

IR NEWS

A NEWSLETTER FOR FRIENDS OF THE

INSTITUTE OF INDUSTRIAL RELATIONS AT UCLA

IR NEWS is a publication of the Institute of Industrial Relations in cooperation with the Industrial Relations Alumni Association. Its purpose is to acquaint persons interested in industrial relations with current research and educational programs — with particular emphasis on those in Southern California.

OCTOBER, 1958

DR. MELVILLE DALTON TO SPEAK AT SAN DIEGO AWARD DINNER

One of the leading scholars in the field of industrial sociology, Dr. Melville Dalton, will be the featured speaker at the annual San Diego Award Dinner on Friday, October 17, 1958. Under the title "Of Managers as Men," he will describe how and why formal organizational plans and directives are modified in actual practice. Dr. Dalton has had wide experience at several levels of operation in a variety of occupations. Additionally he has done much research in industry which has led to publication of such articles as "The Industrial 'Rate-Buster': A Characterization," "The Role of Supervision," and "Managing the Managers," and he is nearing com-

pletion of a book, *Men Who Manage*.

He received a Ph.D. in Sociology from the University of Chicago and has taught at the University of Kansas and Washington University, St. Louis. On the UCLA faculty since 1953, he is now Associate Professor in the Department of Sociology and Associate Research Sociologist with the Institute of Industrial Relations.

The dinner will serve as an occasion to honor the following persons who have completed the Certificate Program in Industrial Relations and who will receive their certificates at this time:

Wilbur E. Aiken
Roy T. Bailey
Norman D. Baird
William E. Beyrer
Jack H. Denson
Paul O. Dunn
Joe Howard Grisham

James Edward Hanratty
Robert P. Lorenz
O. C. Moore, Jr.
Richard L. Mulligan
Robert E. Nicholson
Bernard Randall
Della B. Ruhnaw

Warren K. Thomas
Aaron G. Todd, Jr.
Robin G. Southern
Dale George Walton
Wilmer F. Weidenfeller
Thomas C. Wilson, Jr.

Don't forget—reservations are required! Phone Belmont 2-7321 by October 15.

Time: Friday, Oct. 17: Social Hour 6:30 p.m.; Dinner, 7:00 p.m.

Place: Lafayette Hotel, San Diego
Cost: \$2.50 (including tax and tip)
Dress: Informal

RECENT PUBLICATIONS OF THE INSTITUTE OF INDUSTRIAL RELATIONS

The need to provide a means of publication for studies midway in length between its pamphlets and books has led the Institute of Industrial Relations to launch a new *Monograph Series*. The Monographs will receive a distinctive cover treatment.

Industrial Relations Monograph No. 1 is *Due Process on the Railroads: Revised Edition*, by Joseph Lazar. This study, originally published in 1953, has been brought up to date and enlarged. It is a codification and analysis of thousands of awards of the First Division of the National Railroad Adjustment Board dealing with due process in disciplinary matters. It discusses the general aspects of a fair and impartial hearing, the placing of charges, the giving of notice, the right of representation, the right to be present, the right to have evidence presented, the rights of confrontation and cross-examination, the hearing, and appeals. Price: 1-9 copies, \$1.25 per copy; 10-99 copies, \$1.00 per copy; 100 or more, 75 cents per copy (California residents add 4% sales tax).

Industrial Relations Monograph No. 2 is *Right-to-Work Laws: A Study in Conflict*, by Paul Sultan. This publication deals with a timely issue. It is written for the general reader, rather than the specialist, and provides a wealth of background material, as well as a balanced statement and analysis of the arguments advanced by those favoring and opposing right-to-work laws. It also considers the general problem of union security in its economic, social, and legal contexts. The subjects dealt with are: sources of the right-to-work conflict, a history of the union-security controversy, judicial standards, the contemporary campaign, the pros and cons, some conceptual aspects of right-to-work, the membership's legal responsibility to its union, the union's responsibility to the membership, democracy and compulsory unionism, and conclusions. Price: 1-9 copies, \$1.75 per copy; 10-99 copies, \$1.50 per copy; 100 or more, \$1.25 per copy (California residents add 4% sales tax).

The following articles recently published by Institute staff members appear in the Reprint Series. Complimentary copies of these reprints are obtainable from the Institute (University of California, Los Angeles 24); additional copies may be obtained for 20 cents each.

Leadership: A Frame of Reference, Reprint No. 68 by Robert Tannenbaum and Fred Massarik. This publication presents a new frame of reference with respect to leadership problems, taking into account not only the "leader" but also the follower with his own problems, attitudes, and needs.

How to Choose a Leadership Pattern, Reprint No. 69, by Robert Tannenbaum and Warren H. Schmidt. The authors discuss the modern manager and the approaches he takes toward the problems of leadership. Emphasis is on the emerging concept of "group dynamics" with its focus on members of the group.

The Politics of the West Coast Teamsters and Truckers, Reprint No. 70, by Irving Bernstein. The author discusses the recent inner conflicts, policies, and problems of the West Coast Teamsters and trucking employers.

Amending the Taft-Hartley Act: A Decade of Frustration, Reprint No. 71, by Benjamin Aaron. This article attempts to explain the failure thus far to amend significantly the Taft-Hartley Act and assesses the chances for such amendment in the near future. It discusses how the Act, originally viewed as a "temporary affliction," came to achieve a more enduring status.

The Impacts of National Security Expenditure Upon the Stability and Growth of the American Economy, Reprint No. 72, by George H. Hildebrand and Norman V. Breckner. The authors evaluate the influence of national security expenditure on the American economy from the standpoints of stability and growth using such phenomena as the postwar recession of 1949-50 and the Korean war of 1950-53 as points of reference.

Unions and Civil Liberties: Claims vs. Performance, Reprint No. 74, by Benjamin Aaron. The author discusses the factors that have influenced trade-union policies and practices with respect to civil liberties and the federal loyalty-security program. He points to the considerable gap between the claims made by some unions of leadership in protecting civil liberties and the actual performances, and calls for a renewed effort by the entire labor movement.

LOS ANGELES CERTIFICATE AWARD DINNER SCHEDULED FOR NOV. 14

Persons who have completed eight courses in the Certificate Program in Industrial Relations are requested to keep open Friday evening, November 14, 1958. This evening has been scheduled for the Certificate Award Dinner. Friends and relatives of those receiving their awards, as well as all members and alumni of the Certificate Program, will be invited to attend.

Specific information concerning the program, featured speaker, time, and place will be sent at a later date.

Those who have completed the required courses are as follows: Henry E. Boehm, John R. Bradley, Thomas B. Brennan, Edmund L. Burke, Rex Blythe Christensen, Mervin V. Comstock, William F. Cone, Virginia M. Daly, Betty L. Folger, Robert C. Gilliam, Justus Gromme, Roy A. Hahn, Andrew Hallenberg, William Hehl Holmes,

Claude Daniel Huizing, Clyde E. Johnson, Don R. Kelly, Carlos A. Macis, Timothy E. McIntyre, Lucy C. McNulty, David P. Meeker, Kenneth R. Mills, Edward M. Minium, Walter G. Mizer, Edwin G. Morris, Robert E. Nay, Wayne E. Overleese, Nicholas V. Parrillo, Charles E. Richardson, Jr., Robert Ruckman, Edgar R. Shepherd, William Cunningham Short, Charles F. Smith, John H. Springer, Darwin Stockwell, Norman Strong, A. G. Subt, Gerald S. Swartout, Eric Teltscher, Joe Toyoshima, John Van Der Maalen, Spencer S. Voyne, Herbert C. Ward, Elise C. Williams, and Harland O. Winslow.

Any persons who have completed sufficient courses to qualify for a certificate but who are not listed above should contact Ted Ellsworth at BRAdshaw 2-6161, Extension 425.

NEW ADDITIONS TO INSTITUTE STAFF

The Institute of Industrial Relations is pleased to announce three important additions to its staff: a new Administrator of Public Programs and two additional research appointments.

Ted Ellsworth, the new Administrator of Public Programs, brings to the Institute a wealth of knowledge and experience in industrial relations. A graduate of Occidental College, he worked for many years in the motion picture industry. He is well known in labor circles as a result of his service for nearly a decade as business representative for the Motion Picture Costumers' Union. During the past seven years, he has gained an enviable reputation as the Administrator of the Motion Picture Health and Welfare Fund—one of the largest and best-run labor-management health insurance plans in the nation. Through his work as chairman of the Health Plan Consultants Committee, Ellsworth has made a significant contribution to raising the standards of health plan operation through his work with doctors, hospitals, unions, and management. Ellsworth serves on the Board of Directors of the American Hospital. In his new job, he will administer the Certificate Program in Industrial Relations, a program of which he was one of the first graduates

and in which he has served as the instructor of a number of courses. He will also be responsible for planning conferences, seminars, and lectures for labor-management and public groups.

Ellsworth replaces **Richard N. Baisden**, who leaves the Institute after seven years to accept the position of Assistant Director of University of California Extension. In his new job, Baisden will be responsible for stimulating the development of all types of adult education programs throughout Southern California.

Ralph Thayne Robson, Assistant Professor of Economics and Assistant Research Economist, comes to us from Harvard University where he has been working on the Project on Union-Management Relations for the Brookings Institution since 1955. He received his B.S. and M.S. at Utah State and his Ph.D. from Cornell.

Werner Flechtner joins the staff as a Graduate Research Economist for a one-year period through the Exchange Visitor Program. Flechtner is from Germany where he is a graduate of Munich University.

ITALY'S PROSPECTS FOR ECONOMIC PROSPERITY AND POLITICAL STABILITY

(Address before general membership of Town Hall, September 23, 1958 by Professor George H. Hildebrand, UCLA)

Italy today stands at the most prosperous level in her history, following a decade of unbroken economic expansion at rates of growth comparable with West Germany and Russia. This achievement was made under democratic political institutions. Indeed, the recent national elections, which passed off remarkably quietly, indicate the strength and stability of parliamentary government and the continuance of policies in force since the end of the war. To look ahead and assess the future of the Italian economy and political system, we must first look at the past, not to base a forecast upon the simple but dangerous expedient of projecting past trends, but to gain comprehension of the present position and problems of the country.

Modern Italy came into being in 1871, at the same time as modern Germany. In both cases nationalism brought together a diverse collection of small political units, divided by tradition and separated by local markets. Germany clearly had the lead in science, technology, large-scale industry, quality of labor force, and availability of resources and capital stock. Italy suffered from backwardness, coupled to the special problem of that impoverished region called the South and the Islands. While both nations enjoyed a remarkable fund of productive energy and creative talent, Italy was decidedly the poorer country and has remained so ever since.

On the economic side, the problem of both nations was similar: to build a modern industrial and trading economy, capable of yielding higher productivity and rising per capita real incomes. For Italy in particular, the enduring problem has been to transform peasant agriculture and petty trade and industry into an efficient collection of capitalistic enterprises, capable of raising productivity and incomes and of providing rewarding jobs for her growing population. This is still her primary economic task today. Her success in accomplishing it will have much to do with the future stability of free political institutions, indeed of her free society itself.

In 1957 gross national product in Italy rose to almost \$24 billion. Roughly, gross product per capita ran at about \$480, as against about \$2,500 for the United States, indicating an American advantage of about five to one. Italy is therefore a moderately poor nation, even though real income per head has been rising steadily and rapidly in the past decade. Industrial output has been rising by the remarkable rate of over 7 per cent per year, while savings constitute no less than 21 per cent of gross national output. Despite the American recession, Italian expansion has continued without interruption and with no evident impacts as yet from abroad.

Today, and indeed for the past twenty-five years, chronic unemployment remains the most pressing national problem. In 1957 there were about 1.9 million registered unemployed, and perhaps an equal number of persons working short-time or in jobs at very low rates of pay. Here again comparison with West Germany is highly instructive. In 1950 both nations were recovering from a lost war, with great losses to their productive systems. Their populations were about the same size and both were bending every effort to increase investment and output. West Germany had to accept an increase of four million in her labor force, mainly reflecting the influx of refugees from the East Zone, yet managed to cut unemployment by 900,000. By contrast, Italy also enjoyed remarkable expansion of output, but had only one million persons added to her labor force. Yet unemployment in Italy not only failed to drop, but actually rose by 115,000 persons between 1950 and 1957. Despite a drop of 200,000 unemployed in the past year and a half, massive unemployment remains in force. Why should Italy be plagued

by this peculiar difficulty despite the paradox of remarkable accompanying growth in output?

Many people say that the causes are excessive population growth or lack of capital to employ additional people. Yet the Italian birth rate and natural rate of increase in population are relatively low, while steady emigration of around 200,000 per year offers further relief to the labor market. Only in the South and in the Islands is population growth still a problem. As for capital shortage, this explains low productivity and incomes, but there is no necessary reason why limited capital should dictate chronic heavy unemployment.

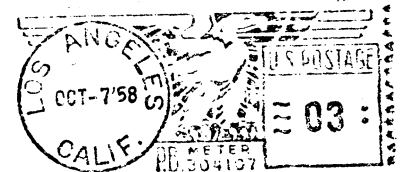
The basic reason for unemployment lies in the inadequate expansion of total demand for labor, which in turn centers in the striking failure of the advanced sector of industry to expand employment along with output. For this there are two main causes: rigid monopolistic pricing of the products of this technologically advanced sector and rapidly rising wage costs that give emphasis to investment in labor-saving forms of capital installations. Complicating this is the backwardness of the nonagricultural economy of the South, which poses special problems of its own.

Recently the government has attacked the unemployment problem by encouraging development in the South by means of new roads, flood control and irrigation projects, railway building, and credit advances to agricultural processing and resource development. So far, however, it has not frontally attacked the problems of price and wage policy in the industrial sphere.

Declining rates of increase in population and labor force, together with overall growth in total employment, have at last begun to reduce unemployment. If these tendencies continue, within two decades Italy may well face a labor shortage, although the problem of shifting employment into more progressive parts of the economy will remain. To realize this desirable outcome, along with higher productivity and individual incomes, certain side-conditions must also be continuously present: (1) no serious interruption of the present course of strong economic expansion; (2) no marked decline in the existing rate of annual net emigration; (3) continuance of the existing relatively low natural rate of increase in population; and (4) continued high rates of saving, investment, and capital formation.

As for the future of the Italian democratic political system, it appears quite secure so long as the hazards of war, depression, and inflation can be avoided. This, of course, requires strong and competent political leadership, adequate to hold off the threat of minority groups who favor totalitarian dictatorship either of the right or the left. To the extent that Italy is mistress of her own fate, the political outlook is encouraging. The country has enjoyed an unprecedented long boom and continues to show great resiliency. The Italian people in the main have had enough of dictatorship and so have steadily resisted appeals of this nature. If the outside world can keep free of war and depression, Italy should be able to continue the rapid development of her economy, in that way gradually resolving the problems of poverty and massive unemployment, thereby making secure her enlarging place in the free world. Granting that quantitatively her place in that world is small, her adherence to the cause of freedom is of great weight, given her decisive roles as contributor to Western civilization and as example to other poor countries seeking to resolve their own difficult problems.

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