in a period now when the circumstances are considerably different from what they were in the comparable period preceding World War II. I realize that we do not have from 6 to 8 million unemployed to draw upon. I realize that to get the people where they are needed is going to present some very serious difficulties. My concern, perhaps, about national service legislation is about its administration more than the principle of it.

I am sure that I am among friends and tolerant people, and if I say some things that run counter to some of your concepts, I am sure you will be charitable.

One of the things that gives rise to my feelings about national service is what I think is the imperfect system of recording at some one place those industries, plants, and facilities that are considered

by the military as essential to military production. I had some experience during World War II as vice-chairman of the War Manpower Commission, and I can think of no greater handicap that we suffered from at that time in getting men to the place where they were needed in production than the absence of accurate information as to the location of companies and plants that were doing important work. I don't know why there should be anything so difficult about getting that information assembled in some place where it would be available, with due regard to security and other considerations; and, being available, it would simplify this whole task of recruitment and assignment of people to work. I hope the memories of the last war are still clear enough in the minds of enough people who had some responsibilities for manpower programs during the war so that we may profit by some of those experiences.

I was called in a short time ago to a sort of informal conference with the Secretary of Labor, who has been given some responsibilities for handling manpower in the present period. I said at that time that, from what I know from the experiences during World War II, the procurement officers of the various services had a pretty general idea, based on experience, of some number of companies operating in their respective fields upon whom they could depend to execute contracts. They knew who those firms were, but they were a comparatively small number of the total engaged in war production. When they got out into the field of subcontracting and sub-sub-subcontracting, and so on, then just nobody knew.

I had the experience during World War II of going out and exhorting people to greater effort, only to find three days later that their plants were shut down. I have had that kind of experience come back like a very unpleasant echo. Maybe we could afford to do that sort of thing so long as we could start with as large a reservoir of unemployed as we had then, but we do not have it this time.

I contend that, if we can take advantage of some of the things I think we learned during the last war, if we can have access to more accurate information as to where contracts are being given and executed, and if we rely to a greater extent than I think we did before on these organizations of a community and industrial nature—including management, trade associations, and labor unions—I think we can do a better job than we ever did before in getting the people to the places where they are most urgently needed.

Until we do more in that direction, my enthusiasm about national service legislation is pretty well under control.

QUESTION: Mr. Golden, I was very much interested in your statement that we should adhere to democratic principles. I have heard many people say that they oppose labor unions because they do not adhere to

democratic principles in that they make membership in a union, either by the closed shop or the union shop, a condition of work. I wonder if you would give us a little of your viewpoint on that.

MR. GOLDEN: This is a pretty controversial question, and I don't know that I can answer it to anybody's satisfaction except my own.

We must get down, in discussing this thing, my friend, to some sort of understanding about what we mean when we talk about democracy. I am perfectly willing to agree that there are some labor organizations that do not operate on what I call democratic principles. But I would not say that the requirement of membership in an organization--in a company where the wages and set of working conditions are established by collective bargaining and where the majority of the people have expressed, by secret ballot, their preference for that kind of requirement in the contract--is undemocratic.

We can carry our discussions about democracy from the sublime to the ridiculous. For instance, I am old enough to remember when we first began to get stop-and-go traffic lights. I remember living in a small community that had a local Republication administration. There was a very virulent minority of Democrats in the community. I remember extensive discussions, and some very heated ones, about the propriety of Democrats having to stop at the red light because the Republicans passed an ordinance.

I think there is firmly imbedded in our concepts and practices the notion that, regardless of what political or other label we wear and cherish, we must accommodate ourselves to doing what the majority says it thinks we ought to do.

If that has any meaning in connection with democracy, and if in an industrial community or workplace the people who work there have had the opportunity, by a democratic process, to say whether they want it made as a condition of employment that all employees shall be members of the union in the appropriate unit, and so on, I don't think that, after a majority has expressed its desire, it is undemocratic if that procedure is required by provisions of the contract.

We can engage in all kinds of theoretical discussions about concentration of power resulting from that, how it may be used, and whether it leads to tyranny. But all of this, you see, has something to do with our concepts about the integrity of man, the fundamental decency and honesty of most, but not all, people.

So, having made a speech in response to your very legitimate question, I can sum it up by saying that I don't think the requirement, under the circumstances I have described, constitutes an anti- or undemocratic approach.

QUESTION: Mr. Golden, in government we have means of returning to private life leaders with whom the people become dissatisfied. Have the labor unions such a method of relieving themselves of undesirable leadership? If so, would you care to discuss that?

MR. GOLDEN: Yes. I think, in the main, that labor unions do have those means, and I think it is important to keep in mind that the government of labor unions is patterned very largely upon the Government of our country. At the moment I cannot think of a single labor organization that does not elect and retire its officers and leaders by very much the same process by which we elect and retire public officials.

Some of the unions have devices that go beyond those with which we are familiar in political life. For instance, the International Association of Machinists at the present time has in its constitution, I believe, provisions for the initiative, referendum, and recall. They don't have to wait until a term of office has been completed before they can take action to retire an elected official of that union for what they may feel are perfectly good and necessary reasons.

My last identification with a labor organization was with the Steelworkers. It has nearly a million members. While officers could be nominated in a convention of delegates who had been elected by the membership, their election had to be by a referendum vote of the membership, not by the delegates to a convention.

There was a time when we elected our United States Senators by the action of state legislatures, and, at that time, that was considered a democratic procedure. But you will observe that in the last quarter of a century, or a little more than that, we have not done that; we have gotten it back to the people, and the people, rather than the state legislatures and the people who serve in such, elect the United States Senators.

Here and there in government you will find ambitious, aggressive, and domineering personalities who try to subvert and distort constitutional and democratic processes in the interests of maintaining power. We have them in the labor movement, the same as we have them in all other nongovernmental organizations. But, basically, the labor movement has the democratic processes, facilities, and methods of retiring people who they think do not serve their interests well.

QUESTION: You commented a few minutes ago, Mr. Golden, that, if wages and prices were fixed, there might still be a few places where wages are out of line and might be adjusted. We have heard a great deal about the bases for establishing wages. Some use cost-of-living standards. It has even been commented that if a company makes above-average profits, wages should be above average, accordingly. What is your thought as to how we might determine when wages are out of line and when they are in line?

MR. GOLDEN: As I tried to indicate in my prepared talk, taking the over-all situation, I think there is a point when most people--and I think most people are reasonable people--think there is a fair relationship between the price level and the general level of wages. With the tools and facilities that are available, I think that can be determined pretty accurately and in a way that is pretty generally acceptable. There will be some exceptions, but I think a formula can be devised by which the adjustments can be made that will, in effect, stabilize wages and prices.

I am a somewhat unorthodox labor person--if I can be described as such after having been retired from the labor movement for a few years--but I feel very strongly that arrangements can be worked out that will prove more satisfactory than this notion, which, of course, is vehemently denied by all the labor people, that labor is a commodity and what you seek to do is to sell it at the highest possible price. This carries with it another concept that I don't accept any more--I think there was some reason why I and many other people did at an earlier period--that wage rates should be determined by something that is described as a subsistence requirement. I think that is inconsistent with our concepts of a dynamic and free society--that the living standard should be established artificially at some point and then be adjusted beyond that only as prices rise. I think it is just as inconsistent, today, to use the subsistence notion as the principle for adjusting wages as it is to use the commodity theory.

I agree that there has to be a level of subsistence below which no human being, in our kind of society, would be expected to survive. But when we get above that, particularly in the kind of society we live in today, I think the adjustments can be very largely related to production. And even though we undertook to establish certain controls in a wartime economy, I don't think we should overlook the incentive importance, if I may use that term, of having wages, once adjustments have been reached within the framework of public policy, adjusted on the basis of measurable increases in output. I think people need that kind of incentive and I think it would have a great deal to do with stimulating output.

Aside from the conditions that prevail in a war economy, the following has become increasingly clear in a number of industries that have been, up to the present, concerned primarily with the production of goods for civilian use: If a formula could be worked out based upon negotiated and agreed-upon basic wage rates that geared adjustments beyond such rates to increases in productivity, it would have a tremendously stimulating effect, not only upon the workers but upon the managers.

It is a simple thing to recite that fact to you, but there are a great many related things that come into it. For instance, if you are going to undertake to evolve that kind of measurement or ratio,

it involves widespread consultation with people in management and in the labor force as well. And through the mere process of consultation, the people--the workers particularly--learn more than they ever knew before about what enters into the costs of production; they have an opportunity, if they can see the hope of a reward, of expressing their skills and contributing of their ingenuity acquired on the job toward improving the processes of production and lowering the costs.

I think that arrangements can be worked out. I doubt very much whether wages and prices ought to be absolutely frozen at some point, thereby eliminating that incentive to increase productivity that comes if the workers know they share in it to a reasonable extent. Of course, that presupposes accurate measurements of costs and an accurate determination of standards and levels of productivity. It presupposes an equitable distribution of the fruits of increased productivity. They should not all go to labor any more than they should all go to management; they ought, perhaps, to be reflected in lower prices to some extent.

There is a tremendous field for exploration and experimentation in just what grows out of the wage-price relationship.

QUESTION: Mr. Golden, my question concerns the role of a public body, whether it is a Federal agency or a state agency, in industrial disputes.

When an industrial dispute of a major proportion occurs in this country, in some instances we observe in metropolitan newspapers full-page ads both by labor and management. Now, in a court of law we have contending parties on both sides--we have the lawyers for the defense and we have the lawyers for the other side. But at some point along the line there is a joining of the issue, in other words, the main issue. Do you feel that the Federal Conciliation Service or some state mediation service could be the means of presenting the true facts of the dispute to the public?

We know in this country that public opinion counts a lot. Don't you think our labor relations might be solved a bit more amicably if the people really know what the true facts of the case are?

MR. GOLDEN: Are you speaking with particular reference to a war economy?

QUESTIONER: Any economy, sir.

MR. GOLDEN: If all people were logical and rational, I think it would be highly desirable to do that at any time. But I am sure, again, you would tread upon a lot of concepts of freedom if you undertook to impose that kind of requirement in peacetime.

I should say that, in a period of national emergency or tension, it would be very helpful if, perhaps, the freedom to express themselves as violently as they do might be curtailed to some extent and we could rely, in place of that, upon some such agency as you have indicated to give a factual statement for the information and edification of the public.

QUESTION: In your talk, sir, you remarked that a committee was appointed and made a study of some 15 organizations and that it arrived at certain conclusions for the guidance of industrial relations and maintaining labor peace. All those findings, it seemed to me, are, rather, indictments of management. I would like to know who composed the committee. In other words, what type of background did the committee have?

MR. GOLDEN: I will be very glad to take a few minutes to explain the situation.

The organization is the National Planning Association, which is a nongovernmental body. It has on its board of trustees representatives of important industries and of labor and farm organizations. It has a number of committees—Business Committee, International Committee, Labor Committee, and so on—that hold meetings and discuss certain matters of presumed public interest and debate points of view in an effort to agree upon a declaration of policy.

Some four years ago it was proposed to this organization that, in view of the frequent and continuing investigations and inquiries into industrial warfare, undue emphasis had been placed on that aspect of the relationship—in fact so much emphasis that people who were not identified either with management or labor were getting a distorted picture. It was suggested that there were probably thousands of companies and unions that enjoyed good relationships; maybe they had not always done so, but out of their experiences they had discovered whatever it was necessary to do in order to have good relations. Therefore, it would be a useful contribution to conduct an inquiry to find out what could be learned from the experiences of people who enjoyed a good industrial relationship and how they reached that.

A great deal of publicity was given to the fact that this study was to be initiated. An advisory committee was set up to consist of a number of management executives, some labor people, and people who, I suppose, would fall into the category of genuinely public-spirited citizens—they were not identified with either labor or management.

This proposal was widely publicized, and people in all walks of life were invited to send in the names of firms and unions that they thought had good relations. A very interesting thing happened—thousands of names of firms and/or unions were sent in by people in all walks of life.

They did not expect, first of all, to get the kind of response they did. Second, because of the limitations imposed by money, and so on—incidentally, funds amounting to $63,000 were made available by a man who is a very prominent person in the field of finance and industrial development, Mr. John Hay Whitney—they had to narrow the number down finally to something that was workable within those limitations. For instance, they said they did not want to take into consideration a firm with less than a thousand employees, or one that had been established less than 10 years, and so forth. They set up criteria for screening, and out of all the names submitted, they selected 15.

The studies could not be made unless the firms and labor organizations involved were willing to have them made, unless they were willing to allow freedom of expression to the people who made the survey, and so on.

The people who made the survey—and many different people were engaged in this—were, in the main, selected from the staffs of various universities and colleges. I think eight of the studies have been completed and published.

I don't know that I am prepared to say that, on the basis of what I know about it, in the main, it represents an indictment of management. I think they have not been interested in trying to put the finger on anybody. They have been more interested in trying to discover what it was in the experiences of these people that enabled them to have a relationship that the workers and management agreed was highly desirable to both. And the things that I pointed out as emerging from these studies, rather than being in the nature either of an indictment or of conclusions, are things that, if widely used and understood, would be helpful.

I don't know that it was a crime that firms in years gone by have taken a paternalistic attitude toward their employees. But I think most firms that have dont it will agree there is something in the American scheme of things, in the American character, that has proved that it is not a desirable thing; that Americans don't like to be treated as children, they want to be adults; that they don't want to be treated as people who are incompetent to make decisions about their own life, they want to have something to say about it. I think they have found, as borne out by these studies, that one of the things that promotes peace is the absence of a paternalistic attitude.

QUESTION: Following that up, I was wondering whether in any of the companies selected for study there was no union; in other words, a company with an advanced management that was not paternalistic but, on the other hand, realized the needs of the employees, gave them a degree of security, even of participation in the business in an advisory capacity, and even of sharing in the profits.

MR. GOLDEN: No company was selected in which there was not a union of the employees. I think the reason was that, at the time the studies were initiated, there was such a seemingly widely prevalent view that the unions were the cause of the difficulties. Therefore it was felt important to concentrate the efforts on companies where there were unions.

QUESTION: Do you think it is essential to have a union where the relationships are such that the employees are satisfied?

MR. GOLDEN: Of course, if the employees are perfectly satisfied, they won't have a union. There is not any case that I know of where completely satisfied employees have been dragooned into a union against their will. My experience has been that when people join a union they think there is something they are individually unable to correct that needs correction and can be corrected by concerted and organized action.

I should say, in proof of this, that there are still some firms in the United States that don't have unions. I don't think it necessarily follows in every case that the employees are treated so well that they don't want them. I know of a concern in New England where, on three different occasions, the employees have had a chance to vote, and voted against a union. Curiously enough, in this particular situation the management would prefer to deal with a union of its employees.

So we have these different situations. But for the purposes of these studies, the studies were limited, by the circumstances I described, to companies having unions.

QUESTION: Mr. Golden, you have talked about the harmony that is necessary in time of war to achieve high productivity. We have the situation where oftentimes the local union and the local management are not permitted to settle their differences face to face and come out with an answer, but where the agreement must be in accordance with the agreement obtained by a top national or international union organization, which, seemingly, in order to grow, to get more power, or for other reasons, thinks it has to be a champion of some particular cause and therefore uses inflammatory methods in dealing with that particular company. I am wondering how this cooperation you speak of can be accomplished in wartime when in peacetime we have this type of organization. Can we just transfer overnight to a millennium?

MR. GOLDEN: I don't suppose we can, my friend, and I suppose there is going to be a good deal of difficulty encountered in trying to do it. But there is one thing that ought to be kept in mind: In a period of war there is a greater urge for harmony among people than there is in time of peace, because, in the kind of war we have nowadays, to a greater extent than ever before, there are very few people who are not directly or indirectly affected.

It is true that difficulties are encountered very frequently that reflect differences of opinion between local union management and the management of the national or international union. Part of these are a hang-over of the struggles that unions have had to establish themselves. Some of them are a result of a deep-seated suspicion and distrust of management.

I think the situation has changed a great deal in very recent years. This is a problem that is going to require a good deal of patience and tolerance to deal with, but I think we can deal with it more effectively under the impact of a national emergency than perhaps we can in the absence of such.

MR. MASERICK: Mr. Golden, on behalf of the faculty and students of the Industrial College, I thank you for your very informative lecture and discussion period. Thank you very much.

(28 Dec 1950--350)S