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RECKONING WITH COMPANY UNIONS:  
THE CASE OF THOMPSON PRODUCTS, 1934-1964

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THE CASE OF THOMPSON PRODUCTS, 1934-1964**

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Employee representation plans were a prevalent and controversial union-avoidance strategy of American managements during the 1920s and 1930s. The legal status of these plans was a critical issue for public policy and informed much of the debate over the Wagner Act and other New Deal labor legislation. Yet managers and industrial relations scholars eventually came to view the plans as a failure because most of them either were disestablished by the National Labor Relations Board or were taken over by national unions, as was the case at International Harvester and U.S. Steel. But one should be careful not to consign the strategy to the dustbin of 1930s labor history, since a surprising number of these plans not only pulled through that stormy decade but continued to function during the calmer years after the second World War and in some cases still do so today. So-called independent local unions (ILUs) survived the 1930s at a few large, multiplant companies (for example, AT&T, Du Pont, Texaco, Jersey Standard), several medium-sized firms (Dow Jones, Weirton Steel, Zenith Radio) and numerous small firms in the utilities, transportation, and manufacturing industries. In 1983, 479,000 workers belonged to some 1,500 ILUs, accounting for about 3 percent of total U.S. union membership. {1}

Very little is known about the workings of these ILUs or how they managed to surmount legal obstacles and competition from national unions during the heyday of unionism in the United States, the years from 1933 to 1960. This paper examines the history of independent local unions at Thompson Products Company, which, before its 1958 merger with Ramo-Wooldridge (creating TRW), encouraged the formation of ILUs at its U.S. manufacturing plants. Unlike AT&T or DuPont, Thompson was a relatively small company that had neither experience with company unions nor sophisticated personnel management practices before creating its first representation plan in 1934. Hence the longevity of Thompson's ILUs --some exist to this day --is impressive, particularly in light of the received and current wisdom that the company unions hastily created in the wake of the 1933

National Industrial Recovery Act were ineffectual organizations whose existence was "as ephemeral and short-lived as their World War I predecessors." {2}

Some of the usual limitations of a single-firm study apply in this case. But it is worth noting that Thompson's company unions received national attention during the 1940s because of the firm's repeated clashes with the NLRB and the War Labor Board as well as the prominence of its top officers in the management community. Frederick C. Crawford, Thompson's president and architect of its labor policies, was head of the National Association of Manufacturers during the 1940s, a time when the NAM transformed itself into the nation's leading management organization concerned with industrial relations issues. That is, although Thompson was neither a large firm nor one that had a distinguished history of personnel policy, it nevertheless served as a model for other companies struggling to avoid unions during the 1940s and 1950s. The Thompson story is therefore important in its own right and, more generally, because it sheds light on the history and functioning of company unions after passage of the Wagner Act.

Before turning to that story, one other point should be noted. Although ILUs today are an exotic species in U.S. labor relations, they are older cousins of the employee participation programs proliferating over the past twenty years. These programs have been quick to take hold, initially in the nonunion sector, and now are spreading to unionized firms as well. Employers tout them as integrative, collaborative approaches to employee relations that offer workers new channels for participation in decision making and that encourage them to cooperate with management in improving productivity. But their basic premise runs counter to that of the traditional adversarial model of bargaining; as a result, making these programs fit into unionized workplaces has not been easy. Critics contend that the programs sap worker interest in unionism and for this reason, suspicion of them lingers within the labor movement. {3}

On the assumption that some blend of the integrative and adversarial models is desirable and that this hybrid cannot easily be grafted onto traditional union or nonunion workplaces in the United States, industrial relations experts are beginning to investigate institutional forms that combine both models. Some have looked overseas to Japanese enterprise unions or to the European two-tier system of works councils cum industrywide bargaining, and called for similar forms of enterprise representation in the U.S. {4} Others have taken a revisionist look back at the company unions of the 1920s and found first, that some of them were "useful [and] reasonably assertive" and second, that the American Plan's combination of company unions, employment stabilization, and welfare benefits could have provided the flexibility that companies are seeking today had not this institutional nexus been extinguished by the Wagner Act and the rise of industrial unionism. This reasoning has led to recent calls to loosen the act's section 8(a)(2), which proscribes employer assistance to labor unions. {5} Hence, a close examination of the Thompson experience will also provide some grist for the policy mills of U.S. labor and management.

#### Thompson Products: An Overview

Founded in 1901 in Cleveland, Ohio, Thompson Products grew up alongside the motor vehicle industry by manufacturing auto parts (valves, bolts, rods, piston rings) for both the original equipment and the replacement markets. Aircraft engine parts became an increasingly important part of the company's line during the 1930s, and by 1940 it derived equal revenue from its three divisions. Military contracts caused the company to grow rapidly during the war; sales increased nearly sevenfold between 1939 and 1944. After a postwar slump Thompson's rapid growth resumed, fed by sales of aircraft parts, which accounted for half of the company's revenue in the 1950s. During the two decades after the 1958 merger with Ramo-Wooldridge (a West Coast manufacturer of missiles and other high-technology products), TRW expanded rapidly in a variety of industries

and had nearly 100 domestic plants by the early 1980s. {6}

Before the merger the company's operations were concentrated at three older plants in Cleveland (hereafter referred to as Main) and at a giant factory outside the city (TAPCO) that opened in 1942 to produce aircraft parts for the military. Thompson also owned a factory in Detroit and several smaller facilities at other locations. In 1939 the firm employed about 2,000 production workers at Main and 700 in Detroit, but by 1943, when it was hiring hundreds of new defense workers every month, employment at Main had risen to 5,600 workers, while TAPCO employed over 10,000. Shortly thereafter employment declined and stabilized in the 1950s with about 1,300 production workers at Main, 7,000 at TAPCO, and 900 in Detroit. Technology at the three locations was a blend of batch and mass production: skilled metalworkers were assisted by sizable groups of semiskilled and nonproduction workers. During the early 1940s, the Cleveland plants paid somewhat less than prevailing rates for the automotive and aircraft parts industries, although relative pay rose rapidly during the war. {7}

Before the 1930s Thompson lacked most of the accouterments of systematic personnel management. It had no personnel director -- workers were hired at the gate by foremen -- and no formal benefit programs. The company did sponsor a variety of social and athletic activities, including company picnics, baseball games, boxing matches, and Christmas baskets for families in need. Thompson's production manager, who oversaw employment during those years, was described by Crawford as "a man of big heart, [who] loved men and machinery [and] spent his time in the plant. Employment was never so large but what he knew them all personally. He loaned them money, helped them when they were sick." {8}

Two events in 1933 shook the firm out of its paternalistic complaisance: first, Fred Crawford took over as Thompson's president, and second, passage of the Recovery Act sparked the Cleveland labor movement. That year Fisher Body and White Motors were in the throes of union organizing drives, and Crawford became

determined to inoculate his company against unionism before it had a chance to take root. One of Crawford's first steps was to hire Raymond S. Livingstone to establish and direct a corporate personnel department. Livingstone initiated a code of personnel policies, a training course for supervisors, a central employment office, and three new membership organizations. First was the Old Guard Association, made of up of workers with over five years' service, who elected officers to administer a welfare loan fund (capitalized by the company and subsidized by plant vending machine receipts) and a social committee that planned picnics and the annual banquet at which Old Guard members received their service pins. Although Livingstone had only recently joined the firm, he became secretary of the Old Guard and held that post through the 1950s. The second was the Social and Recreation Club (SRC), whose members paid dues of 25 cents per month and whose elected officers oversaw the Club's myriad committees, including motorcycle, baseball, picnic, bowling, and dance. The third, the Thompson Products Employees Association, was an employee representation plan started in January 1934, ostensibly by the employees themselves, although Livingstone conceived the idea and loyal members of the Old Guard carried it out. {9}

Besides these formal programs, efforts to secure worker loyalty rested on Crawford's charismatic personality and Livingstone's meticulous concern with "preventing rather than settling labor disputes after they have arisen." Along with other top managers these two men mingled with employees at events outside the workplace -- Old Guard banquets, company picnics, and special parties -- as well as on the shopfloor, where Crawford's regular visits made workers feel that "little things which might be taken advantage of by the supervisor will come to the attention of the president. They also want him to drift up and say hello so they can go home and say to their wives that night, 'The president was through the shop tonight and he said hello to me.'" Crawford kept close abreast of workplace developments as did Livingstone, who refused to serve merely as a

staff advisor to line management. Instead his personnel department took "precedence in calling the plays" on all employment matters and got deeply involved in the day-to-day operation of the plants. {10}

Close monitoring of employee relations was both a policy decision and a consequence of propinquity and size. Thompson's midwestern plants were near enough to headquarters and, at least until the early 1940s, sufficiently small that top managers could stay in touch if they chose to do so. But as Thompson mushroomed during the war, its managers had to open up other channels. The firm created positions for "personnel representatives" (one for every thousand employees), who were to handle any and all employee problems and "correct irritations before they become major issues." They were instructed to "become intimately acquainted with as many employees as possible ... pass by each employee's machine at least twice a week ... [and] catch the eye of employees and smile as you pass them." In addition to serving as a key link in the company's downward communications system, the representatives were expected to keep abreast of union proclivities among workers by reporting to top management on "trends of thought developing in the organization." {11}

Management relied on a variety of media to get its point of view across. Each plant had a public address system that carried company announcements and music; distribution boxes for the company newspaper, Friendly Forum; and numerous bulletin boards displaying special memos to employees and press releases. At annual dinner meetings that nearly all employees attended, top officers discussed the firm's financial position and fielded questions from the audience. Thompson was one of the first U.S. companies to use the new technique of employee attitude testing, which helped to identify topics of discontent. Booklets distributed to employees outlined selected survey results and emphasized that most Thompson workers were satisfied with their jobs. But as useful as these media may have been, the company's preference, stated in a 1955

internal memorandum, was to develop a "favorable opinion among the employees" through "vocal and personal contact [as opposed to] printed bulletins." {12}

Thompson's communications machinery shifted into high gear during union organizing drives. The company published special brochures entitled "Let's Have the Truth!" in which it made point-by-point rebuttals of union claims. These were reprinted in flyers hung on plant bulletin boards, in special editions of the Friendly Forum, and in letters mailed to each employee's home. Thompson's campaign tactics were notably daring, deft - and swift. For example, when the NLRB announced late one Friday that it was setting aside election results at a Thompson plant, the news was published in special flyers that were immediately posted around the plant. On Monday, when UAW organizers handed out leaflets hailing the decision, "Thompson people shrugged it off as 'old stuff'." {13} On the shopfloor, personnel representatives and foremen tried to convince workers that national unions were unnecessary, which led to charges (upheld by the NLRB) that the representatives were coercing UAW supporters by offering them better jobs if they would quit the union. Finally, in each of the six NLRB elections held at Main and TAPCO between 1942 and 1947, Crawford and Livingstone delivered illegal captive audience speeches in the plants' cafeterias. This repeated flouting of the NLRB's strictures on campaign conduct made Crawford a hero for those advocating employer free speech during the 1940s. {14}

Taken singly, none of these activities was unique. But collectively they constituted an unusually comprehensive and dedicated effort to shape and monitor employee opinion. Few firms had a program of this scope during the 1940s and 1950s, and Thompson's moderate size made this all the more impressive. Moreover, its approach was based on a more coherent philosophy than that guiding most managements during this period. One of its elements can be termed authoritarian Mayoism or modern paternalism: a belief that workers wanted more from their jobs than money -- including personal recognition and treatment as intelligent adults

-- but along with this belief went the assumption that workers were followers, eager to attach their loyalties to strong institutions and leaders. As Crawford put it:

The working man today, more than ever before in this emotional age, wants someone interested in him, and if he thinks you are not interested in him he turns instinctively to find someone outside your plant who is ... The worker doesn't care about his pay and plant conditions. It is what he thinks about the honesty and square-shooting and directness of the boss who is over the plant, and his ability to meet him, talk to him, and know him.

But, said Crawford, the worker

... has one great weakness -- he is far too susceptible to emotional leadership. He will fall for any emotional bandwagon that comes along [because he is] starved for understanding and friendship and for the truth. He is tremendously confused right now...and is eager to be taught and led.

Crawford sought to exploit that weakness by spending much of his time speaking to employees and projecting the force of his ideas and his personality. One observer called him "a natural leader of tremendous vitality, self-assurance, and singleness of purpose." But there was more to the Thompson program than Crawford himself. At all levels of the organization, managers sought to convince workers that the company had their best interests at heart. As Crawford described it:

through direct contact with our employees have we found the way of keeping our intentions constantly before our people and the means by which the average worker can rise to that higher level of understanding which we desire between management and labor. {15}

The second element of the Thompson philosophy, following Alan Fox's terminology, was unitarianism: a stressing of the common objectives and values that unite the employer and the employee and make the enterprise an industrial community. Thompson managers repeatedly referred to employees as "members of the Thompson family" and tried to minimize status distinctions between managers and workers. According to Livingstone, the firm's personnel policies were guided by an effort "to eliminate class lines and have our relationships on a first name

basis." To workers, he was known as "Ray" and Crawford was known as "Fred." In a 1935 speech to the Old Guard, Crawford said:

All of us in this room are friends. We are all workmen. We all come in the morning and punch a clock and go to work and we all go home at night ... We both want lots of business; we both want lots of money; we both want the plant fixed up; we both want success for Thompson Products; we both want our pay raised; we both want our hours shortened. None of us is wholly satisfied.

Out of this sense of the ties that bound management and workers together came a view of national unions as outsiders and propagators of illegitimate and unnecessary conflict. In a debate with a Cleveland CIO official, Livingstone disparaged what he called "the outside professional union organizer":

His interest is not at all concerned with trying to build a better business so that there will be more to divide. His interest is in building a union ... Union heads meet in oak-paneled rooms. In these offices are big maps, and through the cigar smoke, union leaders point to them and say, "This plant must be organized. That plant must be struck. That industry must be closed down." Then, wires crackle all over the United States and edicts go forth to local union officers, and workmen in the plants have nothing to say at all about the making of such decisions. They all come from Washington and other cities far removed from the scene.

Linking this view to the question of representation, Crawford told a group of TAPCO workers:

You are voting as to whether you want to change [the present] leadership for outside leadership. That is the issue. You want this record of not a lost hour of work and all problems settled? Or do you want a record of brawls, and petty strife, and all the troubles that seem to follow when outside leadership comes in? {16}

Despite their implacable hostility toward "outside" unions, Thompson managers were willing, in fact eager, to deal with "inside" unions, which were easily assimilated into the firm's unitarian culture. Indeed, the strength of that culture had a lot to do with Thompson's ability to successfully propagate company unions. Not only in the 1930s, but during the 1940s and 1950s as well, ILUs appeared at Thompson facilities around the country. These ILUs were modeled after the ones at the company's flagship plants in Cleveland. Although disestablished by the NLRB and subject to stiff competition from the UAW, the

Cleveland ILUs proved remarkably resilient, in part because of how they evolved over time.

#### The TPEA, 1934-37

Early in 1934 the officers of the Old Guard Association called a meeting of Main plant workers interested in forming "an organization for all employees, no matter the length of service, who could present their problems to management; such matters as wages, hours, and working conditions." A week later 300 workers met in the company cafeteria, formed the Thompson Products Employees Association (TPEA), and elected a committee (headed by Bill Hoffman, a company auditor) to draft a constitution outlining the TPEA's structure. Like many post-NIRA company unions, the TPEA gave workers some rights that had been absent from previous representation plans: to vote on the constitution's ratification (80 percent approved it at a subsequent meeting); to vote for officers of the Committee of Employee Representatives (this took place annually during working hours and with ballots supplied by the company); and to have the option of membership in the TPEA (though no dues were collected or membership meetings held after January 1934). The seven CER officers and an equal number from management made up the Joint Council, which met monthly and whose executive secretary was the omnipresent Mr. Livingstone. Under a new grievance procedure, workers took their complaints to delegates appointed by the CER, and if the grievance could not be resolved by the worker's delegate and his foreman, it went to a CER member and his paired management representative. The third step in the procedure was the Joint Council. Provision was made for outside arbitration if the council could not resolve a grievance, although that never happened. {17}

The TPEA was a management-controlled organization. Its constitution barred strikes "or other independent action taken by employees or their representatives." Although it negotiated collective agreements --unlike over 80 percent of the company unions surveyed by the Bureau of Labor Statistics in 1935

--these contained little of substance. Each was written by management and presented to the CER for inspection and signing. None ever mentioned wages, and wage bargaining was the TPEA's greatest weakness. When the employee representatives asked for wage increases, management contended that no increase could be given at the time or that the council was not empowered to raise pay. The representatives usually did not press further. Both major pay increases between 1934 and 1937 coincided with outside union organizing -- in 1935, when the Machinists staged a strike at the company's small pin plant, and in 1937, when the UAW first appeared at Main. {18}

The TPEA had a better record in grievance handling and cooperative problemsolving. The company provided forms for filing grievances and the council kept track of their disposition. Most involved incentive pay, transfers, or health and safety. The majority that reached the council were settled in the worker's favor but few concerned discipline and dismissal. The council usually upheld dismissals without comment (as, for example, when a worker was fired for stealing a pair of pants), but on occasion it saw fit to say more, as in 1936, when it upheld two dismissals but told the foreman involved to give workers adequate warning of performance problems. Most of the council's time was spent discussing plantwide problems. TPEA representatives brought up proposals that either were refused by management or that resulted in joint policy announcements (on such topics as toilet facilities, drinking water, cafeteria prices, and rotation of employees on weekend work). The council also had joint subcommittees that periodically conducted studies and presented reports to the council on plant safety, sanitation, bonus pay, and area wage rates. Finally, management itself raised some issues but not for the council's action, as when it shared information on its expansion plans or announced new policies in areas both major (compensation) and minor (nurses at company sporting events). {19}

Despite its limitations, the TPEA was more active than many of the company unions analyzed by the BLS in 1935. It was able to discuss a variety of issues, and management kept it informed of most decisions affecting workers. But it never seriously challenged management or engaged in concerted action. Bill Hoffman, TPEA chairman, warned his fellow employees that "one of the quickest and surest means of endangering your job and pay envelope is to permit strike talk," and he asserted that the TPEA would never cause the company to lose business to competitors because of the association's "keen interest ... in the welfare of the company." Because management gave the TPEA's officers special favors and a measure of responsibility, they were willing to return favors when asked. Two pointed examples are when they helped the plant manager in "licking the trouble" that arose when new wage standards were introduced and when they gave the TPEA's imprimatur to strategically timed wage increases. {20}

#### The AAWA, 1937-42

Passage of the Wagner Act did not affect the TPEA, but the Supreme Court's Jones & Laughlin Steel decision in April 1937 brought major changes. Propelling them was a UAW organizing drive that had begun at Thompson's Detroit plant in January and then spread to Cleveland. In the heat of a sit-down strike of 50 workers in February, the Detroit plant manager signed a contract with the UAW, the first in the union's history. (Several days later, he offered to resign and to apologize personally to Ford Motor Company's Charles Sorenson for what he had done, but Livingstone persuaded him to do neither.) Although the Detroit local fell apart after six months {21} and the Cleveland drive stalled {22}, it was clear that the TPEA had to change.

Right after the Jones & Laughlin decision, Bill Hoffman met with Livingstone to discuss bringing the TPEA into compliance with the Wagner Act. Under subpoena at an NLRB hearing in 1940, Hoffman recalled Livingstone's having said to him, "We will certainly have to do something, because [previously] we always told the

representatives how to conduct themselves in their capacity as representatives." Events happened quickly: the TPEA's officers met with a Thompson attorney; Livingstone resigned as council secretary; Hoffman and other TPEA officers stepped down; new officers were selected. At the suggestion of a TPEA delegate, the new officers hired a local attorney, Milton A. Roemisch, to give them legal advice. {23}

Roemisch was part of a breed of lawyers who emerged during this period as advisors to, and often de facto leaders of, independent labor unions. Roemisch represented ILUs at a number of Cleveland-area firms including Ohio Tool, Sherwin Williams Paint, and Ohio Crankshaft. In the early 1940s he tried, unsuccessfully, to affiliate these independents into a federation called the National League of American Labor. Roemisch served his clients not only as legal counselor but also as organizer, publicist, and at times banker, loaning fledgling ILUs his own money to help them get off the ground. In 1942 the UAW filed charges against Roemisch that led to the dubious distinction of his being the first ILU attorney ordered by an NLRB trial examiner to cease and desist from "instructing and coercing" employees. The examiner held Roemisch to be an employer because he "worked hand in glove with the company." Yet there was no direct evidence against him other than the fact that he represented an ILU judged to be company-dominated, and a year later the NLRB dismissed the charges. Although Roemisch's motives initially were pecuniary, over time he became an ardent believer in the virtues of independent local unionism. In a speech to Thompson workers he exhorted:

Independent unionism is really a religion ... you people among yourselves have enough brains to run your own union without paying some racketeer, or some person interested in extorting money from you to represent you ... Now, don't get the idea that independent unions are any "finky, stinky" shop organization. An independent union ... must be an aggressive, militant organization that is interested in the workers' rights and the workers' rights only. {24}

Roemisch changed the TPEA's name to the Automotive and Aircraft Workers' Association (AAWA), wrote a constitution for it, and incorporated the new organization with his own funds. He enlisted the TPEA's old officers to solicit AAWA membership cards but warned them not to do so on company time. In June 1937 he sent Thompson authorization cards signed by over 60 percent of its Cleveland employees. Within a month, management had recognized the AAWA and negotiated and signed a new agreement. A heftier document than the old TPEA contract, it contained several new features: a plan for seniority-based layoffs by department (something the UAW had been promising in its handbills) and provisions allowing AAWA representatives to caucus at council meetings. There were also some changes in the AAWA itself. It began to collect nominal monthly membership dues and in August held a mass meeting in a local theater at which Roemisch explained the new contract and presided over a ratification vote. {25}

Over the next four years, the AAWA's monthly council meetings addressed the same types of problems as those the TPEA had. Little was said about discipline and discharge. Discussions instead focused on relatively uncontroversial matters like rate adjustments, complaints about new foremen, inadequate locker space, and poor ventilation. Management continued to make AAWA representatives privy to the firm's financial affairs and expansion plans and occasionally sought their advice on details of personnel policy, such as whether to rehire workers who had previously been dismissed. The atmosphere in council meetings was usually cooperative and polite, with each side taking time to thank the other for its reason and understanding.

But though it was deferential to management and tamer than most national unions, the AAWA occasionally displayed an independence that the TPEA had lacked entirely. It now gathered its own data, caucused at council meetings, and regularly sought Roemisch's advice on legal, tactical, and economic issues. Among its first actions in 1937 were requests for the closed shop and automatic

deduction of dues from members' paychecks, both of which management refused on the grounds that "it is both an American principle and a Company principle that a man has the right to work in an establishment whether he belongs or does not belong to a labor organization... [and] that payment of union dues is a personal matter, and one in which the company wishes to take no part." The AAWA did not raise the matter again, but on other issues it doggedly persisted, more willing to challenge management than had been the TPEA. {26}

One of those issues was vacation pay. In March 1938 an AAWA representative asked management to revive the company's vacation plan and extend it to workers with less than five years' service. Lee Clegg, company vice president, said that neither request could be granted because of business conditions, offering to show the company's books to the AAWA to prove his contention. Another AAWA representative insisted that the plan was part of the AAWA's contract with Thompson, but Clegg denied this, saying that vacations were given at management's discretion. When someone from the AAWA called this "unfair," the matter was quickly tabled. But the AAWA brought the issue up again at council meetings in April and June, and on both occasions management said it still did not have the funds, even bringing in Fred Crawford to address the council on the company's financial problems. Clegg then made a final offer to give vacations to senior workers but none to those with under five years' service. He asked the AAWA to go along with this and put its acceptance into the minutes. The AAWA reluctantly agreed, although Roemisch said that "the Alliance resented the acceptance portion of the statement read into the minutes by Mr. Clegg and asked that this part be omitted." In 1939 the AAWA again raised the issue. Management asked for time to respond, and two months later it offered a liberalized plan but one that still did not include junior workers. After caucusing, the AAWA accepted management's offer, and both sides expressed their "appreciation" for each other's patience and understanding. In 1940 the same thing happened: the

AAWA asked for a more inclusive vacation plan and the company said it could not afford it. This time one of the AAWA representatives presented data on other Cleveland-area firms which showed that many of them gave vacations to junior workers. At the next meeting management finally agreed to grant vacations to those with more than three years' service.

On the one hand, this episode shows that the AAWA had some degree of independence and was willing to press an issue until some compromise could be reached. On the other hand, it demonstrates that the AAWA had little bargaining power except when Thompson management was confronted by outside pressure. In this case the new vacation plan was adopted less than a month after the UAW had launched a second drive at Thompson and filed NLRB charges that the AAWA was a management-dominated organization. {27}

The AAWA's record on wage bargaining clearly demonstrated the role of external forces. In 1939, when the UAW had only a scant presence at Thompson's Cleveland plants, the AAWA asked for a wage increase of 5 cents. The company refused but told the AAWA it was willing to pay a special bonus instead. When the AAWA's representatives asked for time to caucus and to consult Roemisch, management testily told them that they had three hours to make up their minds to take the offer or lose it; the AAWA quickly accepted. In the summer of 1940, after the UAW had reappeared at Thompson, the AAWA again asked for a 5 cent increase. Livingstone responded by conducting a study of area wages that showed Thompson's pay to be competitive when the group bonus was taken into account. In early October the AAWA wrote a letter to management saying that it was unfair to include incentive pay in the survey data since it was "a gratuity given by the company for the extra benefits [received] by reason of employees overextending themselves as a group in the interest of the company." The AAWA raised its request to 7 cents, saying that "the union wishes to point out to the management that we are in a rising labor market, and that the law of supply and

demand holds good as to labor as well as to production." The company refused the request. A day later the NLRB announced that it would soon be holding hearings to determine if the AAWA was a company-dominated union. At the next council meeting, management for the first time offered an increase (5 cents), which the AAWA promptly accepted. The AAWA boasted that it won the increase "in a true American way, without a strike," although the UAW was nearer the truth when it claimed in a handbill that "we of Local 300 of the UAW-CIO are proud to know we have been partly successful in our drive for higher wages. The 5 cent wage increase you have just received as a bribe was granted in a moment of desperation in an attempt to keep employees from joining Local 300." {28}

In March 1941 an NLRB trial examiner's report found the AAWA to be a dominated organization and ordered Thompson to cease its domination and to disestablish the AAWA, which meant that the AAWA could never appear on the ballot in an NLRB election. The NLRB sustained these orders in August, finding that the AAWA was "merely an advisory agency supported by the management for adjusting differences with the employees within management limitations." More serious in the NLRB's eyes was the fact that the AAWA had grown out of the TPEA, an organization clearly initiated and controlled by management, and that this lack of "cleavage," combined with the fact that "employees were never given the opportunity to freely choose their own representatives," required the disestablishment of the AAWA. One could argue that the NLRB applied its fracture rule too mechanically and did not give sufficient consideration to the ways in which the AAWA was evolving into a more independent organization. Indeed, in 1944 the NLRB opted for a less rigid approach: in cases where the only charge was no cleavage and the parties had been bargaining for at least two years, it permitted a previously dominated ILU to appear on the ballot so long as employer domination had ceased. It is conceivable that the AAWA would have received permission to appear on the ballot had it been tried under this rule. But

before the new rule emerged, the Sixth Circuit Court of Appeals enforced the disestablishment order, stating that "a company-created union could not emancipate itself from habitual subservience to its creator without being completely disestablished." {29}

The UAW's organizing drive gained momentum during the sixteen months between the examiner's report and the appellate decision. Ed Hall, an experienced organizer, took over the Thompson campaign late in 1941. Shortly thereafter he filed for NLRB elections in Cleveland and asked the War Labor Board (WLB) to enforce the NLRB's orders, which both Thompson and the AAWA had refused to obey. Company officials were enraged when the WLB entered the dispute; they claimed the agency was "interested solely in a CIO victory." When Thompson dismissed five workers in February 1942 for posting pro-UAW stickers in plant lavatories, a special WLB mediation panel traveled to Cleveland and issued a report calling the situation "tense .. with danger of interference with all our war production." Crawford and Livingstone went to Washington to meet with Dr. Frank P. Graham of the WLB, who "gave an eloquent sales talk on the satisfaction of dealing with international unions, how reasonable and cooperative they can be" and then denounced Crawford as a "labor hater." To resolve the dispute, the WLB ordered elections at Thompson's plants in May. {30}

Throughout this period, Thompson workers were the objects of a flurry of flyers. The UAW on one side and Thompson and the AAWA on the other fought an increasingly heated series of exchanges. Against the orders of the NLRB, the AAWA played a major role in the campaign, issuing its own bulletins attacking the UAW ("swat the pest," "ruled by gangster methods") and the NLRB ("the leading organizer of the CIO"); raising its dues to five dollars a year to finance these activities (still an extremely low amount); staging incidents such as one in which a group of AAWA activists refused to work alongside a UAW supporter; and continuing to bargain with Thompson for a nightshift bonus and

wage increases, which were granted shortly before the election. Although even its supporters were unhappy that it never held membership meetings and annoyed that AAWA representatives received special favors from management, the AAWA nevertheless was quite popular at Main. It took credit for the seniority plan and pay increases and maintained a daily presence in the plant as a result of its grievance system and other activities. {31}

The UAW, on the other hand -- despite a two year campaign -- had little to show for its efforts. When elections finally were held, it received only 33 percent of the vote at Main. This was a major defeat for the UAW, but it proved a Pyrrhic victory for the AAWA. At first the AAWA was elated and sold tickets to a postelection victory party sponsored by the SRC, but it was forced to disband three months later when the Sixth Circuit upheld the NLRB's disestablishment orders. That night, management treated all former AAWA officers to dinner at a local restaurant during which they were thanked for their "cooperation." {32}

#### Formation of the BIW and the AWA

But independent unionism was far from dead at Main. In September Roemisch organized a meeting at an American Legion hall that was attended by 50 workers interested in starting a new union. The key speaker was a worker who had never held a post in the AAWA. In an interesting twist, he told the audience that he wanted a new ILU at Main because he did not want to be "dominated" by an "outside organization." Seeking to remedy some of the AAWA's faults, he promised that the new union would have three times as many stewards and that this would "eliminate some of the biggest sources of complaint. We will have spread this from a few favorite individuals to a representative body." Roemisch gave a speech that denounced the UAW for being "full of communists" and "hungry [for] dues because all of the officers are on salary." But, he said, workers needed some kind of organization because

it is impossible for management sitting up in the front office with their

Carrier air conditioning systems, away from you workers, to know intimately your problems, your heartaches, your troubles that happen down in the sweltering sweltering heat of the forge department and ... other departments. They would take advantage of you, maybe not willfully or maliciously, but they wouldn't know and understand your problems.

At the end of the meeting, those present voted on several names for the new union and finally chose to call it the Brotherhood of Independent Workers (BIW). {33}

Roemisch was careful to shroud the new union in a coat of lawfulness. He held its meetings at neutral sites and advised former AAWA officers not to play an active role. Although management told one of the BIW's organizers that it was "behind [the BIW] 100 percent," it too now was cautious not to do anything that might create the appearance of illegality. When Roemisch carried BIW signature cards to Livingstone and asked for recognition, he was rebuffed and told to get the BIW certified in an NLRB election. And several months later, when BIW leaders approached Lee Clegg for money to help defray expenses, he told them that "in the old days, I used to be able to charge something to an expense account" but "not ... under present circumstances." Despite these precautions or perhaps because of them, the BIW never got off the ground. It never participated in an election nor did it ever obtain a contract with management. In December 1942 the UAW filed charges with the NLRB against the BIW (as well as Roemisch and the SRC). The pressure and uncertainty created by the ensuing three-month trial further hindered the BIW, and it eventually disappeared. {34}

Meanwhile, Thompson completed its giant TAPCO facility in the fall of 1941. In a brief filed with the WLB, Ed Hall charged that the company was handpicking AAWA supporters for transfer to the new plant and that no UAW members had been sent there. One of these transferees was a former secretary of the AAWA and, with Roemisch's assistance, he started a new ILU at TAPCO called the Aircraft Workers Alliance (AWA), which management recognized in December 1941. The AWA lost no time establishing itself at TAPCO. It negotiated a contract with provisions for seniority and transfer rights, a grievance procedure (delegates

now were called stewards), and a council similar to the AAWA's. In the May 1942 elections, the UAW lost at TAPCO by the same margin as at Main. {35}

Despite these losses, the UAW tried for five more years to organize Thompson's Cleveland plants. It spent large sums on elections (held in 1944, 1945, and 1947) and on legal expenses. In 1944 it won a favorable NLRB decision that overturned the 1942 elections and disestablished the BIW and the AWA, both of which, said the NLRB, were extensions of the AAWA "infected from the outset with the virus of [management] control." As before, the lack of a "clear line of cleavage" and the company's assistance to the ILUs ("in the guise of friendly cooperation") were said to render them obstacles to free choice. Although there was evidence that some BIW and AWA supporters were "earnest and sincere" in their efforts to create a strong labor union, the NLRB said that this was not enough to absolve management from its initial assistance, which had created an indelible image of employer domination in the workers' eyes. {36}

The NLRB held rerun elections at Main and TAPCO in 1944, and again Thompson managers snubbed the board by giving captive audience speeches attacking the UAW. Consequently, the election -- which the UAW lost by wide margins at both plants -- was overturned by the NLRB in 1945. Several months later the UAW petitioned for a new election (at Main but not at TAPCO, where it had less support). Shortly before election day, when it became clear that management was again taking an active role in the campaign, the NLRB went to the Sixth Circuit and sought an injunction barring the company's officers from interfering with the election. This came at a propitious time for Thompson -- "free speech" was emerging as a public issue -- and three days before the election the court turned down the NLRB's request without comment. Newspapers ran headlines reading, "NLRB Takes Licking" and "Thompson Upheld on Free Speech." The UAW lost by a wider margin than in the year before but once again the NLRB overturned the results because its members believed that management's activities had "passed from the

realm of free speech into that of coercion." {37}

Besides captive audience speeches the company pursued other tactics that were more clearly coercive. Dismissals of key UAW activists were a regular occurrence during each of the UAW's organizing drives at Thompson and the company's attempt in 1943 to fire 12 UAW stewards at Main led to the first authorized wildcat strike of the war. Inside the plant the pressure on these activists was continual. Joseph Coniglio, a UAW steward, received regular visits from his personnel representative, who

would ask me how many fellows I signed up during that day, and he would tell me how come I didn't go in and play ball with them by joining the AAWA, and telling me I was a swell fellow, and I should join up with them and that could do me a lot of favors, and if I was on the ball with them, they would see to it that I would move up in the world. {38}

A final drive started at Main late in 1947, marred by factionalism within the UAW and considerable anticommunist rhetoric on the company's part. Two weeks before the May election, the AWA negotiated a hefty wage increase at TAPCO, as if to signal what it could accomplish at Main. Crawford and other top officers gave their usual captive audience speeches, while the company churned out anti-UAW letters and bulletins. Once again the UAW lost, but this time the NLRB did not sustain any of the union's charges and, in July, it certified the election. The NLRB's sudden turnaround came on the heels of a major rebuke from the Sixth Circuit, which in June had overturned the NLRB's disestablishment of the AWA. Not only did the court now hold the AWA to be lawful, but it sharply criticized the board's "dictatorial" approach to election conduct at Thompson. A year later the AWA was recognized at Main after it submitted cards to a local accounting firm. This time neither the NLRB nor the UAW said a word. In fact, the UAW did not reappear at the Cleveland plants until the 1960s (it lost an election there in 1967), and the AWA continued to represent Thompson's Cleveland-area workers until TRW sold the plants in 1986. {39}

Characteristics of the AWA, 1942-1964

The AWA's roots can be traced back to the disestablished AAWA and further to the TPEA, the company union started by management. But just as the AAWA showed signs of greater independence than the TPEA, so too did the AWA develop into a more autonomous and active organization than its predecessors. As such, it did not correspond to the unfavorable picture of ILUs painted by industrial relations experts in the 1940s and 1950s. This is not to say that the AWA came to resemble an affiliated local in all respects. It took a highly cooperative approach in its dealings with the company, although that stance was tainted by occasional manipulation of its leaders by management. Yet the AWA's features were never fully intended or foreseen by either party; they developed according to an inner logic and to situational incentives beyond either's control. {40}

Bargaining power. For most of its life, the AWA never struck or even threatened to strike. It had no strike funds and boasted to its members in 1954 that the absence of strikes "contributes in large measure to the Thompson company's success. They can accept orders with firm delivery dates and their customers have sufficient confidence to place large orders. This guarantees steady work for you." But even though it eschewed both the strike and the threat of one, the AWA was not without bargaining power.

First, although the probability of a strike seemed close to zero, there was a chance that the AWA would change its mind. This created a restraint on egregious management actions. (The AWA did strike for two weeks during a 1979 wage dispute.) Second and more important, there was always the threat that if the firm did not do a reasonably good job of meeting employee needs and AWA demands, the workers would defect to a national union like the UAW, which management considered anathema. While head of the BIW in 1943, Ed Castle grew "dissatisfied with the way grievances had been settled" and told company executives that "if the grievances weren't settled with some degree of

satisfaction and fairness in the future I would put on a CIO button and take this whole damn plant CIO." Ironically, the seven organizing campaigns conducted by the UAW between 1942 and 1967 gave the AWA potent leverage in its bargaining with management. Nearly every drive was accompanied by a negotiated wage increase and other gains for AWA members. Although nonunion workers had similar leverage (due to threat effects or what Zahavi terms "negotiated loyalty"), the payoff to Thompson workers was larger because of the greater risk that they might defect to a national union. They had already made a psychological break by becoming union members; voting for the UAW would merely have meant a change of representatives rather than a whole new system of dues, stewards, grievance handling, and contracts. Finally, even when no drive was actually underway, AWA members could still signal their dissatisfaction by rejecting a tentative agreement, as they did in 1955 when they found the proposed contract insufficiently generous on wages. {41}

Throughout the AWA's early years, its leaders relied heavily on attorney Milton Roemisch for guidance. Roemisch helped them plot their defensive tactics during organizing drives, which earned him the enmity of the UAW. But Roemisch's assistance went far beyond campaigns. During negotiations on economic issues he took the lead --marshalling facts and arguments to back up the AWA's demands or explaining how to comply with legal directives on overtime pay. Roemisch was always polite to management and careful to point out that his proposals were "realistic" and unlike the "pie in the sky" demands made by national unions. But he could also be aggressive, especially if he believed the company was making decisions behind the AWA's (and his) back. Thus, to some extent Roemisch served as the technical advisor normally available to the locals of a national union through its research staff. Although some other ILUs (such as those at AT&T) also relied on advisors outside of their ranks, a 1945 study judged this arrangement to be "very exceptional." {42}

As time went on the AWA developed a cadre of leaders who were familiar with the arcana of bargaining and grievance handling. An important source of their experience was the grievance plan established in 1942 by the War Labor Board at Thompson's Cleveland plants. Under that plan Thompson was forced to grant limited recognition to the IAM and the UAW (along with the BIW and the AWA) for grievance-handling purposes. A worker could select a steward from the union of his choice and file a grievance under a multistep procedure designed by the WLB to end in outside arbitration. (For most of the war the permanent umpire was Arthur T. Martin, dean of the Ohio State University law school.) The UAW's stewards were more aggressive than the ILUs' -- filing more grievances and pressing a greater number of them to arbitration -- but faced with this competition, the AWA stewards had to learn basic labor law and contract administration procedures, and they ultimately took a more militant stance than they otherwise would have. {43}

Nevertheless, the AWA's grievance-handling record and that of a typical UAW local exhibit some marked differences. It was not until the 1960s that the AWA took a grievance to an outside arbitrator, even though the contract so allowed. Thompson management had a strong aversion to arbitration, did not want to establish any precedent for its use, and was able to persuade the AWA to acquiesce on this issue. Management did pay a price for the AWA's cooperation, however. On more than one occasion the union threatened to take a case to outside arbitration if management did not render a decision in favor of the employee. Thompson, in turn, had to either decide the case in the AWA's favor or concede on some other issue. Over the years the AWA pressed a number of grievances to the fifth and penultimate step in the procedure -- a hearing by Thompson vice president Lee Clegg. In theory, Clegg was supposed to stick to the facts of a case, but he was vulnerable to horse-trading by the union. {44}

In other aspects of grievance handling the AWA had a more conventional record. Stewards were usually conscientious in looking out for the job rights of "their people." Aside from discipline and discharge the bulk of the AWA's grievances involved wage standards, occupational nomenclature, seniority, and demarcation (for instance, whether a job would be performed by pipe fitters or by mold maintenance). In other words the AWA -- like most national unions of its day -- fought actively to preserve a workplace structure built around rigid job classifications (each carrying its own pay rate) and seniority rights (in promotion and layoff). Internal labor markets at the Cleveland plants were much like those at other unionized firms and lacked such features as pay contingency, allocative flexibility, and layoff avoidance policies. {45}

Like most ILUs the AWA was never a leader in the pay and benefits it negotiated, but its contract gains belied the claim that company unions were "less effective in handling wages and hours than in handling other matters." To give automotive firms an incentive to outsource, or contract out production, Thompson -- a parts supplier -- kept absolute pay at levels below those at the Big Three automakers. But this still left AWA members in a high bracket, earning as much as workers at firms like International Harvester. During the late 1940s and throughout the 1950s, relative pay at the Cleveland plants moved in tandem with pay at unionized pacesetters such as U.S. Steel and General Motors. Because it provided good benefits and matched the auto pattern for pay increments, Thompson was rated as the best paying local firm in a 1953 survey of Cleveland factory workers, despite the fact that its wage levels were lower than some of the other firms mentioned in the survey. {46}

Although the AWA felt no prods from UAW drives from 1948 to 1959, it kept close track of trends in national union pay over those years. In 1949 it asked to reopen the contract as soon as a "pattern" had been set at Ford and Chrysler. Two years later, after telling the company that "dominant" firms in Cleveland

were matching the UAW's historic 1950 agreement with General Motors, the AWA received cost-of-living (COLA) and annual improvement factor clauses in its contracts. Management also monitored relative pay trends quite carefully, because the consequences of falling out of line would be so serious. For example, Thompson conducted studies of UAW pension plans at Ford, GM, and Ryan Aircraft that led to a 1955 agreement to align the AWA's pension plan more closely to the UAW's. And when the GM-UAW COLA formula paid two cents more than the AWA's, management expressed concern that "if this differential increases much more, the company might seriously have to consider a change to the GM index." Thus, the UAW's initiatives served as intermittent, negative reinforcement: they kept management and the AWA alert to relative pay issues whether a campaign was actually under way or not. No doubt some would consider the AWA's behavior to have been parasitic. But in fact it was no different from the kind of wage imitation practiced by affiliated union locals at smaller firms located within the wage orbits of large pattern-setting companies. The only difference was the consequence for the employer of refusing to match the pattern: a strike in one case, or an organizing drive in the other. {47}

Cooperation. The relationship between the AWA and management was akin to a bilateral monopoly: Thompson was the only company the AWA bargained with, and the AWA was the only union management wanted to deal with. This gave the AWA some of its bargaining power but at the same time constrained it from being too aggressive, lest management lose its preference for bargaining with an ILU. Thus, the company usually met the AWA's demands, but when it did not, the union was reluctant to push hard or to raise the strike threat. Since both sides had a mutual interest in keeping the UAW out, these dynamics produced a highly cooperative relationship.

It was during organizing drives that this cooperation became something closer to collusion. To defeat the UAW, the AWA and Thompson collaborated in an

adroit manipulation of personnel practices. AWA members could leave work early to distribute literature on company time and property, while foremen and plant security guards were specifically instructed not to extend the same privileges to UAW supporters. Ed Castle received a special pass giving him access to all parts of the plant so that he could "knock off the new employees before the CIO would talk to them." Management bolstered the AWA's popularity by timing wage increases before elections and by allowing the AWA to operate an in-plant patronage system that dispensed favors to the union's supporters. Sometimes the patronage was given baldly --as when the AWA's president offered one worker a better job if he quit the UAW -- and other times it came with a bit more sophistication, as when management chose only AWA members to head its wartime labor-management committees, including the powerful transportation committee that allocated gas-rationing cards to employees. To help the union gain black members during the war, management told it to file a grievance saying that dust bags needed to be cleaned more frequently. Then, when the company hired black women to empty the bags --something it was planning to do anyway --the AWA could take credit for their employment. {48}

Bargaining brought forth a more benign form of cooperation. Management regularly gave AWA leaders data on the firm's finances and production plans and allowed the union to hire an accountant to inspect company records before negotiating a pension plan. For its part the AWA repeatedly assured management that it was "mindful that the company faces a serious competitive situation" and would only make demands that were "fair." A national union can maintain high wages and good conditions by standardizing them throughout an industry, achieving that end by monitoring its locals to ensure that they do not undercut the national contract. But because the AWA dealt only with Thompson, it was willing and able to make concessions to the long-run health of the firm, a fact that management was well aware of. During the 1958 negotiations a company

memorandum noted that "we are certain our requests will be fairly considered, for AWA representatives have on many occasions proven their interest in the company's well-being while at the same time fairly representing their membership." When profits were off in 1961, the AWA allowed the company to depart from the auto industry pay pattern. In return management accepted the AWA's demand for a revamping of the job evaluation plan. In so doing, management showed that it too was interested in the other party's long-run health. {49}

Each plant represented by the AWA had a joint Labor Relations Council whose monthly meetings were an important part of the collaborative relationship between union and management. At these meetings management regularly presented reports on corporate affairs or informed AWA officials of decisions on such in-plant matters as scheduling and layoffs. But the bulk of the council's time was devoted to issues raised by AWA officials. As in the 1930s, most of these were integrative concerns (such as sanitation, safety, parking) or personnel matters affecting work groups in the plant (transfers, recalls, backpay, suggestion awards). Typically, management promised to take care of the problem or assigned it to one of several joint committees -- seniority, safety, plant security -- that met regularly. In addition, task forces gathered information on special topics such as thrift-saving plans and cafeteria prices. Most issues were resolved in a single council meeting, but some discussions stretched over months without reaching a definitive conclusion. {50}

Because the council was part of the grievance procedure (the fourth step, prior to Lee Clegg's review), it regularly heard grievances that had not been resolved at lower levels, including complaints on discipline and discharge. For grievances of plantwide concern, the AWA could skip the procedure's lower steps and, after discussion with the plant manager, bring them directly to the council. Given its cooperative approach, the council could usually resolve the grievances that came before it. A few difficult cases were referred to ad hoc

committees that tried to find mutually agreeable solutions to the problem. In other words, the adversarial edge to the grievance process was softened at the council level. Contributing to this was the tendency of AWA officials to bypass the procedure entirely by bringing up grievable matters at council meetings. {51}

A similarly thin line separated council meetings and contract negotiations, producing a system of almost continuous bargaining. Issues regularly surfaced at council meetings that properly were topics for collective bargaining, such as a new pension plan or a change in the seniority system. Although the AWA's contracts contained the UAW-GM wage formula that was designed to eliminate reopenings, the formula tended to underestimate real wage trends. And so rather than wait for contract renewal time (contracts ran for three years), council members often negotiated the issues and then added amendments to the contract. Because there was little chance of a strike, management was willing to reopen the contract for wage as well as noneconomic issues. Hence the supplemental wage agreements negotiated during intracontractual years allowed the AWA to appear to be "delivering the goods" on a more regular basis than national unions. {52}

Among its many similarities to Japanese enterprise unions was the AWA's strong loyalty to the company. AWA leaders openly expressed their concern for Thompson's economic health and their confidence in top management. When J. David Wright became head of Thompson in 1953, the AWA's president wrote an open letter assuring union members that "Dave" was "fair and square in all dealings with our membership" and that "we have always found him to be on the level." This trust was reciprocated by the company in the form of favors for the union, such as pulling strings in state government so that the AWA could legally hold a bingo party at the plant or keeping production down on the day of the AWA's annual picnic. Council meetings were polite, amiable, and full of expressions of mutual understanding, with each side assuring the other that its actions were "fair and reasonable." Special council meetings were held at Christmas and,

until the early 1950s, these were accompanied by skits and a party. {53}

Cooptation. By no means was the AWA identical to a Japanese union in all respects, however. For both cultural and economic reasons, the AWA was more assertive in disagreeing with management, more militant in handling grievances, and more effectual when it came to getting the company to change its plans and policies. But there was one similarity to the Japanese case that limited the degree of these differences -- the union leaders' susceptibility to manipulation by the company. Unlike a national union the AWA could provide its officers no opportunity for promotion into union staff positions. Instead, its leaders returned to their old jobs when their terms expired, although over the years a number of them were later promoted into management. Ambitious AWA officers realized that the rewards to militance were limited: reelection, eventually followed by a return to the ranks and possible retaliation by management. On the other hand, an officer who was cooperative but not overly obsequious might still get reelected and then receive a promotion at the end of his term. {54}

The company also offered direct financial inducements to cooperation. The earnings of AWA officers --from president to steward --were far in excess of those received by workers in similar job classifications. In 1952 the differential averaged 42 percent for the AWA's top four officers; one steward managed to raise this to 112 percent. The excess was entirely the result of overtime pay, part of which was compensation for normal union duties such as bargaining and grievance handling; and these took more time than at other firms because many issues were handled by joint committees. But AWA officers were appointed to a slew of plant organizations -- Bond Drive, Old Guard, and the Consolidated Welfare Fund -- for which they also received overtime pay. The practice was not entirely secret, either. A college student who spent a week at TAPCO in the early 1950s reported to management that "Stewards seem to be a thorn in our side. Entirely too many of them abhor work, it seems!" Three years

later an attitude survey found that Thompson workers were annoyed by the stewards' "loafing tactics." Concerned by this discontent and aware that its pay practices might lead to NLRB charges of illegal support, management tried in the late 1950s to limit the amount of overtime received by stewards, although it is not known if those efforts were successful. {55}

Finally, the AWA's isolation permitted a more subtle form of manipulation. The AWA had few contacts with, and no formal ties to, union locals at Thompson plants outside of Cleveland. The Cleveland labor movement was contemptuous and suspicious of the AWA, which repaid those feelings in kind. Too small to train its own officers and cut off from mainstream labor education programs, the AWA had to rely on management for some of its technical needs, which management willingly provided. The company held classes for newly elected stewards, in which they received basic information on Thompson's personnel practices and on its financial situation and business plans. Company managers sought to "integrate new AWA officers" by taking them to conferences of the American Management Association and by holding training sessions in job evaluation. Given all this, it is little wonder that the UAW charged that there was a "cozy relationship between the AWA and the company." {56}

#### Coercion or Choice?

Traditionally it is assumed that company unions do not function as true labor unions, protecting and advancing the welfare of their members, and that workers support them because they are coerced or naive. In the case of the AWA, then, the question is whether Thompson workers made a free and informed choice to back the AWA. There is certainly evidence to support a charge of coercion. Workers were bombarded by management bulletins, forced to listen to Crawford's promises and veiled threats, and occasionally victimized by shopfloor favoritism. Moreover, the AWA's cooperation and close identification with management may have undercut its effectiveness as a proponent for its members

without their ever realizing that this had occurred. As Chairman Paul Herzog of the NLRB argued during the Taft-Hartley hearings, when management bargained with a dominated union, it found itself on both sides of the table. Workers might vote for such a union, said Herzog, but they did so out of a "mistaken continued belief that the company-dominated organization affords a genuine agency for collective bargaining." Although the AWA was exonerated from charges of domination, it was obviously a different breed of union from the the UAW --less namely, a less adversarial and less independent one.

But it does strain credulity to say that the majority of Thompson workers were unaware of the difference or accepted it only by compulsion. After a decade of campaigns and six elections in Cleveland, they were well informed about the faults and merits of the AWA. Indeed, during the Taft-Hartley hearings, a congressman cited the Thompson election record and then asked an NLRB official if he thought Thompson workers were "that easily influenced and their minds poisoned, and that dumb and stupid, that they cannot go in and exercise a reasonable intelligence and have their votes counted and recognized by established agencies?" Not only the election results but also data from the company's attitude surveys show that Thompson workers held few serious gripes about management and, though not enthusiastic about the AWA, "generally regarded [it] as the lesser of two evils. ... The CIO is considered more distasteful than the independent union." {57}

That Thompson workers might prefer the AWA to the UAW was hard for NLRB officials and other liberals to accept (and still is today). Yet circumstances other than coercion helped shape their preference. First, Thompson workers had an unusually high degree of loyalty to management as a result of the company's financial success, its brand of "modern paternalism," and the personal charisma of Fred Crawford. Their loyalty was something the UAW consistently failed to recognize, and so its attacks on Crawford ("the number one fascist in America")

were counterproductive to say the least. Second, the AWA did at least a minimally effective job of handling grievances and its contracts consistently followed the UAW pattern. AWA members received these benefits for only a fraction of the cost of UAW membership (UAW dues were about six times higher than AWA dues) and, at least until 1979, without any losses due to strikes. Third, the AWA offered a more immediate and less bureaucratic form of democracy than a national union. All of the AWA's officers -- from the president on down -- came from the plant and were well known by the members. Elections for office were hotly contested and highly publicized. Unlike an affiliated local of a national union, the AWA was entirely the master of its own fate. It did not have to answer to a higher authority or conform to policies that were not of its choosing. Because it had no staff and only a simple hierarchy, the AWA tended to be less formal and legalistic than a national union. And although the UAW faulted it for failing to hold regular meetings, the AWA's small size and numerous social activities kept its officers in touch with the membership. {58}

Another reason for the AWA's stability was its relatively auspicious beginnings. Management had allowed its predecessors (the TPEA and AAWA) to be more active than most company unions of the 1930s, and the AWA grew out of that tradition. Those early policies explain why Thompson's Cleveland plants remained ILU strongholds, while those in Toledo and Detroit were organized by the UAW during the war. The three plants resembled each other in many respects: their size, product lines, and occasional reliance on coercive tactics all were similar. One difference, however, was that until the late 1930s the Toledo and Detroit plants were managed locally. The production manager in Toledo was a rugged individualist who did not adopt the personnel policies established by Livingstone at Main. Not until the Toledo plant had a strike in 1937 was a company union established there. As for Detroit, it too lagged behind its sister plant in Cleveland. A year after the TPEA was formed, it started a company

union, but this was a relatively ineffectual organization because Detroit management never made employee relations a high priority. When Livingstone visited Detroit in 1936, he was distressed to find that the plant personnel manager, Tom Colbridge, did not have his own office (his desk was next to the gum vending machine) and that the joint council had not been "functioning as an agency for the free exchange and discussion of ideas by the management and employees." Livingstone noted "a tendency to suppress the subjects the employees would like to discuss most," and when shown the minutes of the Cleveland joint council, Colbridge remarked, "You fellows really discuss things in Cleveland, don't you!" In short, what was distinctive about Cleveland was not coercion (each plant had its share of dismissals and captive audience speeches), but a more sophisticated approach to personnel management and company unionism. {59}

The UAW's failure to successfully challenge the AWA at Thompson's Cleveland plants was not entirely preordained, however. Around the middle of the war, when the AWA was getting off the ground and Main plant was without a union, the UAW seemed to have a reasonable chance of victory. Because the WLB was concerned about war production at Thompson, it was quick to reinstate dismissed UAW activists, and its grievance procedure gave UAW stewards a presence on the shopfloor and a unique opportunity to prove their mettle. But factional politics were a problem that increasingly hindered the Thompson drive and consumed the energy and effectiveness of its leaders, many of whom --Ed Hall, Paul Miley, Bill Grant, Wyndham Mortimer --were associated with the union's left wing. When Elizabeth Hawes, a UAW international representative, visited Cleveland in 1944 and 1945, she reported that the campaign at Thompson was stalled because of "Chop Chop "-- internal union disputes. Local UAW staff members told her that the "Reutherites" had sent an inexperienced organizer to lead the campaign in the hope that a failure would discredit the left. Two years later, in what was widely viewed as an attack on the left, Walter Reuther's presidential address to

the UAW called for an investigation of the Thompson drive, which he castigated as "a glaring example of ... mismanagement and waste of funds." All of this created a propaganda opportunity for Thompson and the AWA, who repeatedly attacked the UAW's "Communist Contamination" and called its stewards "babes in the woods with noble motives who [are having] clever webs spun upon them." {60}

The final blow to the UAW's efforts came from the conservative drift of labor law and the NLRB. Under pressure from the courts and Congress, the NLRB in the early 1940s adopted a more "balanced" approach to a variety of issues, including employer free speech and company unions. One of the board's main critics on these issues was the Sixth Circuit, which overruled the NLRB in two major decisions involving Thompson's Cleveland plants and in other cases as well. Harry A. Millis, picked to head the NLRB in 1940, and his successor, Paul Herzog, were more attuned to politics and public relations than were their predecessors. It was Millis who in 1944 ordered the board's regional directors not to apply the fracture rule too rigidly, a policy that Herzog extended by allowing illegally supported organizations to appear on the ballot. As a result of these more lenient policies, company unions began to win a growing number of elections and were disestablished less often: only 51 were disestablished in 1946 and 1947 out of more than 300 charges of employer domination filed during those last two years of the unamended Wagner Act.

But these policies came too late to deter legislative reform of the act. During the Taft-Hartley hearings critics of the board repeatedly cited Thompson Products as proof that the law on employer conduct and company unions had to be changed. The critics included Leo Wolman, who testified in the Senate, and Ray Livingstone, who got a sympathetic reception from the House. (No one from the UAW was called to respond to Livingstone's testimony.) These events made their mark outside of Congress: Four months after Livingstone's appearance, the Sixth Circuit issued its pivotal decision on the AWA and a month later the NLRB

refused to order new elections at Main. Thus, the UAW's myriad political difficulties --both internally and in Washington -- weakened its position and strengthened the AWA's at a critical moment in the contest between them. {61}

#### The Strategy's Demise and Legacy

The Taft-Hartley Act ratified Crawford's views on free speech and contained several provisions that made it easier for employer-supported unions to appear on the ballot. The result was an upsurge in ILU formation between 1947 and 1953. ILU membership increased by 50 percent (from 469,000 to 705,000) over those years, faster than the rest of organized labor. This was a flash in the pan, however. Few new ILUs formed after 1960, and those that did were usually the result of decertification or of a local's opting out of a union merger. {62}

Company unionism was a risky and costly strategy for avoiding unionization. There was always the danger that the ILU would become as adversarial as any other union, either on its own or upon affiliating with a national union. Once affiliated, a local would be less willing to make special concessions to the employer, and its agreements would be replaced by national terms. Affiliation was a perennial threat to management because ILU members were more likely than nonunion workers to join a national union, making them tempting organizing targets for the nationals. And the resemblance of ILUs to affiliated union locals made them easy to incorporate into the culture and structure of national unionism. But even if none of these possibilities occurred, collective bargaining and contract administration were time-consuming procedures that limited management's ability to make prompt and unquestioned decisions. And finally, pay levels were roughly the same as at affiliated union plants. Employers were willing to shoulder these costs when they perceived a serious threat from national unions. By the mid-1950s, however, private sector unionism had begun to lose steam, and observers noticed "a more realistic assessment of the diminished threat offered to the business community by organized labor." {63}

One result of this was a loss of interest in company unions at firms that had managed to maintain them past World War II. At Du Pont this happened rather quickly. Only a couple of ILUs took hold at Du Pont after the war, the last in 1949. The firm opened up 25 new plants during the following decade, mostly in the South and all of them nonunion. Thompson was slower to shed its ILU strategy. Of the 8 plants it built or acquired during the 1950s, it set up company unions at 7 of them. Thompson stuck with the strategy longer than Du Pont for two reasons. First, its plants continued to be concentrated in unionism's heartland -- the Midwest and Northeast -- where the probability of organization was higher, albeit declining, than in the south. Second, Thompson's ILUs were demonstrably less militant than Du Pont's. Between 1944 and 1959 Du Pont's ILUs carried out 4 strikes and filed 16 unfair labor practice charges against management, while not one of Thompson's struck or complained to the NLRB. {64}

Yet in spite of this record Thompson (now TRW) shifted strategies after 1960. It picked up the pace of diversification, building or acquiring 39 plants during the 1960s and 27 during the 1970s. The company established no ILUs at these plants, the majority of which (60 percent of the plants added in the 1960s, and 95 percent of those from the 1970s) were unorganized. As at Du Pont, the decision to drop the ILU strategy reflected a decline in the perceived benefit of ILUs, which resulted from the fading union threat and the post-1960 relocation of TRW's production to southern and western states. Nonetheless, the cost side of TRW's equation was slightly different from Du Pont's. Although TRW underwent strikes at its ILU plants, these did not occur until the 1970s. Even before that change in the absolute cost of the ILU strategy, its relative cost had begun to rise as a result of the availability of an alternative strategy, the so-called new nonunion workplace model. Indeed, TRW was a pioneer in the development of that model and served as an exemplar for other firms. {65}

At TRW the nonunion model's distinctive features include programs for communications ("sensing" sessions, attitude testing) and employee involvement (QWL, quality circles), as well as a "flexible" approach to work systems (using teams and simplified job structures). The emergence of the nonunion model at TRW was based, in part, on new theories of participation and job design that appeared in the 1960s. But rather than being a radical departure from the past, the new nonunion model has strong links to the company's earlier practices.

Like the ILU strategy, the new model is built on an antipathy to national unions rather than to collective representation and other forms of employee influence. Its stress on corporate culture and the diminution of workplace status distinctions is quite similar to ideas that informed Fred Crawford's unitarian philosophy. Intensive employee communications programs are also throwbacks -- at an ideological level-- to the Mayoist paternalism found at Thompson in the 1930s and 1940s and -- at a practical level -- to specific techniques (personnel representatives, attitude surveys, in-plant media blitzes) used by the company during those years. Of course, elements of the new model can be traced much farther back than Thompson. For example, large organizations have long relied on the medium of human interaction to shape and transmit employee opinion, from the house mothers at Lowell to the welfare secretaries of the 1910s, and on to their more recent progeny -- the personnel representative and the "sensing facilitator." And company unions and QWL programs have common intellectual roots in the corporatist concepts of industrial democracy espoused in the 1910s and 1920s by Mary Parker Follett, Clarence Hicks, Ordway Tead, and other management theorists. {66}

This comparison is not to deny important differences between the present and the past, notably in work systems design and the psychological modeling of employee behavior. But it is intended to correct the fallacy that the "new" nonunion model is entirely new. That fallacy leads to an explanation of the

model's origins that overemphasizes conjunctural factors -- new production technology (continuous flow, flexible), new workers (young, educated), new theories (Y and Z) -- at the expense of more enduring issues and ideas -- the conflict between democracy and bureaucracy, the legitimation of industrial authority, employer animus toward unionism, and corporate paternalism. The point is that employers face recurrent problems, and although each generation of employers fashions its own solutions, in doing so it relies heavily on values and institutions inherited from the past. Finally, and at a less grandiose level, this emphasis on continuity helps us to understand how individual firms like TRW and IBM -- firms with distinctive histories of employee relations -- became paragons of the "new" nonunion model. {67}

#### Conclusions

Company unions represented between 2 and 3 million workers in 1934 but over the next two decades most of these workers joined national unions. Why did Thompson's Cleveland employees choose to be different? The traditional view holds that they were bullied or misled. There was some of that, to be sure, but there was more. First, these workers had a high level of enterprise consciousness as a result of the firm's strong corporate culture, its progressive personnel policies, and of Crawford's charisma. Second, not only did the UAW fail to recognize this, but it also suffered from bad timing -- its own, and that of events. Third, the AWA evolved into an organization that met its members' needs. This was a result of external pressure (from the law and the UAW) and of internal factors (learning by doing, competition for union office, and a management willing to let things change). Yet differences remained between the AWA and a typical affiliated union local, which reflected both the sins and virtues of being an ILU. As compared to most local unions, the AWA was less adversarial and more dependent on the company, but it also had a more cooperative, and possibly more trusting, relationship with management. In this

it presaged aspects of today's "new industrial relations," both its union and nonunion variants.

Union leaders share with labor historians and industrial relations scholars both animosity and disdain for company unions. The history of company unionism in the 1920s and early 1930s makes these attitudes understandable. But today the labor movement faces a crisis that it cannot solve: an ever-growing part of the private workforce is employed in nonunion firms -- nearly 85 percent in 1987. When company unions are compared to the personnel policies of today's nonunion firms they appear less odious than in the traditional view, and the AWA's history reinforces that perception. Company unions could offer nonunion workers (especially those employed in new model firms) greater autonomy and control, in addition to the protection that joint decisions would be legally binding on the employer. National unions offer these same things, of course. But national unions thus far have proven themselves incapable of making inroads in most new model nonunion firms. Given the model's historical lineage, company unions might make a better fit, and so might stand a better chance of success (more worker support, less employer resistance), than national unions. But this is offered more as a provocative suggestion than as a definitive policy recommendation. There is much that we still do not know about company unions and the AWA is but one example. As compared to other ILUs it fell somewhere in the middle: less aggressive and independent than some, and more so than others. Even within a single firm like TRW or DuPont, there was and still is considerable variation among ILUs. For now, the best that I can offer (at the risk of sounding hackneyed) is an urgent call for future research --historical, contemporary, and comparative -- on this topic.

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Notes

1. Leo Troy and Neil Sheflin, Union Sourcebook (West Orange, 1985), 3-7; Interview with Leo Troy, 5 November 1987.

2. Daniel Nelson, "The Company Union Movement 1900-1937: A Reexamination," Business History Review 56 (Autumn 1982): 337.

3. Some programs resemble very closely the representation plans of the 1920s, and, despite this, the courts are giving them legal sanction. NLRB v. Streamway Division of the Scott & Fetzer Co., 691 F.2d 288 (6th Circ. 1982). Also see the Harvard Business School case, "Sedalia Engine Plant" in Michael Beer et al., Human Resource Management: A General Managers' Perspective (New York, 1985), 607-640.

4. Janice McCormick, "Challenges in Industrial Relations," Sloan Management Review 28 (Winter 1987): 76-79; Ronald Dore, Taking Japan Seriously: A Confucian Perspective on Leading Economic Issues (Stanford, 1987), 125-165; Gary Becker, "It's Time to Scrap a Few Outmoded Labor Laws," Business Week, 7 March 1988, 18.

5. Nelson, "Company Union Movement," 354; Michael Piore and Charles Sabel, The Second Industrial Divide: Possibilities for Prosperity (New York, 1984), 124-132. In fact, the company union option was not entirely closed off, as shown by the above-cited figures on ILU membership. On section 8(a)(2), see Paul Weiler, "The Future of Labor and Employment Law: Reflections on Wrongful Dismissal Within the Market, the Law, and Collective Bargaining," unpublished ms., Harvard Law School, 1987; Thomas C. Kohler, "Models of Worker Participation: The Uncertain Significance of Section 8(a)(2)," Boston College Law Review 27 (May 1986): 499-551.

6. "Fred Crawford's Company," Fortune 34 (December 1946): 146-151; C.A. Clark, Jr., "Thompson Products," Barron's 32 (31 March 1952): 19-21.

7. In June 1943 average hourly wage rates at Thompson's Cleveland plants were in the top ten percent of manufacturing wages. R.S. Livingstone to F.H. Bullen, 26 January 1944, reel 3, Thompson Products Papers, Baker Library, Harvard Business School, Boston (hereinafter TPP); R.J. Myers and H. Bloch, "The Level of Factory Wage Rates in Wartime," Monthly Labor Review 57 (October 1943): 637-646.

8. F.C. Crawford in "Statement of Labor History of Thompson Products, Inc.," 26 August 1943, box 18; TRWP; Thompson Products, Employee Handbook 1935, box 27, TRW Papers, Western Reserve Historical Society, Cleveland (hereinafter TRWP); "Organization of Personnel Administration: Thompson Products," National Industrial Conference Board, Studies in Personnel Policy No. 73 (New York, 1946).

9. "Story of the Thompson Products Old Guard Association," pamphlet, 1951, Labor-Management Documentation Center (LMDC), Cornell University, Ithaca; U.S. Circuit Court of Appeals for Sixth District, Transcript of Record, NLRB v. Thompson Products and Automotive and Aircraft Workers' Association, Inc., 1 April 1942, 435-443, reel 1, TPP; J.D. Wright to R.S. Livingstone, 28 August 1933, box 27, TRWP.

10. R.S. Livingstone, "Settling Disputes Without Interrupting Production," Management Record 4 (December 1942): 388; Frank Dossett, "Handling Grievances Under Government Supervision" (n.d.), 34, reel 1, TPP; Roy Rutherford, "The Career of Fred Crawford," Railroad Workers Journal, 1 (June 1946), 5-11.

11. Livingstone to Lee Clegg, 27 June 1940 and Livingstone to Crawford, 20 August 1940, box 28, TRWP; "Duties of the Personnel Supervisor," February 1943, 3, reel 2, TPP; "Organization of Personnel Administration," 80.

12. See various "Annual Reports to Employees," boxes 28 and 29, TRWP; "Thompson Products, Inc, Labor Relations History: The Free Speech Issue" (n.d.), box 28, TRWP; "Two-Way Information Flow Pays Off," Factory Management &

Maintenance 104 (May 1946): 108-112; Thompson Products, "We Led With Our Chin! Report on a Survey of Employee Opinion," August 1944, LMDC; Thompson Products, Personnel Policy Conference, 27 January 1955, box 128, TRWP. Also see Sanford M. Jacoby, "Employee Attitude Testing in American Industry," Industrial Relations (forthcoming, 1988).

13. "Two-Way Flow," 109. Various issues of "Let's Have the Truth!" (subtitled "Dedicated to Truth, Understanding, and Real Americanism; There is no place for hate, lies and misunderstanding in American Industry") are reprinted in the August 1943 trial examiner's report, which is contained in Thompson Products, Inc. and UAW Local 300, 57 NLRB, No. 151 (1944) , 976-979. Also see UAW-CIO, "Brief Submitted to the National War Labor Board on Thompson Products," February 1942, box 30, TRWP.

14. "Transcript of the Proceedings of the Three-Month NLRB Trial, February 23 to May 25, 1943," 1408, reel 1B, TPP; Eighth Region NLRB, Case no. 8-R-1989, "Report on Objections to Election," 13 June 1946, box 39, TRWP.

15. Proceedings of the Second Annual Public Relations Conference Sponsored by the National Association of Manufacturers, December 6th and 7th, 1943, New York City, 87-88 and Proceedings of Indiana Executives Conference on Public Relations, Indianapolis, 14 April 1944, 35-36 (emphasis added), both at Hagley Library, Wilmington, Delaware; Robert N. McMurry, "War and Peace in Labor Relations," Harvard Business Review 33 (November 1955): 48.

16. Livingstone in "Statement of Labor History"; Friendly Forum, 8 April 1935, box 27; Friendly Forum, 8 April 1935, box 27, TRWP; "Can There Be Industrial Peace With Unionism?," Transcript of a debate between A.E. Stevenson and R.S. Livingstone, Euclid, 12 November 1946, LMDC; Crawford in Dossett, "Handling Grievances," 45-54.

17. "Old Guard Committee to all Thompson Product Employees," 13 January 1934, "A Brief History of the Thompson Products Employees' Association," 19 January 1934, and "Minutes of the First Meeting of the TPEA," 19 February 1934, all in box 27, TRWP; Thompson Products and UAW Local 300 (CIO), 33 NLRB 1033 (August 1941); Harvey Shore, "A Historical Analysis of Thompson Products' Successful Program to Discourage Employee Acceptance of Outside Unions, 1934-1947," Unpublished doctoral thesis, Harvard Graduate School of Business Administration, June 1966, 41-155.

18. "Constitution of the TPEA," 13 February 1934, box 27, TRWP; U.S. Bureau of Labor Statistics, Characteristics of Company Unions 1935, bull. no. 634 (Washington, 1937), 154; "Transcript of NLRB Trial 1943," 691-2; E.A. McBride to L.M. Clegg, 7 May 1935, and Livingstone to Management Representatives, 3 December 1934, box 27 TRWP; Minutes of Joint Council Meeting, 10 May 1935, 9 August 1935, box 27 and 3 March 1937, box 28, TRWP.

19. Livingstone, "Employees' Association Secretarial Report: 1934" in "Transcript of NLRB Trial 1943," 608; Livingstone to P.B. Lerch, 10 January 1935, and Minutes of the Joint Council Meeting, 1 March 1936, 2 July 1936, and 11 November 1936, box 27, TRWP.

20. Hoffman in Friendly Forum, 2 April 1934 and 10 May 1934, box 27, TRWP; J.M. Kerwin to F. Ritter et al., 6 June 1935, box 27, TRWP. Also see David J. Saposs, "Organizational and Procedural Changes in Employee Representation Plans," Journal of Political Economy, 44 (December 1936): 803-811.

21. Several events undermined the fledgling Detroit local: the defection of key leaders to a new ILU, the teargassing of a May sit-down strike, management foot-dragging on a new contract, and an overhaul of plant policies by a team of Cleveland-based managers. Detroit News, 21 and 22 February 1937; J.D. Wright Memorandum, 27 February 1937; "Chronicle of Relations with Independent Unions," typescript (n.d.); and Livingstone to Crawford, 15 November 1937 and Livingstone to Bill Goltz, 25 May 1939, box 142, TRWP. "Complaint of the UAW to the NLRB

7th Region," Case C-386, 13 July 1940, box 143. See note 63.

22. In April the UAW filed NLRB charges claiming that three of its supporters had been illegally discharged by the firm. Despite an NLRB order, Thompson refused to reinstate the men, and so the board asked the the Sixth Circuit to enforce the order. But, in what proved to be the first of several highly publicized defeats for the NLRB in its fight with Thompson, the court not only refused to enforce the order but criticized the NLRB for failing to provide more than a "scintilla" of evidence to sustain its charges against Thompson. A few nights later, board chairman J. Warren Madden was forced to go on national radio to defend the board. Cleveland News, 11 May 1938; New York Times, 14 May 1938; NLRB v. Thompson Products, 97 F.2d 13 (6CCA, 1938); Frank Dossett, Thompson Products: A Case Study in New Deal Legislation (typescript, 1947), 204-237, box 20, TRWP.

23. 33 NLRB 1033, 1041; "In the Matter of Thompson Products and UAW Local 300, and AAWA: Transcript of Evidence, 2 December 1940" reprinted in U.S. Circuit Court of Appeals for Sixth District, Transcript of Record, NLRB v. Thompson Products and AAWA, Inc., April 1942, 294, reel 1, TPP.

24. Ibid., 489-500; 1943 examiners' report in 57 NLRB, no. 151 (1944), 941-2, 1016-1018; Transcript of NLRB Trial 1943, 72, 527, reel 1B, TPP; NLRB, Trial Examiners' Division, Exceptions of Respondent M.A. Roemisch, 12 October 1943, 4, reel 3, TPP; Transcript of the Meeting of Employees of Thompson Products, 16 September 1942, reel 2, TPP.

25. Roemisch, "Special instructions to delegates and representatives," (n.d.), box 28, TRWP; Transcript, 2 December 1940 in Transcript 1942, 580-688; Livingstone to Crawford, 21 June 1937, box 28, TRWP; 33 NLRB 1033, 1039-1048.

26. Labor Relations Council (hereinafter LRC) minutes: 4 October 1937, 10 April 1940, 13 September 1937; Executive Committee minutes: 15 September 1938, box 28, TRWP.

27. LRC minutes: 7 March 1938, 4 April 1938, 13 June 1938, 4 January 1939, 16 February 1939, 27 March 1939, 14 March 1940, 10 April 1940, box 28, TRWP.

28. Roemisch to Livingstone and Crawford, 7 October 1940, box 28, TRWP; Dossett, Case Study, 274; Livingstone, "Memorandum on Cleveland Rate Structure" 27 August 1940, box 28, TRWP; LRC minutes, 6 September 1940, 22 October 1940, 2 November 1940, box 28, TRWP.

29. 33 NLRB 1033, 1050; NLRB v. Thompson Products, 11 LRRM 521, 526 (6 CCA, August 1942); Harry Millis and Royal Montgomery, Organized Labor (New York, 1945), 107-8.

30. Cleveland Press 14 and 30 January 1942, 10 February 1942; NWLB, "Report of the Mediator in the Matter of Thompson Products and the UAW," Case no. 20 (26 February 1942), 10, reel 1, TPP; Crawford in "Statement of Labor History," 49; Crawford to NWLB, 25 February 1942, box 30; Dossett, "Handling Grievances" 23-4.

31. Various AAWA flyers, April to August 1941, box 29, TRWP; LRC minutes, 20 October 1941, box 29 and 11 March 1942, box 30, TRWP; Cleveland News 27 March 1941; Transcript of the Meeting of Employees, 1942.

32. Transcript of 1943 NLRB trial, 443, 534-40, reel 1B, TPP. The AAWA did not appeal the disestablishment order but instead posted notices in the plant announcing that "neither the courts nor the Labor Board has ever criticized the effectiveness, sincerity, or honesty of the bargaining of the AAWA, even though it has been slandered by international, communistically-controlled organizations." AAWA Bulletin, 31 August 1942, box 30, TRWP.

33. Transcript of the meeting of employees, 1942.

34. 57 NLRB, No. 151 (1944), 998; CPD, 11/5/42; Transcript of the 1943 NLRB trial, 9219-9224, reel 5B.

35. "We Led with Our Chin," 24; 57 NLRB no. 151 (1944), 997-8; Minutes of the Meeting to Form the AWA, 12 November 1941, reel 1, TPP; UAW-CIO, "Brief to

the NLWB," February 1942, 4; "TAPCO Bulletin," 13 January 1942 and Roemisch to Livingstone, 5 January 1942, box 30, TRWP; Livingstone to Hugh E. Sperry, 15 June 1942, reel 1, TPP.

36. 57 NLRB, No. 151 (1944), 963.

37. In 1944 the UAW received 22% of the vote at TAPCO, while at Main the UAW (36%) split the affiliated union vote with the IAM (7%). In 1945 the UAW-CIO (34%) again split the vote with the UAW-AFL (2%), though the total affiliated share was lower than before. Robert A. Lorton to Livingstone, 8 May 1944, reel 3, TPP; NLRB, In the Matter of Thompson Products and UAW Local No. 300, Second Supplemental Decision and Order, 21 March 1945, 60 NLRB 3181; Dossett, "Handling Grievances," 57; "Supervisory Bulletin," 13 September 1944, box 38, TRWP; Cleveland Plain Dealer, 20 October 1945; NLRB, Eighth Region, Case No. 8-R-1989, "Report on Objections," 3 June 1946, box 39, TRWP.

38. U.S. Senate, Committee on Education and Labor, 75th Cong., 3rd sess., "Violations of Free Speech and Rights of Labor," pt. 21, 9106-9116 and pt. 38, 15050-15122. On the 1943 strike, see Strike Correspondence file, box 138 and Cleveland Plain Dealer, 14 April 1943. Joseph Coniglio testimony in Transcript of 1943 NLRB Trial, 1383, reel 1B, TPP.

39. "Supervisory Newsletter," 15 July 1946, box 39, TRWP; Cleveland Union Leader, 29 August 1947, reel 6, TPP; Friendly Forum, 2 May 1947, 30 May 1947, box 41, TRWP; "Thompson Raises Wages \$3 Million; Beats New Pattern," Cleveland Plain Dealer, 29 April 1947; NLRB v. Thompson Products, Inc. 20 LRRM 2291 (6CCA, 1947); G.H. Malone, "Memo of Meeting Held on 7 April 1948, box 110, TRWP.

40. Philip Taft, "Independents and the Merger," Industrial & Labor Relations Review, 9 (April 1956): 445; Millis and Montgomery, Organized Labor, 886-889.

41. AWA Publicity Committee, flyer, 17 May 1954 and "Contract Negotiations," 22 July 1955, box 117, TRWP; "TRW Hit by Strike at Cleveland Facilities," Wall Street Journal, 2 November 1979; Interview with Oscar Lockard, former AWA president, November 1987; 1943 trial examiner's report in 57 NLRB 1007 (1944); Gerald Zahavi, "Negotiated Loyalty: Welfare Capitalism and the Shoeworkers of Endicott Johnson, 1920-1940," Journal of American History, 70 (December 1983): 602-620.

42. Transcript of 1943 NLRB Trial, 620, reel 1B, TPP; LRC Minutes (Main): 11 October 1949, box 120 and 27 June 1949, box 70; Roemisch to Clegg, 1 March 1949, box 118; John Schacht, The Making of Telephone Unionism, 1920-1947 (New Brunswick, 1985), 73; Millis and Montgomery, Organized Labor, 884.

43. "Public hearing before the National War Labor Board," 20 November 1942, reel 2, TPP; NWLB Directive Order, Case no. 516, 25 November 1942; William H. Chamberlain to Livingstone, 2 September 1943, reel 3, TPP.

44. Interview with Oscar Lockard, November 1987; Minutes of the Cleveland Personnel Committee, 2 July 1962, box 125; Roemisch to Livingstone, 6 June 1951, box 117, TRWP. In 1951, AWA members at Main were upset that their pay rates were below TAPCO's. When they threatened to have an arbitrator rule on the propriety of the differential, management agreed to reopen their contract and insert language stating that the company's "long term policy" was to "work toward entirely uniform wage scales" at the two plants. Roemisch to Bubb et al., 20 June 1951, box 117, TRWP.

45. A. Sheahen to Livingstone, 21 June 1951, box 117; Minutes of the Main Plant Personnel Meeting, 17 January 1958, box 133; Main Plant grievance files, 1944-1958, boxes 111 and 112, TRWP. Anil Verma had kindly provided data for two similar TRW plants: one in Ohio represented by an ILU and another in Connecticut represented by the UAW. During the period 1971-77 the grievance rate per 100 employees at the ILU plant was 4.86; for the UAW plant it was 7.02, slightly higher. For 1978-80, however, the UAW rate shot up to 28.27, while the ILU's fell to 2.31. During the entire period 1971-80, each plant experienced two

strikes. Thus, differences between the two plants did exist, but the ILU plant was more like an affiliated union plant than a nonunion one.

46. Millis and Montgomery, Organized Labor, 883; cit., 883; LRC Minutes (Cleveland-Area), 2 June 1961, box 125; Friendly Forum, 1 March 1946, box 39; Robert Ozanne, Wages in Practice and Theory (Madison, 1968), 136; "Comparison of Average Wages, Main Plant, with U.S. CPI and Average Straight Time Wages in Durable Goods Manufacturing 1948-1960," box 141; Cleveland Profiles-Cuyahoga County (May 1953), 1-10, box 128, TRWP. Union officials admitted in private correspondence that Thompson was hard to organize because it paid prevailing wages. E.H. White to S.L. Newman, 15 April 1950, reel 218, International President's file, IAM Papers, State Historical Society of Wisconsin, Madison.

47. LRC Minutes (Main), 28 June 1949 and Roemisch to Livingstone, 11 January 1950, box 120; Roemisch to Livingstone, 10 July 1951, box 117; H.E. Stevens to J.W. Drake et al., 5 May 1955 and G.H. Malone memorandum, 17 May 1955, box 117; "Contract Negotiations," 22 July 1955, box 117; 7/22/55, box 117; Minutes of the Main Plant Personnel Meeting, 4/26/57, box 133, TRWP. When profits were off in 1961, management refused to meet the auto-industry wage pattern as requested by the AWA. Rather than strike, the AWA turned to a more negotiable issue and demanded a new job evaluation plan. The following year, the UAW launched an unsuccessful drive that hit hard at the lack of a pay increase in 1961. Pay subsequently was increased. LRC Minutes (Cleveland-Area), 2 June 1961, box 125; "AWA 1961-62" file, box 126, TRWP.

48. "Sworn Statement of Ed Castle," 20 January 1944 and Livingstone, Personnel Memo, 1 May 1944, reel 3, TPP; 1943 NLRB Trial, 188-193, 490-523, 1116, 1153, reel 1B and 9185-6, reel 5B, TPP; NWLB, "Transcript of Proceedings Before Arthur T. Martin, Arbitrator," 30 January 1943, reel 2, TPP. Note that these tactics continued into the 1960s. After its defeat in a 1967 election in Cleveland, the UAW charged that TRW gave the AWA free rein in the plants, while UAW supporters were denied the opportunity to electioneer or were transferred to isolate them from other employees. Although a rerun election was held, the UAW lost again, in part because the company turned to an old tactic and gave a 5 percent wage increase a month before the second election. "UAW 1967" file, box 141; UAW, "Objections to Election", NLRB Case No. 8-RC-6714, TRW Inc. and UAW, AFL-CIO, May 1967, box 141, TRWP.

49. LRC Minutes (Main), 28 June 1949 and 11 October 1949, box 120; Livingstone to Cleveland Factory Supervision, 21 March 1958, box 117; LRC Minutes (Cleveland-Area) 2 June 1961, box 125; "AWA 1961-62" file, box 126.

50. This discussion is based on LRC minutes from Main plant and the Cleveland area 1948-1969, boxes 120-121 and 127-128, TRWP. A tally for the years 1950 to 1958 shows the most commonly discussed topics to have been: physical plant conditions (23%), personnel matters (21%), wage rates and standards (10%), business outlook and plans (10%), safety (7%), and parking (6%).

51. LRC Minutes (Main): 23 January 1949, 17 February 1952, 13 April 1950, 11 September 1952, 6 January 1960, box 120; LRC Minutes (Cleveland-Area): 17 July 1958, box 121, TRWP.

52. LRC Minutes (Main): 26 July 1948, 5 May 1949, 13 April 1950, 13 September 1951, box 120; Supplemental agreements in boxes 117 and 118, TRWP. On the GM-UAW formula, see J.W. Garbarino, "The Economic Significance of Automatic Wage Adjustments" and Jack Stieber, "Evaluation of Long-Term Contracts" in Harold W. Davey, ed., New Dimensions in Collective Bargaining (New York, 1959).

53. AWA News Bulletin, 2 April 1953, box 117; Minutes of Main Plant Personnel Meeting, 10 November 1961, box 133; LRC Minutes (Main): 5 May 1949, 28 June 1949, and 2 December 1949, box 120 and 7 December 1960, box 121; G.H. Malone memo, 2 December 1949, box 118. For descriptions of Japanese company unions, see Ronald Dore, British Factory-Japanese Factory (Berkeley, 1973);

Robert E. Cole, Japanese Blue Collar: The Changing Tradition (Berkeley, 1971); and Taishiro Shirai, "A Theory of Enterprise Unionism" in Shirai (ed.), Contemporary Industrial Relations in Japan (Madison, 1983).

54. "Chronology of Relationships," box 142, TRWP; 57 NLRB 957 (1944); Transcript of 1943 NLRB Trial, 559, reel 1B, TPP; NWLB, Proceedings Before Arthur T. Martin, 30 January 1943, reel 2, TPP.

55. Karl Heilman, Jr. to G.H. Malone, 19 August 1952, box 133 and Arlen Southern, "Results of the 1957 Spot Check of Employee Opinion," February 1957, box 137. Data on pay appear in Eugene Schwartz memorandum, 8 December 1953, box 117 and in G.H. Malone to R.G. McCarty, 5 November 1958, box 118. Also see Bob Hausermann to G.H. Malone, 3 November 1958, box 118 and Malone to R.L. Brown, 2 September 1958, box 133, TRWP.

56. Minutes of the Cleveland Personnel Committee: 15 April 1957, 6 June 1962, and 1 October 1962, box 125, TRWP; UAW flyer, 27 April 1967, box 141.

57. Statement of Paul Herzog in U.S. Senate, 80th Cong., 1st sess., Hearings Before the Committee on Labor and Public Welfare, 1947, pt. 4, 1912; Statement of Hugh Sperry in U.S. House of Representatives, 80th Cong., 1st sess., Hearings Before the Committee on Education and Labor, 1947, vol. 3, 3472; Southern, "Spot Check," 8. There are obvious parallels here to the recent debate over the Law and Reality study. See J. Getman, S. Goldberg, and J. Herman, Union Representation Elections: Law and Reality (New York, 1976); and Paul Weiler, "Promises to Keep: Securing Workers' Right to Self-Organization Under the NLRA," 96 Harvard Law Review 1769 (1983).

58. Ed Hall quoted in Cleveland Press, 28 November 1941; 57 NLRB 938 (1944); interview with Oscar Lockard, November 1987.

59. Toledo Blade, 22 May 1937; Livingstone to J. Cox, 24 February 1936, box 142 and various Toledo files, box 146, TRWP. After the 1937 Detroit strike, Colbridge was fired (and replaced by Bill Goltz, a machinist who had led the UAW drive) and the Old Guard and other plant welfare activities were revived and expanded. The UAW still represents the Detroit plant, now located in the city's suburbs, but the Toledo plant was closed after a strike in 1945.

60. Elizabeth Hawes, Hurry Up Please Its Time (New York, 1946), 181-184; "Report of the President," Proceedings of the Eleventh Convention of the UAW-CIO, Part I, Atlantic City, 9 November 1947, 26-28; Friendly Forum, 12 December 1947, box 42; "By Their Leaders You Shall Know Them," mimeo, 7 May 1947, box 40, TRWP. The UAW also was a victim of its own success. During the 1930s and early 1940s the UAW told Thompson's Cleveland workers that they were underpaid relative to UAW members at major auto assembly firms (which Thompson was not). But after the Detroit plant was organized in 1943, Cleveland workers had a more accurate standard for judging the UAW's promises. Not suprisingly, the company and the AWA maintained parity with the Detroit plant, which made it harder to claim that AWA members were underpaid. Leon Nies memo, 9 March 1959, box 118; "UAW 1967" files, box 141, TRWP.

61. NLRB v. Thompson Products 97 F.2d 13 (6CCA 1938) and 20 LRRM 2291 (6CCA, 1947); Statement of Leo Wolman, Senate Committee on Labor (1947), pt. 1, 98-109; Statement of Raymond S. Livingstone, House Committee on Education and Labor (1947), vol. 3, 1489-1531. The Sixth Circuit also criticized the NLRB in NRLB vs. Clinton Woolen Mfg. Co., 141 F.2d 753 (6CCA, 1944) and it later decided Chicago Rawhide Manufacturing vs. NLRB (221 F.2d 165 (1955)), the first major case after Taft-Hartley in which behavior defined by the NLRB to be illegal employer support was instead held to be a lawful form of union-management cooperation. More generally, see Harry A. Millis and Emily Clark Brown, From the Wagner Act to Taft-Hartley (Chicago, 1950), 107-110; James A. Gross, The Reshaping of the National Labor Relations Board (Albany, 1981), 227, 248; and Howell John Harris, The Right to Manage: Industrial Relation Policies of

American Business in the 1940s (Madison, 1982).

62. Leo Troy, "Local Independent Unions and the American Labor Movement," Industrial & Labor Relations Review 14 (April 1961): 340. Taft-Hartley's treatment of company unions is discussed in "Section 8(a)(2): Employer Assistance to Plant Unions and Committees," Stanford Law Review 9 (March 1957): 351-365. Total registered ILU membership in 1967 was 475,000. Of this, 68 percent belonged to ILUs organized during 1936-1950; 14 percent to ILUs organized during 1951-1960; and 2 percent to ILUs organized during 1961-1967. U.S. Bureau of Labor Statistics, "Unaffiliated Intrastate and Single-Employer Unions, 1967," Bulletin No. 1640 (Washington, D.C., 1969), 14.

63. Robert L. Heilbroner, "The View From the Top: Reflections on a Changing Business Ideology" in Earl F. Cheit, ed., The Business Establishment (New York, 1964), 29. I am now conducting a study (with Anil Verma) to determine whether there were any significant pay differences between TRW's affiliated and ILU plants during the years 1979-1983. Preliminary results show that the ILU plants paid the same or more than the affiliated plants, when industry, region, and skill mix are controlled for.

64. Julius Rezler, "Labor Organization at Du Pont: A Study in Independent Unionism," Labor History 4 (Spring 1963): 178-195; Letter to author from R.D. Lundy, Vice President, Public Relations, TRW Inc., 19 December 1986.

65. Data are from Anil Verma and Thomas A. Kochan, "The Growth and Nature of the Nonunion Sector within a Firm" in Thomas A. Kochan, ed., Challenges and Choices Facing American Labor (Cambridge, 1985), 93-95, and Lundy letter.

66. Interviews with Jim E. Dunlap, 2 February 1988, and with Dr. Simon Ramo, 17 December 1986; David Oates, "Sensing Aids Candour in Aerospace Firm," International Machinist (U.K.), April 1973. Also see Thomas A. Kochan, Harry C. Katz, and Robert B. McKersie, The Transformation of American Industrial Relations (New York, 1986), 93-108, whose account of the rise of the new nonunion model is heavily based on the TRW experience.

67. The distinction is between proximate and root causes. For more extended discussion of these issues, see S.M. Jacoby, "American Exceptionalism Revisited: The Importance of Management" in Jacoby, ed., Managing the Workplace: An Historical Perspective on Employer Strategies (New York, forthcoming) and Reinhard Bendix, Work and Authority in Industry (New York, 1956).