

LABOR RELATIONS CONFERENCE, MAY 20



Edwin E. Witte



David L. Cole



Arthur M. Ross

Speakers, Panels to Review Major Recent Developments

The Labor Relations and Arbitration Conference, one of the Institute's most important annual presentations, will take place from 9 a.m. to 4:30 p.m., May 20, at the Fairmont Hotel in San Francisco.

Under the general chairmanship of Arthur M. Ross, director of the Institute, the conference will deal with current developments in arbitration, labor law, and labor relations.

The opening address will be given by David L. Cole, formerly, director of the Federal Mediation and Conciliation Service and now the permanent arbitrator under several collective bargaining agreements including those at International Harvester and Inland Steel. Cole will speak on "The Impact of Arbitration—A Re-evaluation."

Dr. Edwin E. Witte, presently a visiting professor at Michigan State University, will speak at the conference luncheon on the current situation in labor relations. Witte, a professor emeritus of economics at the University of Wisconsin, has had over half a century's experience as student, teacher, and practitioner in industrial relations.

The conference program also includes an examination of "Recent Developments in Labor Law." Gerald Brown, regional director of the National Labor Relations Board, will review cases of importance to California labor and management. Two Bay Area attorneys will follow with a discussion of the implications of the decision in the recent *Garmon v. San Diego Building Trades Council* case.

Two panels are scheduled:

"Recession, Inflation, and Collective Bargaining." Dr. Earl F. Cheit, associate professor of economics and member of the Institute staff, and Commissioner Fay B. Dunnire of the Federal Mediation and Conciliation Service, will speak on general aspects of the subject. As part of the panel, labor and management representatives will report on the effect the recession has appeared to have had on negotiations.

Morse, Ruttenberg to Speak On Consumer's Problems At Asilomar Conference

Senator Wayne Morse and Stanley Ruttenberg, AFL-CIO director of research, will be two of the principal speakers at a labor conference on Unemployment and the Consumer scheduled for June 13-15.

Presented by the Institute in cooperation with the Consumers Union, the three-day meeting will be held at Asilomar.

Colston Warne, president of the Consumers Union, will make an opening address, Friday evening, June 13. He will survey "The Outlook for the Consumer," commenting in particular on trends in wages and prices and in quantity and quality of consumer goods.

Ruttenberg will speak Saturday morning on "How to End the Recession." Senator Morse will address the conference banquet the same evening on "Congress and the Consumer."

Other conference speakers include: Persia Campbell, consumer consultant to Governor Averell Harriman; Mildred Brady, West Coast consumer consultant; Sidney Margolius, consumer consultant to labor groups.

The conference is open to the public without registration fee. Those interested in attending should contact John Hutchinson, ASHberry 3-6000, extension 8571.

Accommodation is available at Asilomar Hotel for from \$6.50 to \$9 a person a day, American plan.

Management Meeting To Be September 2-5

The 10th Annual Summer Management Conference will be held September 2-5 at Asilomar.

Several subjects will be dealt with this year: general economic conditions in America, Soviet economy and management practices, pressures toward conformity in modern industrial organizations, and new developments in organization and decision theory.

Dr. Mason Haire is chairman of the 1958 conference. Working with the Institute is a committee from Bay Area management, including J. W. Bristow, V. H. Brown, J. H. Clinton, R. R. Grunsky, G. C. Henry, W. L. Ingraham, E. D. Maloney, J. B. McCowan, T. R. Sandberg, W. H. Smith, C. T. Spivey, R. C. Thumann, and E. A. Woodside.

Proceedings will open with consideration of present and possible future economic conditions in the United States.

Dr. Abram Bergson of Harvard and Dr. Walter Galenson and Dr. Gregory Grossman of the University will then attempt to bring domestic problems into perspective by examining the radically different Russian system.

The conference will also consider the pressures on the individual in modern industrial organizations and will hear reports on psychological and sociological studies of the problems of conformity in our society.

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CURRENT RESEARCH PROJECTS

The Institute has received a three-year grant from the Foundation for Research in Human Behavior for a study of *the process of growth in industrial organizations*, to be directed by Dr. Mason Haire.

Haire suggests that size, shape, and function are inextricably interrelated in industrial organizations, just as they are in biological organisms, and that a satisfactory theory of the growth of the firm can be developed only as we take explicit account of this interdependence.

He proposes to approach the problem of growth both theoretically and empirically, with a view to relating theoretical concepts to the changes that have actually occurred in a selected group of firms as they have expanded in size. Some of the practical questions that will be asked are:

- 1) What sectors of management increase most rapidly as the firm grows?
- 2) At what stages of growth do various levels of authority appear?
- 3) What economies or wastes tend to develop (in terms of allocation of personnel) in the course of growth?
- 4) How does growth differ within and between industry groups?

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The Institute's Oral Industrial Relations History Project, conducted by Dr. Corinne Gilb, is now in its second year.

The project, which takes the form of lengthy tape-recorded interviews with individuals who have played important roles in industrial relations on the West Coast, is being carried out in cooperation with the Institute of Industrial Relations on the Los Angeles campus.

Completed interviews run from 350 to 600 typewritten pages and are deposited in the libraries of the two Institutes, to be made available to qualified scholars in accordance with the stipulations of the interviewees.

Interviews have been completed with Warren K. Billings, Seth Brown, Roger Lapham, Jenny Matyas, and Paul St. Sure. Others are being conducted.

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One of the most interesting of the Institute's current research projects is Dr. Philip Selznick's study, *the changing nature of job rights*, which is being approached from the point of view of the sociology of the law. Closely related to Selznick's project is Howard Vollmer's study of workers' attitudes toward their jobs in selected Bay Area plants.

RECENT INSTITUTE PUBLICATIONS

Collective Bargaining Series

Industrial Relations in the West Coast Maritime Industry, by Betty V. H. Schneider. Owing to widespread interest in the maritime industry, the Institute has published a special addition to its recently completed series of monographs on Pacific Coast collective bargaining.

Dr. Schneider, co-author of an earlier issue on longshoring, reviews the history of unionism and bargaining in the seagoing sector of the maritime industry and examines some of the special problems the shipowners and seven participating unions have had to face in their efforts to work out mutually satisfactory relationships. The 83-page booklet gives special attention to the causes and effects of the serious interunion conflicts, both among seamen and among seamen and longshoremen, which plagued the industry from the late thirties until recent years.

The ten preceding issues in the West Coast Collective Bargaining Series were concerned with agriculture, nonfactory unionism, and the Teamsters Union, and with the motion picture, construction, nonferrous metals, lumber, longshore, aircraft, and Hawaiian sugar industries.

(Single copies, 50 cents; complete series, \$4.50; 10 or more copies of a single issue, 40 cents a copy.)

Reprints

Trends and Current Issues in Social Insurance, by Herman M. and Anne R. Somers (No. 97). The authors undertake to identify some of the major trends which have emerged from American social insurance experience over the past 20 years and the important policy issues which have arisen.

Plant Relocation and Job Security: A Case Study, by Margaret S. Gordon and Ann H. McCorry (No. 98). A large automobile plant in the San Francisco area discontinued production in 1954 and, by agreement with the UAW, offered its 1450 production workers a choice between transfer to the firm's Los Angeles plant, with retention of seniority rights, or indefinite layoff. The factors that influenced the decisions of the workers to transfer or not to transfer form the focus of the study.

Myth and Reality in Workmen's Compensation, by Herman M. Somers (No. 99). In a paper delivered at the 1956 meeting of the International Association of Industrial Accident Boards and Commissions, Somers stresses the growing problem of overlapping between workmen's compensation and other public and private programs providing benefits for the disabled.

Reflections on the Writing of Labor History, by Walter Galenson (No. 100). The author discusses the development of scholarly research in American labor history and concludes that the analysis of labor institutions is still in an "underdeveloped state" in this country.

The Use of Psychology in Industry: A Trade Union Point of View, by William Gomberg (No. 101). In this thoughtful and outspoken paper, Gomberg, who served as a member of the Institute staff during the summer of 1957, raises some basic questions about the system of values that underlies the use of psychology in industry.

A Structural Model of the U.S. Labor Market, by Orme W. Phelps (No. 102). Starting with the premise that the U.S. labor market is an "institutional market differentiated by structure," and that only in this context can the process of wage-determination be adequately analyzed, Phelps discusses the characteristics of the "structured" and "unstructured" sectors of the market.

(Single copies free; additional copies 20 cents each.)

Popular Pamphlet on Automation Due May 29

Automation: Technology's New Face, by Jack Rogers. The newest addition to the Institute's Popular Pamphlet Series, scheduled to be off the press May 29, will be welcomed by those who have been waiting for a brief and readable discussion of both the technical and economic aspects of automation.

Dr. Rogers, who is trained in both engineering and industrial economics, is particularly qualified to deal with his subject. Humorous illustrations have been drawn for the text by the well-known cartoonist, Bill Tara.

(Single copies, 50 cents; 10-99 copies, 40 cents a copy; 100 or more, 30 cents a copy.)

Wage Bargaining in a Recession

by Arthur M. Ross, Director

(NOTE: Mr. Ross' observations in this column represent his personal views and should not be regarded as opinions of the Institute or the University.)

Many of the largest collective bargaining contracts are being negotiated this spring and summer, including those throughout the auto industry. In the San Francisco area, the trucking, department store, and shipping contracts are open in their entirety; in addition, there are wage reopeners too numerous to mention.

Negotiators are displaying considerable hesitancy about making wage settlements. Their caution can be explained by a desire to see the results of "key" bargains elsewhere and to wait for additional evidence concerning the length and depth of the recession.

It is fashionable to say that "this recession is different." Therefore it might be interesting to note the ways in which the present recession is different from other recent ones, and the ways in which it is similar.

Retail and wholesale prices

The point about rising unemployment and rising prices at the same time can be exaggerated. Unemployment was at its low point in October 1957. Between October and February (latest figures available), retail and wholesale prices rose by about one per cent. By way of comparison, wholesale prices rose slightly in the 1954 recession; retail prices remained at the same level. In 1949-50, on the other hand, there were declines in both wholesale and retail levels.

Degree of decline

Unemployment is only one measure of recession, of course, but a convenient one. Since October 1957 unemployment has doubled, reaching 5,200,000, or 7.7 per cent of the total labor force, in March 1958. Comparable ratios were 5.8 per cent in March 1954 (after five months of economic decline) and 7.6 per cent in February 1950 (after 16 months of decline).

Incidentally, the ratio between unemployment and the total labor force is not really very significant. Large sectors of the labor force are not subject to this particular risk. Unemployment in proportion to the total number of wage and salary earners has greater meaning. This proportion was 10.2 per cent in March 1958, compared with 7.8 per cent in March 1954 and 10.6 per cent in February 1950.

Long-run outlook

One major difference is that the 1949 and 1954 recessions were surrounded by a long-run wave of capital expansion. Today there is strong evidence that capital growth (plant expansion, etc.) will continue to taper off for the time being. The prevalent fear is not only that the recession may well become deeper, but also that recovery will be slow and incomplete.

Deferred wage increases

Probably the most important difference affecting wage determination is the prominence of deferred wage increases coming due in 1958 under long-term agreements negotiated previously. The BLS states that "approximately four million workers in about 530 major bargaining situations" will receive such increases in 1958. Doubtless there are many more covered by smaller contracts. More than 80 per cent of these deferred increases will lie between seven and ten cents per hour—including those in steel, railroads, and meat packing. Many of these workers are also covered by cost-of-living escalator clauses. This is our first recession year in which deferred increases and cost-of-living clauses have been so prominent. Clearly they will have a substantial effect on wage adjustments in many industries. For this reason, previous recession years offer little reliable guide as to what will happen this time.

Wage adjustments in 1954 and 1949

It is difficult to generalize about wage movements in those years because nothing like a uniform "pattern" emerged. However, increases in the vicinity of five cents per hour were negotiated in many leading companies in 1954. (This was the amount of the steel settlement, and the "annual improvement factor" in the auto industry.) According to the *Monthly Labor Review*, 1954 was also notable for "the extent to which supplementary benefits, particularly pensions, health and welfare plans and vacations, were liberalized." Sometimes 1949 is called a "no-increase" year; actually about one-third of all organized workers received adjustments, generally less than 10 cents per hour. The year is known chiefly for the spread of health and welfare and industrial pension plans in the mass-production industries.

Just as wage increases in 1954 exceeded those in 1949, adjustments in 1958 will considerably exceed those of 1954. One of the chief reasons will be the

influence of long-term agreements. This conclusion, of course, is a broad, average, and general proposition. Every specific case has its own particular facts and circumstances, and many adjustments will be below and above the average.

Industrial conflict

Some observers have predicted that 1958 will be a year of many big strikes. This is most doubtful, in my opinion. Cycles of industrial conflict generally correspond with those of business activity. In 1954 only 0.21 per cent of working time was lost because of stoppages; this was the lowest in recent history. The ratio was higher (0.59 per cent) in 1949, but mainly because of industrywide steel and coal strikes. It is true that certain strikes in 1958 (e.g., Hawaiian sugar industry, Western Air Lines) are quite prolonged. The extent of work stoppages as a whole, however, probably will be moderate.

Institute Staff Notes

Five members of the Institute's research staff will participate in a three-day conference on "Labor in a Free Society" to be held this month at Arden House in New York State. Walter Galenson, Chancellor Clark Kerr, Seymour M. Lipset, Arthur M. Ross, and Philip Selznick will attend. The conference will bring together leaders from management, labor, government, journalism, and the academic world.

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Margaret S. Gordon, associate director of the Institute, has been asked to serve as a member of the County Committee on Aging appointed by the Federation of Community Services of Alameda County. The committee is investigating the problems of older people in the county, with a view to developing recommendations for expanded services and possibly for specialized housing facilities.

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Reinhard Bendix has been appointed chairman of the University's Department of Sociology and Social Institutions. He will continue as a member of the Institute staff and is presently working on a study of *class relations and industrialization*. The process of industrialization will be analyzed along the lines implied in his *Work and Authority in Industry* (New York, 1956), while the second part of the study will deal specifically with the experience of Germany.

ITEMS OF INTEREST . . .

Institute Plans TV Series

Television may soon provide a new outlet for Community Services activities of the Institute. Staff members Virginia Smith, John Hutchinson, and Robert Raschen are currently planning a 13-week series of programs with KQED of San Francisco.

Under Institute sponsorship, programs of half-hour length would feature discussions of various aspects of industrial relations by experts from labor, management, and the University faculty.

Program details will be announced.

IR Alumni Association Trip

As part of their June meeting, members of the Industrial Relations Alumni Association will tour the new Ford plant at Milpitas.

Afterward, a Ford representative will describe the firm's personnel and industrial relations policies.

The tour, followed by the Association's regular dinner meeting, is open to members and guests. Anyone who has earned a Certificate of Industrial Relations or who has completed more than half the certificate requirement work may join the organization.

Teachers Program Aug. 4-8

The third annual conference given for the California State Federation of Teachers will be held August 4-8 on the Berkeley campus.

As in last year's program, a one-unit credit course will be included.

State Mediators Conference

The annual conference of the Association of State Mediation Agencies will be held in cooperation with the Institute on July 14-16 at Monterey.

Over fifty representatives of state and Canadian mediation and conciliation agencies will attend for the purpose of

discussing techniques and processes of dispute adjustment and reviewing contributions made by the agencies to collective bargaining.

The keynote address will be given by Arthur M. Ross, director of the Institute, who will speak on the effect of collective bargaining trends on mediation.

Six IR Certificates Awarded

Since January, Certificates of Industrial Relations have been awarded by the Institute to: William J. Burke, Stauffer Chemical; John F. Cody, Southern Pacific; Oyvind Frock, Pacific Cement and Aggregates; Paul W. Loze, Pacific Telephone and Telegraph; Norman M. Molesko, Marchant Calculators; Donald G. Phinney, Western Electric.

Certificate holders have completed eight University Extension courses on various aspects of industrial relations, personnel administration, and organization and management.

Management Seminars

A review of the current economic situation was presented by Eliot J. Swan, first vice president of the Federal Reserve Bank of San Francisco at the March meeting of the Industrial Relations Seminar.

Management-University Seminar members devoted their April session to Dr. Philip Selznick's new book, *Leadership in Administration*. The discussion was opened by K. C. Christensen, treasurer of Pacific Gas and Electric.

The April 1 meeting of Supervisors Forum was given over to role-playing, utilizing the experiences of Forum members. Dr. Mason Haire described his book, *Psychology in Management*, at the Forum's April 29 meeting.

ANG Training Seminar

A training seminar for California and Nevada officers of the American News-

paper Guild will be held July 31-August 3.

Meetings will be located at the Marine Cooks and Stewards training school near Santa Rosa.

Management Meeting

(Continued from page 1)

Finally, developments in the theory and techniques of decision making will be discussed by a group of experts including Dr. C. West Churchman of the University, Dr. Richard Rudner of Michigan State, and Dr. Herbert Northrup of General Electric.

The conference is jointly sponsored by the Institute and the School of Business Administration.

Labor Relations Conference

(Continued from page 1)

"Labor Relations and the White Collar Worker." Dr. Mason Haire, associate professor of psychology and member of the Institute staff, will be chairman and principal speaker. Other participants have been drawn from local companies and unions.

Organizations cooperating with the Institute in presenting the conference are: the American Arbitration Association, Alameda County Labor Council, California Metal Trades Association, California State Federation of Labor, Distributors Association of Northern California, Federated Employers of San Francisco, National Academy of Arbitrators, San Francisco Employers Council, San Francisco Industrial Union Council, United Employers, Inc., and University School of Business Administration.

The Labor Relations and Arbitration Conference, given through the facilities of University Extension, is open to the public. The registration fee, including luncheon, is \$10. Reservations may be made by contacting Virginia B. Smith at the Institute, ASHberry 3-4642.

INSTITUTE OF INDUSTRIAL RELATIONS BULLETIN

Published bimonthly during the academic year by the

Institute of Industrial Relations
University of California
Berkeley 4, California

Director: Arthur M. Ross

Editor: B. V. H. Schneider

Non-profit
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U.S. Postage Paid
Berkeley, Calif.
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