

INSTITUTE OF INDUSTRIAL RELATIONS BULLETIN

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May 1963

INDUSTRIAL RELATIONS CONFERENCE



William G. Caples



David L. Cole



Jack T. Conway



Paul Hall

The Public Interest in Labor Relations

For more than a dozen years the Institute of Industrial Relations has been sponsoring annual Industrial Relations Conferences. I believe that this year's Conference will be the most significant we have ever conducted.

Basic questions concerning our industrial relations system are being posed more insistently today than for many years. These questions are brought to a head by the accelerating impact of technology, persistent tension concerning job security and economic efficiency, excessive unemployment, apprehension over the danger of inflation, and concern over emergency disputes, particularly in transportation industries.

Under the circumstances, it is essential to clarify the responsibilities of employers, unions, and government in the handling of industrial relations problems. We must determine whether collective bargaining is adequate to perform the tasks which are expected of it. We must redefine the conditions under which government should interfere or should stay its hand.

I am especially pleased that such an excellent group of speakers have agreed to participate in our Conference this year. I am confident they will make an incisive and constructive contribution to the solution of these problems.

—ARTHUR M. ROSS, *Director*



J. Keith Mann



Herbert Messer



Harry Polland



J. Paul St. Sure

The Program and Principal Speakers

The Institute's annual Industrial Relations Conference will be held from 9:30 a.m. to 9 p.m., Tuesday, May 28, at the Fairmont Hotel in San Francisco.

Following registration in the Gold Room and an opening address by Dr. Ross, Jack T. Conway, Executive Assistant to the President of the Industrial Union Department, AFL-CIO, will speak on **Ideological Obsolescence in Collective Bargaining**.

At 11 a.m. a debate will be presented on **The Pros and Cons of Compulsory Arbitration**. J. Paul St. Sure, President of the Pacific Maritime Association, will take the affirmative side. The negative position will be taken by Paul Hall, President of the Seafarers International Union and the Maritime Trades Department, AFL-CIO.

William G. Caples will speak after lunch on **New Responsibilities of Management and Labor**. Caples is Vice President of the Inland Steel Company and Consultant to the President's Advisory Committee on Labor-Management Policy.

A panel will follow: **Frontier Areas of Industrial Relations**. J. Keith Mann, Professor of Law at Stanford University and Chairman of the Presidential Emergency Board on the Southern Pacific dispute, will speak on "Job Security and Collective Bargaining." Harry Polland, San Francisco labor economist, will discuss "The Issue of Shorter Working Hours." Herbert Messer, Supervisor of Wage and Salary Administration at Kaiser Industries, will conclude with a speech on "The Kaiser-Steelworkers Long-Range Plan."

After a reception and dinner, David L. Cole will speak on **The Quest for Industrial Peace**. Cole is a member of the President's Advisory Committee on Labor-Management Policy, the arbitrator of jurisdictional questions for the AFL-CIO, and permanent arbitrator for numerous industries.

The Industrial Relations Conference is open to all interested persons. The fee for the day, including lunch and dinner, is \$15. Further information may be obtained by phoning THornwall 5-6000, Ext. 2571.

May 28 • Fairmont Hotel • San Francisco

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CURRENT RESEARCH ACTIVITIES

Following publication of the May 1963 issue of *INDUSTRIAL RELATIONS*, Professor George Strauss will become Managing Editor of the journal, succeeding Dr. Margaret S. Gordon, who will be in Europe from July 1963 to January 1964, conducting a study of European retraining programs and related labor market adjustment policies.

George Strauss joined the faculty of the University of California in the fall of 1962 as Professor of Business Administration and Research Economist in the Institute of Industrial Relations. He is well known for his writings on personnel problems, studies of local unions, and more recent writings on management and organizational problems. His article on "The Shifting Power Balance in the Plant," in the May 1962 issue of *INDUSTRIAL RELATIONS*, attracted wide attention and the Institute has had numerous and continuing requests for reprints. He is also the author of "Professionalism and Occupational Associations," which will be the leading article in a symposium on Professional Workers in Industry in the May 1963 issue of the journal.

* * *

Mrs. Gordon's study of European retraining programs is jointly sponsored by the Office of Manpower, Automation, and Training, U.S. Department of Labor, and the Institute of Industrial Relations under its four-year Ford Foundation grant for studies of Unemployment and the American Economy. The study will include Great Britain, France, Belgium, West Germany, and Sweden. The Netherlands, Austria, Switzerland, and Italy may also be included.

Mrs. Gordon's husband, Professor R. A. Gordon, who has served as Chairman of the Department of Economics for the last four years, will be in Europe with her and will also be conducting research under the project on Unemployment and the American Economy.

Professor Gordon's study is concerned with employment goals. While in Europe, he will be carrying out an intensive investigation of the way in which the employment goal is defined and implemented in a number of Western European countries. He has also been asked to lecture in Stockholm, Helsinki, and other centers.

INSTITUTE PUBLICATIONS

RECENT REPRINTS

Rule of Law in Industry: Seniority Rights, by Philip Selznick and Howard Vollmer (No. 189)

Dead Horse and the Featherbird: The Specter of Useless Work, by Paul Jacobs (No. 190)

Prosperity and Labor Relations in Europe: The Case of West Germany, by Arthur M. Ross (No. 191)

The New Industrial Relations in Britain, by Arthur M. Ross (No. 192)

Tactics of Lateral Relationship: The Purchasing Agent, by George Strauss (No. 193)

Medical Care Under Workmen's Compensation, by Earl F. Cheit (No. 194)

Prosperity and Labor Relations in Western Europe: Italy and France, by Arthur M. Ross (No. 195)

Strains and Accommodations in Industrial Research Organisations in the United States, by William Kornhauser (No. 196)

Investment Criteria and Empirical Evidence, by Harvey Leibenstein (No. 197)

Prosperity and British Industrial Relations, by Arthur M. Ross (No. 198)

U. S. Welfare Policies in Perspective, by Margaret S. Gordon (No. 199)

Cultural Patterns in the Role of the Manager, by Mason Haire, Edwin E. Ghiselli, and Lyman W. Porter (No. 200)

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

CONFERENCE PROCEEDINGS

Unemployment and the American Economy, proceedings of a national conference held in Berkeley, April 18-20, 1963 (a limited number available at \$1). Sponsored by the Institute of Industrial Relations and the Economics Department of the University of California, this conference was the first of four annual meetings planned as part of a research and evaluation project on Unemployment and the American Economy, which is being conducted under a four-year grant from the Ford Foundation. Approximately seventy-five scholars, government officials, and representatives of management, labor, and community organizations participated. Three major subjects were dealt with: retraining and labor market policies, the problem of expanding economic activity, and recent European experience. Principal speakers were: Seymour L. Wolfbein, Director of the Office of Manpower, Automation and Training, U. S. Department of Labor; William Haber, Chairman of the Department of Economics, University of Michigan; Walter W. Heller, Chairman of the President's Council of Economic Advisers; Otto Eckstein, Professor of Economics, Harvard University; Edmund G. Brown, Governor of California; Jack Downie, Chief Economist of the Organization for Economic Cooperation and Development; and Robert J. Myers, Deputy Commissioner of the Bureau of Labor Statistics, U. S. Department of Labor.

JOURNAL

Industrial Relations, Vol. 2, No. 3, May 1963. A symposium is presented on Professional Workers in Industry, with contributions from George Strauss, W. Lee Hansen, and Eldon J. Dvorak. Other articles include: "Hoffa's Acquisition of Industrial Power" by Ralph and Estelle James, "Job Reinstatement: France and the U.S." by Frederic Meyers, "Behavioral Scientists and Personnel Management" by Marvin D. Dunnette and Bernard M. Bass, and "Foreign Flags on U.S. Ships: Convenience or Necessity?" by Edward B. Shils and Sidney L. Miller, Jr.

The October 1963 issue will include a symposium on Attitudes Toward Monetary Rewards and Fringe Benefits by a group of industrial psychologists. Other articles: "Hoffa's Control Techniques in Collective Bargaining" by Ralph and Estelle James, "Worker Participation in Industrial Management in Israel" by Milton Derber, "Traditionalism and Democracy in Japanese Industry" by Kunio Odaka, and "The Moonlighter" by Harold L. Wilensky.

The February 1964 issue will feature a symposium on The Labor Policies of the Kennedy Administration.

(INDUSTRIAL RELATIONS is published three times a year, in October, February, and May. Prices: \$1.50 an issue; \$4.50 a year; \$10 for three years.)

RETRAINING AND LABOR MARKET POLICIES

William Haber

(The following is a condensation of the main points made in a speech given at the conference on Unemployment and the American Economy, April 18-20, at the University of California. The conference was attended by 75 national experts and was part of a four-year research project sponsored by the Institute of Industrial Relations and the Economics Department under a Ford Foundation grant. Dr. Haber is Chairman of the Department of Economics at the University of Michigan.)

Employment and unemployment in the minds of the public and political activists have become the most sensitive indices of the nation's economic health. We can expect that whenever the volume of joblessness for the nation as a whole suggests pathological manifestations, a host of legislative proposals will result and some legislative action—wise or not so wise—may follow.

That we shall need to know more and do more about our manpower is becoming increasingly clear. An ever-larger number of important decisions have manpower implications—national, regional, state, and local. And we may not be quite ready for the development of a labor market manpower policy. I am not certain that we even have a labor market philosophy, that we know what it is that we expect our programs to accomplish. In the manpower area the issues are more cloudy, since they involve, for example, the relation of the government to the economy, the employer, and the worker.

Nevertheless, it is becoming clear that the nation is increasingly involved in a manpower policy. Much that we do in other areas has overwhelming manpower implications. For example, witness the national "full employment policy" as expressed in the Employment Act of 1946, the work of the Council of Economic Advisers, the proposals of federal aid to education at all levels and for a Youth Employment Act, the national and state programs to reduce job discrimination, and our preoccupation with the quantity and quality of scientific manpower.

Technological forces operating in our economy are bound to emphasize these developments. The "withering away" of occupations will provide a major trial for millions of workers and a real test of education, training, and placement services.

ARA and MDTA

However, recent excitement is not primarily over the result of long-term devel-

opments which may lead eventually to a national manpower policy and comprehensive local labor market policies. Concern is centered on what has been referred to as "creeping unemployment" or "unemployment during prosperity." The "crisis" is not very dramatic or catastrophic, except for those affected; it involves an upward drift of unemployment rates since 1957, the existence of persistent hard-core unemployment, and increasing difficulty in finding jobs for the unskilled and the less educated. These factors have led to the adoption for the first time of a federally financed retraining program.

The Area Redevelopment Administration of 1961, among its other authorizations for redevelopment grants and loans, was provided with a small sum for retraining and pay allowances. The Manpower Development and Training Act followed in 1962 with an ambitious \$600 million program. It was estimated that about 560,000 persons might be trained during three years.

The difficulty of such a task cannot be underestimated. It is a challenging assignment to convert the unemployed: many displaced by technological changes in mines or industrial plants; most of them unskilled; many young with only a brief attachment to the labor force; others in the upper age brackets and difficult to retrain.

General Observations

It is impossible to generalize so soon about experience under the ARA and MDTA. On the other hand, some observations on training and retraining can be made without necessarily reflecting on operations under the Acts.

1. We should deflate the exaggerated expectations of the retraining programs. Clearly they are worthwhile, but it would be an error to regard them as a solution, or even an important weapon, against unemployment.

2. The numbers of people who can be retrained is equally overstated. Initial experience in training and placing workers has been good, but the problem of the marginal worker has not yet been faced. Soon the program will have to deal with older workers, the harder to train, and the less educated.

3. Both programs have built-in limitations. Under the ARA only redevelopment areas are eligible and the maximum length of the training period is only 16 weeks. Under MDTA all training must be strictly job-oriented. Rigid interpretation

would preclude the teaching of reading and writing. Many of the unemployed cannot be placed in jobs, however, unless they have enough education to be functionally literate. Furthermore, the maximum limitation of training to 52 weeks under MDTA is clearly insufficient to permit training of technicians.

4. Young people represent a disproportionate number among the unemployed. The limitations on youth under the MDTA may bar many from an opportunity to learn now and thus complicate their occupational careers later.

5. The failure of Congress to include relocation allowances may in fact be a serious limitation. The factors which discourage job mobility are many and weighty. Allowances, when adopted, should be adequately circumscribed, but I am not certain how restrictive they should be.

6. It is clear from the limited experience with the retraining program that the prevailing vocational education system is in need of many reforms.

7. Payment of subsistence to those in training represents a great step forward and it would be desirable if such payments could be continued when the legislation expires. Perhaps as a consequence of MDTA, state unemployment insurance laws will be changed to permit wage earners to receive benefits while attending approved courses. Seventeen states have revised their legislation to make this possible, but many of these laws are still quite restrictive. I see no reason why state unemployment insurance funds should not also be used to pay tuition and other costs of occupational training when and if the federal legislation expires.

Conclusions

1. Whatever the shortcomings of the retraining programs, there can be no doubt that the development is highly desirable. The very presence of the program has provided real hope to thousands of people and may next year provide it to hundreds of thousands. The mere fact of public interest in the problem of joblessness is an important morale booster.

2. Even a cursory examination of the characteristics of the unemployed highlights the sad state of educational affairs. The gaps in basic education are overwhelming. It is shameful that such elementary ignorance should prevail and become a bar to employment for tens of thousands of people. The conquering of

(Continued on page 4)

ITEMS OF INTEREST . . .

Universities and Free Society

An unusual weekend seminar was held April 26-28 at the Marine Cooks and Stewards Training School. Sponsored by the Alameda County Central Labor Council and the Institute, the seminar dealt with "The Universities and the Free Society."

The general purpose of the meeting was to discuss the role of the university in a modern democracy, its relationship to the labor movement, and the opportunities for both in the development of higher learning under conditions of maximum freedom.

The speakers were: Chancellor Edward Strong, substituting for President Clark Kerr; Brendan Sexton, national officer of the United Auto Workers; Ben Seligman, Research Director for the Retail Clerks International Association; Robert M. Hutchins, President of the Fund for the Republic; and Donald Vial, Research Director for the California Labor Federation.

Mental Health Programs

A one-day conference on labor and mental health will be sponsored by the Institute on June 11 at the Extension Center in San Francisco. Participants will discuss mental health programs established by collective bargaining and the prospects for further progress through interunion and community-wide cooperation.

Salary Survey Seminar

A seminar will be held May 16 for participants in the Bay Area Exempt Salary Survey which is being sponsored by the Institute, the School of Business Administration, and the California Metal Trades Association. The survey covers managers, professionals, and similar groups which are exempt from provisions of the Fair Labor Standards Act.

IAM Conference

The third annual Institute conference for the International Association of Machinists will be held August 4-8 on the Berkeley campus. Problems in collective bargaining, grievance procedures, legislation, and international affairs will be discussed.

Management Skills

A new Institute seminar on Management Skills for Engineers and Scientists will start in the fall. Dates for the series will be announced later.

AFT Institute

The seventh annual institute for the American Federation of Teachers will be presented July 29 to August 2 on the Berkeley campus. Two one-unit courses will be offered in the fields of education and political science.

Personnel Administration

This month's meeting of the Personnel Administration Seminar will be held at 5:45 p.m., May 21, at the Leopard Cafe, San Francisco. Professor Gunnar Westerland, Director of the Business Research Institute at the Stockholm School of Economics, will speak on "Conflict and Cooperation in the Industrial Organization."

Leadership Training

A two-day leadership training institute for operating and nonoperating railroad brotherhood leaders was presented early in May. The group was addressed by: Harry Polland, San Francisco labor economist; Max Kossoris, Director of the U. S. Bureau of Labor Statistics in San Francisco; Ted Ellsworth, Administrator of Public Programs at the UCLA Institute; Keith Mann, Professor of Law at Stanford University; and Theodore Sabin, Professor of Psychology on the Berkeley campus.

Labor Market Policies

(Continued from page 3)

illiteracy should be part of our national policy.

3. We should not overlook the fact that in some occupational areas labor shortages may be related to wages and working conditions. This is said to be true for nursing, registered and practical. Training alone will not meet the existing shortage.

4. We need to be careful that large-scale nation-wide programs to retrain the unemployed do not impede the development of local programs or "on-the-job" training programs in business and industry.

5. In addition to the competence of retraining institutions and the availability of jobs, the effectiveness of a retraining program depends on a good, efficient, and widely accepted employment service. It will take much effort before most of the 1900 local employment offices achieve positions of acceptance and recognition. The work imposed by the MDTA should help to invigorate them, however.

Summary

The country sorely needs a national manpower program. Bits and pieces of such a program are strewn over the economic landscape. The heart of such a program must be full employment. Unless more jobs are developed, all other measures are palliatives which evade and avoid the only solution to unemployment consistent with a job economy. We also need a labor market policy. Too much of what we do had its origin during the Great Depression or has been created in response to an emergency. Manpower may well be the limiting factor in our economic growth at all times. It should not be neglected and millions left without adequate basic education, ill-equipped for the occupational requirements of the times, and without proper counseling and direction. Perhaps in the present critical situation we may begin to take the necessary steps toward creation of a national manpower program.

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