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# Industrial Relations in the

(West Coast Collective  
Bargaining Series)

# California Aircraft Industry

Arthur P. Allen

Betty V. H. Schneider

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**WEST COAST COLLECTIVE BARGAINING SYSTEMS**

**Edited by**

**Clark Kerr and Curtis Aller**

**Institute of Industrial Relations  
University of California, Berkeley**

**Industrial Relations**  
**IN THE**  
**California**  
**Aircraft Industry**

**ARTHUR P. ALLEN**  
**and**  
**BETTY V. H. SCHNEIDER**

**INSTITUTE OF INDUSTRIAL RELATIONS**  
**UNIVERSITY OF CALIFORNIA, BERKELEY**  
**ARTHUR M. ROSS, DIRECTOR**

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## FOREWORD

This is the eighth in a series of short monographs which the Institute of Industrial Relations is publishing on collective bargaining on the Pacific Coast.

This region provides a splendid locale for such a group of studies. It has been familiar with unionism, collective agreements, and industrial conflicts for more than a century. Not only are workers more highly organized than in most other regions, but employer associations are unique, both quantitatively and in the extent of their activities. In some areas, particularly the San Francisco Bay Area, central labor bodies are unusually influential in the conduct of collective bargaining. And as Clark Kerr and Curtis Aller point out in their preface, the West Coast presents a fascinating diversity of industrial and social environments which have placed their stamp on labor-management relations. For these reasons collective bargaining on the West Coast has deservedly attracted national and international interest among practitioners and students.

The editors of the series have had a wide and varied experience in analyzing industrial relations problems on the Pacific Coast and elsewhere. Clark Kerr was Director of the Institute at the time the original plans for the series were formulated. He is now Chancellor of the University of California at Berkeley, as well as a member of the Institute staff. Curtis Aller is also a member of the Institute staff and Lecturer in the School of Business Administration on the Berkeley campus.

Earlier monographs in the series dealt with collective bargaining in the motion picture, construction, nonferrous metals, lumber, and longshore industries, and with labor relations in agriculture and in the nonfactory sector of the economy. Subsequent monographs will consider the role of the teamsters union on the West Coast and labor relations in the Hawaiian sugar industry.

The late Arthur P. Allen, one of the co-authors of the present study, turned to a highly useful career in industrial relations after his retirement from a successful private business. He served as vice chairman of the War Labor Board, Tenth Region, and in other government positions in the World War II period, and as chairman of the Wage Stabilization Board, Region XII, in 1952-53. He was the author of *Unemployment Insurance in California*, which was published by the Haynes Foundation in 1950.

When Allen's fatal illness developed in the spring of 1955, Dr. Betty Schneider of the Institute staff took over the revision and completion of the manuscript. She is co-author of a previous monograph in this series on industrial relations in the longshore industry and is also author of a history of clerical trade unions in the British civil service, which is to be published in England later this year.

ARTHUR M. ROSS  
*Director*

## PREFACE

The West Coast has a rich and remarkably varied history of collective bargaining despite its youth as a region of economic importance. Its Embarcadero in San Francisco, its streets of Seattle, its logging camps in the Northwest, its motion picture lots in the Los Angeles area, its fisheries in Alaska, its hard rock mines on either side of the Continental Divide, among other locales, have witnessed the development of unique and consequential systems of labor-management relations.

This study of the Southern California Airframe Industry is the eighth in a series of reports being published on individual West Coast bargaining situations. Each report is concerned with a single distinct system, whether it covers an industry, a portion of an industry, a union, or a group of unions. None of the studies purports to be an exhaustive analysis of the total collective bargaining experience of the system under survey. Rather, it is the intention to investigate one or a few central themes in each bargaining relationship—themes which relate to the essence of that relationship. The series will thus constitute a many-sided treatment of collective bargaining, illustrating both its diversity and its complexity.

Among our giant mass production industries, the aircraft industry stands out as one of the newest and largest, rivaling the front-ranking automotive industry in employment. Yet only 20 years ago the industry was an infant, standing 135th in employment. In the late thirties, output and employment expanded rapidly, with the expansion erupting into an explosion after the outbreak of war in Europe. The wartime boom was followed by abrupt contraction, which in turn gave way to a gradual rise in activity in the late forties and the sharp acceleration of the Korean War period. Only recently has the industry entered an era of comparative stability.

Almost from the beginning, Southern California has been an important center of the industry, and today its six airframe manufacturers are among the principal employers in the region. Unions made very little progress in these companies before World War II, but the conversion to mass production was accompanied by the successful entry of two rival industrial unions. One or both of these unions gained a foothold in all but one company. Since then, the unions have retained their bargaining rights, while their bargaining power has fluctuated with the changing fortunes of the industry. Yet mature collective bargaining can scarcely be said to have arrived.

Essentially the authors trace the history of labor-management relations in each succeeding period from 1935 to the present, stressing not only the conditions affecting the industry as a whole but also the rather striking differences in the way in which labor-management relations evolved in the six major firms in the area. Economic instability and rival unionism, they conclude, were the chief factors explaining the failure to achieve a mature collective bargaining relationship. Not only were there sharp fluctuations in output and employment, but each company was affected somewhat differently by these changes, particularly in the period immediately following World War II. Meanwhile, the two major unions competed vigorously for jurisdiction, raiding one another when circumstances seemed propitious, and suffering from internal factionalism that at times was destructive. Apart from these two important elements in the situation, there were secondary factors influencing the slow development of mature relationships, the most important of which were the continuous turnover of employees and the anti-union tradition of most of the aircraft employers and of the surrounding community.

That these conditions are now largely history provides the basis for optimism for the future. For the time being at least, the industry's economic position is more stable, while the two rival unions are developing internal stability and more peaceful mutual relations. Even so, the authors conclude that industrial relations in the industry are still in a state of transition and that the achievement of mature collective bargaining in the immediate future is by no means a certainty.

CLARK KERR  
CURTIS ALLER  
*Editors*

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## INTRODUCTION

Over the last 25 years California has become one of the nation's more important industrial regions, a development due in large part to the rapid expansion of the airframe industry. In the early twenties, aircraft workers in California totaled no more than a few hundred. By 1933 employment had increased to about one thousand. But, with the threat of a European war came orders for military aircraft which set in motion the most spectacular expansion in American industrial history. It has often been referred to as an explosion rather than an expansion. At least 40 years of normal progress were compressed into 40 months by military demand for airplanes.

In November 1943 total aircraft employment across the nation, including subcontractors, was more than two million.<sup>1</sup> Southern California airframe plants alone employed some 280,300 persons.<sup>2</sup> Additional thousands were employed in contributory operations producing parts, accessories, and tools. At the end of World War II employment contracted sharply, but with a government recognition of the continuing need for military aircraft and, later, the Korean War, the Southern California industry revived and since the beginning of 1954 has leveled off at an employment total of about 215,000, including both airframe and parts workers.<sup>3</sup>

The rapid growth of so large an industry in a formerly almost completely non-industrial area produced many problems, not the least important of which arose from the changed relationship between airframe employers and their thousands of new unskilled

<sup>1</sup> *Monthly Labor Review*, 59 (November, 1944), 909.

<sup>2</sup> *Ibid.*, 61 (October, 1945), 723.

<sup>3</sup> *California Labor Statistics Bulletin*, Department of Industrial Relations, Area Supplements (San Francisco: 1953, 1954, 1955), Tables 1 and 7.

and semi-skilled workers. Leisurely custom production of airplanes by skilled craftsmen gave way in 1939 and 1940 to mass production and, inevitably, industrial unionism. Workers poured into unions which had been able to make little progress in the years before. The personal contacts which tied worker and employer together in the thirties were impossible in the new environment. And this environment was not destined to be a wartime abnormality; once the war was over, aircraft production continued on a mass production basis.

The following study is primarily historical in emphasis, tracing the efforts of labor and management to adjust to the demands of a drastically altered employment situation. But, at the same time, an attempt is made to point up the reasons why industrial relations in this particular setting have taken the course they have. For although the growth of unionism and collective bargaining in the Southern California airframe industry has resembled similar developments in other mass production industries, airframe companies and unions have been slow to achieve what are usually considered mature bargaining relationships. The parties have found it difficult to progress to the stage where "take it or leave it" offers and strikes give way to mutual acceptance, respect, and compromise. Why has this been so? Are the crucial influences to be found in the nature of the industry with its high turnover, economic instability, competitiveness, comparatively recent transition to mass production, and susceptibility to government intervention in labor relations? Or are the important factors purely local, stemming from traditional regional and industry attitudes to unions, the presence of competing unions, and the character of the workforce in the Los Angeles and San Diego areas? These are the questions which will be examined in this sketch of airframe labor relations from the 1920's to the present day.

### Scope of the Study

Because in California the production of airplane engines, parts, and accessories is extremely limited, this study will be restricted to those companies producing airframes. The airframe plant is actually a plant of final assembly. Here the fuselage, wings, and tail are fabricated and the engines, propellers, instruments, and accessories are installed to produce the finished plane. In the

aircraft industry as a whole, airframe plants are by far the most important in terms of both employment and function.

The six airframe producers located in Southern California are to be included: Convair, formerly the Consolidated Vultee Aircraft Corporation (San Diego); Douglas Aircraft Company (El Segundo, Long Beach, Santa Monica); Lockheed Aircraft Corporation (Burbank); North American Aviation (Los Angeles); Northrop Aircraft Corporation (Hawthorne); and Ryan Aeronautical Company (San Diego).

Northrop and Ryan are not volume producers of finished aircraft. Their chief products have been component parts, although both organizations have done important airframe development work and have produced finished planes of their own design on government contract. For the latter reason and also because for many years they have been associated rather closely with the larger producers, especially in labor matters, Northrop and Ryan will be included here.

Southern California producers have never been organized on an area basis, but at present they are all members of the Aircraft Industries Association, a national organization primarily concerned with aspects of aeronautical research, development, and production. No formal attempt is made by aircraft employers either nationally or in the Southern California area to establish common labor policies.

Approximately 90 per cent of production and maintenance workers in Southern California airframe factories are now covered by collective bargaining agreements. In addition, office and technical employees are included in bargaining units at several plants. Nearly all these workers are represented by one or the other of two unions, the International Association of Machinists (IAM-AFL) and the United Automobile, Aircraft and Agricultural Implement Workers (UAW-CIO). The exceptions consist of small units usually affiliated with a craft union, one or more of which are established in almost every major plant. These include electrical workers, teamsters, operating engineers, all affiliated with the AFL, as well as independent groups such as the United Aircraft Welders and the Engineers and Architects Association. The craft unions carry on a steady campaign to establish additional units, but as the number of workers involved is small, their activities will be passed over.

Although neither the IAM nor the UAW has gained the union shop for airframe workers in Southern California, membership runs fairly high in those plants which are organized, from approximately 50 per cent at Ryan to about 85 per cent at Lockheed. Of organized workers roughly 59,000 belong to the IAM and 26,000 to the UAW. The IAM holds bargaining rights at Convair, the Douglas El Segundo and Santa Monica plants, and Lockheed. The UAW represents workers at Douglas-Long Beach, North American, and Ryan. Production workers at Northrop are unorganized.

#### BACKGROUND, 1912-1935

The period 1912-1935 antedates union organization in the industry, but the early history of the companies under consideration and of the men who founded them exercised an important influence on later attitudes as well as on the methods and structure of the industry as a whole. Therefore, for the sake of clarity the origins of these companies will be examined briefly.<sup>4</sup>

Prior to the 1920's the center of airframe production was the East Coast. However, several small scale operations were underway in the West during these early years. In 1916, the brothers Allan and Malcolm Loughhead, who had built their first plane four years before, set up an airplane shop in Santa Barbara together with John K. Northrop. A contract to build seaplanes for the Navy was finally obtained, but the war was over before production started. Undaunted, the three men adopted the name Lockheed for their company, moved to Burbank, and proceeded to build several successful experimental aircraft, one of which was a flying wing.

Large scale manufacture of aircraft in the United States began with the war, largely because the conflict opened the eyes of military men to the combat possibilities of aerial flight. But the Armistice brought rapid collapse. Within three days more than \$100,000,000 worth of orders were cancelled. The industry shrank to one-tenth its wartime size. Those interested in the development of commercial transport found it almost impossible to enlist resources for expansion and experimentation. For 15 years there was little progress so far as volume of output was concerned, although

<sup>4</sup> For an account of this period, see Frank J. Taylor and Lawton Wright, *Democracy's Air Arsenal* (New York: Duell, Sloan, and Pearce, 1947), pp. 23-39; also, *Fortune*, XXIII (March, 1941), *passim*.

there were important changes and improvements in aeronautical design.

In the search for capital, attention turned to the Los Angeles area which also had the advantages of a climate and topography favorable to flying. In 1920 Donald Douglas, a young engineer, left Glenn L. Martin's pioneer company where he had rapidly risen to the position of vice-president, and moved to California to go into business for himself. Douglas had \$600 in capital and eight employees he had brought with him from Martin. The rear half of a barbershop on Pico Boulevard in Los Angeles served as a drafting room. His first efforts were directed toward building private planes and filling small Army and Navy orders, financed by local capitalists. Douglas' aircraft soon attracted public attention, first, through a highly publicized but unsuccessful attempt to make the earliest non-stop, cross-country flight, and, later, by a successful attempt to circle the world. In 1924 four Douglas-built Army planes took off from Seattle; several months later two limped home after having made the first trans-global flight.

The Ryan Aeronautical Company grew out of an enterprise established in San Diego in 1922 by T. Claude Ryan, an ex-Army flyer, who rebuilt ramshackle government surplus biplanes for use as commercial transports. In 1925 Ryan launched the first year-round scheduled passenger service in the country, from San Diego to Los Angeles. The company received national press attention in 1927 by virtue of the fact that it had built the *Spirit of St. Louis* for Charles A. Lindbergh.

The industry was tremendously stimulated by Lindbergh's spectacular flight. The change in public interest was almost immediately reflected in an increase in private flying, commercial airline traffic, and transport of air mail. The industry again entered a boom period. But the demand for airplanes was far from inexhaustible and enthusiastic expansion led to over-capacity. By the early thirties the aircraft industry was in a depression as great as was business generally. In 1931 the general manager of Lockheed mortgaged his house and car to meet a payroll Christmas week. A year later Douglas went for four months without an order; 577 employees were kept employed on gardening and plant maintenance. And also in 1932, a small eastern group headed by Robert E. Gross bought Lockheed from federal receivership for \$40,000.

At this point the cycle turned upward again as re-armament and expansion programs in the air forces of the world got under way. At the same time, domestic passenger travel increased with an improvement in comfort and safety of air travel and reduction of fares. Both number of units produced and total value of product increased each year after 1932. Douglas began building the DC-1, prototype of what was to become the best known transport in the world. In San Diego, Ryan constructed the sport planes and trainers on which, a little later, the pilots of World War II were trained. Concentrating on twin-engined planes, Lockheed had evolved a series of new models by 1936, which included the four-engined Constellation and a fighter plane known as the P-38 Lightning.

Two more companies set up operations in Southern California in 1935. Major Reuben Fleet, who had been building trainers and flying boats at Buffalo, New York, since 1922, moved his Consolidated Aircraft Corporation to San Diego. To Los Angeles came North American Aviation, Inc., under the presidency of J. H. Kindelberger, an engineer formerly with both Glenn Martin and Douglas. NAA was unique among western airframe manufacturers in that it was well-financed and had been since its inception. The last to join the group was the Northrop Aircraft Corporation, organized at Hawthorne in 1939 by John K. Northrop, another Douglas-trained administrator and the man who helped the Loughhead brothers build their first planes during World War I.

Although aircraft production grew steadily from 1932 on, volume output was still a thing of the future. Most companies in the 1930's were working on military designs as the best source of income. But the orders were small, changes in design frequent. With a few exceptions, such as the popular Douglas DC-3's, most aircraft built before World War II were custom-made. There were no assembly lines. The airframe workforce consisted chiefly of airplane mechanics, "file-and-fit" craftsmen, who worked on a plane from blueprint to test flight. Long experience, plus a high degree of mechanical aptitude, was required to master all the skills involved. There were no unions and no attempts to combine in these early days, in spite of the fact that wages were low and year-round employment was uncertain.

As airframe plants were comparatively small, the average

worker came into frequent personal contact with the leading figures of his company; his attitude toward the engineers who for the most part directed the Southern California industry was one of admiration. Administrators had in many cases built with their own hands and flown some of the earliest aircraft, and apparently worked not for profits alone but for the opportunity to push back the frontiers of the sky. This environment, aside from dulling possible needs for worker combination, also encouraged a strong strain of paternalism in management circles. Labor and management together were viewed as a loyal, dedicated family. Such men as Douglas, Ryan, Gross, and Northrop cultivated ties with their workers as desirable, in fact often the only, personnel policies. The pioneering spirit which motivated most participants in the early stages of aircraft development created extremely strong bonds and were to contribute greatly to the failure of many of the first efforts to organize in the late thirties.

Nor did the area environment stimulate an interest in unionization. For three or four decades prior to World War II, Los Angeles and San Diego had been open-shop cities. This was in no small part due to the intense opposition to unions which followed the dynamiting of the *Los Angeles Times* building in 1910 by the McNamara brothers of the International Association of Bridge and Structural Iron Workers. The resulting hostility, perpetuated by the activities of the Los Angeles Chamber of Commerce and other powerful employer groups, such as the Merchants and Manufacturers Association of Los Angeles, presented a formidable block to union activities, even during the mid-thirties when enthusiasm for union organization was at its height in the rest of the country.<sup>5</sup>

Prior to the enactment of the NLRA in 1935 only one attempt was made by organized labor to invade the Southern California airframe industry. Representatives of the AFL started organizing at Douglas in 1933, but little progress had been made when Donald Douglas set up a competing organization, the Douglas Employees Association. In August 1934 an election held by the Los Angeles Regional Labor Board was won by DEA with a large majority, and Douglas recognized the company union for bargaining purposes. DEA's activities were largely social and athletic; however,

<sup>5</sup> See *Violations of Free Speech and Rights of Labor*, Report of the Committee on Education and Labor, U. S. 77th Congress, 2nd session, Senate Report 1150, part 2 (1942), pp. 99-114.

it did take up individual grievances, and made several blanket wage demands, which were refused. Douglas himself was a member and the personnel office solicited membership.

#### EARLY ORGANIZATION ATTEMPTS, 1935-1941

The reasons for the settlement of two such essentially different unions as the IAM and UAW in the airframe industry can be found in the circumstances which arose in the field of labor organization in the thirties.

Before this decade, craft unions dominated the American labor movement. Mass production had already grown up in a number of industries, and its distinguishing characteristics were well known. However, little effort was made by organized labor during these years to draw the tremendous new classifications of semi-skilled and unskilled workers into the ranks of the labor movement. The National Recovery Act, following on the economic insecurity experienced by industrial workers during the depression, gave the American Federation of Labor a new opportunity to enlist almost without effort the great mass of discontented workers engaged in the production of steel, automobiles, electrical machinery, and other products of modern industry.

In October 1934, jurisdiction over the small, but rapidly increasing, group of aircraft workers was assigned to the International Association of Machinists. Organized in 1889 by 19 railroad mechanics in Atlanta, Georgia, the IAM had functioned for most of its life as a typical craft union. Although the IAM sought to represent skilled machinists wherever they worked, its main strength was on the railroads until automobiles came into common use. The union proved ineffective in organizing workers in automobile factories, but met with more success in the repair shops scattered throughout the country. By the thirties the union had established itself as the dominant union in the field. As, at this time, the great majority of aircraft workers were semi-skilled, if not skilled, mechanics, assignment to the ranks of the IAM was a logical step.

There had been much talk in the IAM of the need for organization efforts in aircraft manufacturing as early as 1924, but no action was taken. And once the boom of the twenties broke in 1929, the union was too busy maintaining itself to think of expansion.

Even following the acquisition of jurisdiction in 1934, the IAM did not launch a concerted drive for aircraft members. The first move on the West Coast was made by an enthusiastic local which had already organized itself at Boeing in Seattle and had gained a sub-charter from an AFL one-plant union of aircraft workers at Consolidated in Buffalo. Boeing workers applied for and obtained a charter from the IAM, notwithstanding the active opposition of local IAM lodges and the Seattle Central Labor Council which objected strongly to the industrial form of the new local with its simple entrance requirements and low initiation fees. Once IAM support was obtained, the situation at Boeing altered rapidly. A National Labor Relations Board order was obtained against the company to cease unfair labor practices. On finding from a payroll check that about 90 per cent of the employees were members of the union, the company signed a union shop contract. But, for the moment, the IAM did not attempt to determine whether or not its assistance was also desired by airframe workers in Southern California.

The aircraft industry was not to remain undisputed territory for long. In the early thirties in Michigan, automobile workers were beginning to organize in the hope of putting an end to speedups, undercutting, and low wages.<sup>9</sup> In 1934, the AFL set up several federal unions, each of which dealt with one of the smaller companies in the automobile manufacturing industry. But AFL-appointed leaders were not prepared to direct effectively the violent feelings which had been aroused in auto workers by the hardships brought on by the depression. Workers poured into the federal unions in the hopes of making rapid gains, and drifted out again when the AFL declined to take immediate and strong action against the companies. Influence shifted to rank-and-file leaders in the shops, and hostility increased on both sides as the Federation attempted to impose control over a situation which was already out of control. By early 1935, the AFL was thoroughly discredited among automobile workers and wildcat strikes were erupting on all sides. In an effort to retrieve the situation, the AFL granted a charter in August to the United Automobile Workers—a combination of the several federal automobile unions. But the gesture came

<sup>9</sup> For a history of the growth of the United Automobile Workers, see Irving Howe and B. J. Widick, *The UAW and Walter Reuther* (New York: Random House, 1949).

too late. At their convention in May 1936 the UAW rejected the AFL and, in July, joined the new Congress of Industrial Organizations.

The UAW grew rapidly through organizing efforts and mergers with other unions. Between 1935 and 1937 membership increased from 30,000 to 350,000. By late 1936 the union was ready to try its strength. Action took the form of a series of sit-down strikes, a tactic rarely used previously in the United States, but which had been revived by Akron rubber workers in 1934. In each case the union made substantial gains. When an assault on the main fortresses of General Motors was won in February 1937, the turning point was reached and lesser manufacturers soon fell into line. Of the major producers, only Ford remained to be conquered, a project which was to take some five more years.

It was during the hectic sit-down months of late 1936 that the UAW first turned its attention to Southern California airframe plants. On joining the CIO the union had been awarded jurisdiction over this particular group of workers which, as yet, had been ignored by both the AFL and CIO. UAW representatives were sent to recruit members in the two Douglas plants at Santa Monica and El Segundo and at North American Aviation in Los Angeles. Almost immediately, organizers from the IAM arrived, surveyed the Southern California area, and commenced signing up members in the Consolidated plant in San Diego.

The backgrounds of the IAM and UAW, briefly outlined above, are important to an understanding of the developments which subsequently took place in the airframe industry, for they give a key to the successes and failures experienced in the Southern California environment. The UAW's militancy and reliance on economic power and the IAM's traditional concentration on making gains by negotiations were not characteristics which disappeared in the context of airframe production. The timing of the advance on Southern California must also be kept in mind when considering each union's original potential for success. While the IAM was a long-established and relatively conservative trade union organization, in the thirties the UAW was fighting a violent battle for existence and suffering severe internal upheavals as new leaders struggled for control. But it is also true that neither organization was in a position to make a major project of a few thousand air-

frame workers. Just as the UAW was primarily interested in its hundreds of thousands of auto workers so was the IAM principally concerned with the future of skilled mechanics.

Such was the state of affairs when two major unions converged on the wholly unorganized airframe industry in 1936. An old, established union with practically no experience in the organization of industrial workers and a new militant organization with no experience whatsoever in the aircraft field entered into a competition which has influenced the development of collective bargaining in the industry up to the present time.

### Douglas

The representatives of the IAM and UAW received a far from friendly welcome from management on their arrival in Southern California.<sup>7</sup> Douglas, North American, and Consolidated, the first companies approached, resisted immediately but with a lack of vigor in some cases which later events were to indicate was probably only due to a lack of experience.

The UAW organizers were accorded a mixed reception by workers at the Douglas main plant in Santa Monica; in January 1937 a union meeting was attended by approximately 500 workers out of a total of about 6,000, and, in February, the national UAW granted the plant a local charter. Without delay a strike was called for February 23 over the allegedly unjustified firing of several members of the union.

The sit-down strike, which had recently met with such success in the Michigan automobile plants, was utilized. About 250 strikers remained in the plant and two days later were indicted by the Los Angeles County Grand Jury and charged with conspiracy. Police gathered outside the plant to make arrests and the strikers inside prepared for seige. Eventually, an agreement was reached whereby strikers would evacuate provided they were not handcuffed and were allowed to leave by the front entrance. Just before the move-out was to start, pickets from outside rushed into the plant, and in the resulting confusion warrants were handed out indiscriminately.

<sup>7</sup> Unless otherwise indicated historical information in this study has been derived from reports and decisions of the National Labor Relations Board and War Labor Board, union periodicals and records, company annual reports, and interviews with union and company officials and involved third parties, such as government representatives and arbitrators.

About 350 workers had been indicted and fired by the time the plant was reopened on March 1 with 1,400 employees still on strike. The union was unable to close the plant again, and the strike was called off on March 11.

Immediately after the plant reopened, Douglas granted a five-cent wage increase, apparently in response to a previous request from the Douglas Employees Association. But the company refused to recognize a claim of the UAW that, when the strike ended on March 11, Douglas had agreed to reinstate all but 38 of the strikers and to arbitrate the cases of the others. Many workers lost seniority and several more were fired.

In the months after the unsuccessful strike there was brisk competition between UAW and DEA for membership. DEA had by now changed its name to the Aircraft Workers Union and was extending membership to aircraft workers throughout California. The situation was disrupted further by the arrival of IAM organizers.

In May the National Labor Relations Board issued complaints against the company on the basis of "unfair labor practice" charges by the UAW and IAM. During the long hearings which took place in the summer of 1937, the Aircraft Workers Union (DEA) supported the company against the two other unions. Finally, on December 7, 1938, two years after organization had started, a cease and desist order was issued, and the company was directed to reinstate employees who had been fired for union activities and to refrain from recognizing the AWU. However, company obstruction and the long delays had had their effect. The drives of UAW and IAM had lost momentum and what membership had originally been gained slowly dwindled away. It was to be six more years before contractual rights were gained at Douglas—Santa Monica.

At the Douglas—El Segundo plant, where about 1,000 persons were employed, UAW representatives started organizing at about the same time as they had at Santa Monica. By March a local charter had been issued to a fairly sizeable group of members. Here, too, a company union offered competition—the Northrop Employees Association, named after John K. Northrop, who at that time was managing the El Segundo plant.

On February 25, 1937, the NLRB issued a complaint against

the company alleging discriminatory discharges and domination of the NEA. The same day, a spontaneous sit-down strike took place which lasted one and a half working days and was called off only after Northrop agreed to consider a contract with the UAW if the union would withdraw its case before the NLRB. In a company-sponsored election in March, the UAW won a clear majority; the company proceeded to sign a one-year contract, recognizing the union for members only. It was agreed that the company could bargain separately with any non-union employee.

After the NLRA was declared constitutional in April 1937, the union asked full representation rights. When this demand was refused, the NLRB was petitioned again and a second election was held in August. Both the UAW and the Aircraft Workers Union, which had set up a branch at El Segundo after the defeat of the NEA in April, were on the ballot. This time, although the UAW captured approximately 70 per cent of the votes cast, the company refused to bargain.

On September 2, after several unsuccessful attempts had been made to bargain, the union struck. Three weeks later the company notified all employees by telegram that the plant was reopening the following day and that workers employed prior to August 27 would receive preference in reinstatement. The strike broke with the opening of the plant and all returning employees were required to sign "conditions of employment" which included a no-strike clause.

The UAW proceeded to petition the NLRB and a complaint was issued on February 2, 1938, charging the company with interference, restraint, coercion, and discrimination. But because of various delays, a cease and desist order was not forthcoming until December 1939, almost two years later. The company was directed to reinstate a union member who had refused to sign the required "conditions" and to inform each employee in writing that the requirement was void. This order was subsequently dropped when the company agreed to reinstate employees and cease unfair labor practices. However, the situation was much the same as it had been at the Santa Monica plant. Three years of struggle had taken the spirit out of the movement. No contract was executed and UAW membership dropped away to virtually nothing.

### North American

Events at North American followed much the same sequence as those at Douglas. However, a strike threat was all that was necessary to win recognition for UAW members in March 1937. The company refused to renew its contract in 1938 and the UAW took the case to the NLRB in early 1939.

But, by this time, the factional struggle which had been going on within the national UAW for two years was resolved by a break-away of the president, Homer Martin, and the creation of a new union which subsequently joined the AFL. Although the intensity of this internal fight, which extended to all levels of the union, probably accounted to a certain extent for the weakening described above of the UAW in its project at Douglas, the results were more obvious at North American. Between the time the local petitioned the NLRB and the time an election was ordered, the local voted to affiliate with the newly-formed UAW-AFL. The local and the AFL thereupon asked for a reopening of the case before the NLRB. After a delay of several months, the Board dismissed the original UAW-CIO election petition and, at the same time, found that the UAW-AFL local had made no substantial showing of membership.

An election was finally held in February 1940, but neither union was able to obtain a majority. In a run-off the UAW-CIO won by 70 votes out of the 6,016 cast. As soon as the CIO was certified as the proper bargaining agent, collective bargaining was commenced by a still-reluctant company and an antagonistic, insecure local.

### Consolidated

Meanwhile, during the same period, the International Association of Machinists was concentrating its forces in San Diego. Recruiting proved relatively easy in late 1936, as it had in Los Angeles; by January 1937 the IAM and officials of the Consolidated Aircraft Corporation were holding conferences. When the company offered recognition for members only and asked to see a list of those who had taken out cards, the union filed for an NLRB election. Shortly after this move, an independent union named "The Consolidators" came into being and proceeded to compete with the IAM for membership. However, the IAM managed to win

55 per cent of the eligible vote of 3,295, as opposed to 16 per cent for the newly formed association.

This victory was almost immediately negated when UAW organizers moved into Consolidated shortly after the election. A vigorous CIO campaign was pursued for the following year, diverting IAM attention from relations with management and putting the company into a position where it could safely refuse to work on a contract. In a new election in 1938 between the two unions, the IAM won by a substantial margin, but UAW attempts to gain a majority did not cease.

Consolidated management and the IAM bargained off and on and reached several oral agreements over the next year and a half. In April 1940 a memorandum of agreement was signed which provided for recognition, higher pay, and certain other concessions. One was a joint union-management wage review clause which provided for departmental joint committees to review by mutual agreement hourly wage rates of individual employees who had completed six-month periods of continuous employment. If such committees could not agree, the matter was to be referred to a general joint wage committee and then, if necessary, to arbitration. Another clause permitted reopening of the contract on 15 days notice by either party. In addition, the contract provided for a fund of five cents an hour per employee to be divided among the most deserving employees every six months.

Apparently the company did not appreciate the significance these concessions might have in the future. Actually, prewar expansion of aircraft production raised employment at Consolidated from 3,845 at the time of the signing of the contract to 13,790 eight months later; the five-cents-an-hour fund reportedly cost the company about \$13,000,000 the first year. At the same time, the joint wage review clause provided new employees with a strong incentive to join the union, while the 15-day reopening clause allowed the union what amounted to continuous bargaining privileges.

When the 1940 agreement expired in 1941, management attempted to back out of these expensive commitments. The IAM offered to trade the five-cent plan for a flat wage increase and the union shop. When the company refused, the dispute went to the National Defense Mediation Board. In lieu of the union shop Consolidated eventually agreed to accept a maintenance of member-

ship clause and to present each employee with a copy of the contract, a union membership application, a dues deduction blank, and a company recommendation of membership and dues check-off. In place of the five-cent bonus scheme employees were granted a five-cent flat increase. The joint wage review and 15-day termination clauses were left intact and continued to be used throughout the war.

### Ryan

At the Ryan Aeronautical Company in San Diego a spirited fight against organization was put up by T. Claude Ryan, a flyer-turned-engineer who administered his small company almost single-handed. In October 1939, an NLRB election was held at Ryan with the IAM and the United Aircraft Welders participating, but jurisdiction was limited to welders and was easily won by the latter union. Shortly thereafter, both the IAM and the UAW entered into competition to gain representation of Ryan's few hundred production workers. The company stepped clear of a UAW request for recognition by declaring that it was established policy to meet with the employees, individually or collectively, at any time for any purpose whatsoever. At a subsequent NLRB hearing, the company claimed the proceedings violated its rights under the Fifth Amendment. An election was finally held with only UAW on the ballot and was won by the union by a 56 per cent vote. A contract was negotiated in early 1941 after months of work, but it provided little more than simple recognition.

### Northrop

The IAM and UAW made serious efforts to organize the Northrop Aircraft Corporation before the war, but neither was able to make any headway. As soon as his company was set up in 1939, Northrop took a liberal stand on such issues as wages, hours, seniority, and grievance procedure. Not surprisingly, Northrop employees felt they had no need for a union.

We have now seen that in five cases the IAM and UAW were not particularly successful in their initial attempts to secure a place within the airframe industry. Over the period 1935 to 1941, two of the companies—Douglas and Northrop—were able to fend off unionization almost completely. The IAM was first to gain a con-

tract of any duration at Consolidated in 1940. The UAW followed in 1941 with weak agreements at North American and Ryan. The advances made by the unions were not great, but they were achieved in spite of management opposition, almost continual rivalry between the UAW and IAM, and a serious split within the national UAW. Those few strikes which occurred were brief and lacking in violence. On the whole, the struggle was an unusually peaceful one.

### Lockheed

Turning to the sixth company in our study—Lockheed—we find a sharp contrast with the above experiences. Shortly after the sit-down strikes at the Douglas plants in early 1937, UAW organizers arrived at Lockheed and were rebuffed by the employees at a mass meeting. However, when the workforce expressed interest shortly afterward in adopting some form of organization apart from the UAW, Lockheed management encouraged its employees to investigate the International Association of Machinists. Apparently the company had decided that government policy, as expressed in the Wagner Act, made union organization inevitable. A committee of Lockheed workers was sent to Seattle to examine the workings of the IAM aircraft local at Boeing. Both employees and management were pleased with the committee's report; within three weeks 1,000 Lockheed employees had signed up with the IAM and a contract was executed.<sup>8</sup>

Although Lockheed did not go so far as to grant the IAM the union shop, it was very liberal. Public statements were issued expressing the company's acceptance of the union. New employees who were coming into the plant in increasing numbers, were encouraged to join the union, although they were also told that union membership was not compulsory. The company welcomed union participation in such activities as safety and recreation programs and other welfare activities. Negotiations were undertaken in a spirit of accommodation and cooperation.

The first Lockheed-IAM contract provided the highest wage rates in the industry. An immediate six-cent raise brought the hiring-in rate up to 48 cents an hour, at a time when Douglas, Lockheed's largest competitor, was paying 40 cents. The lead was

<sup>8</sup> See "Half a Million Workers," *Fortune*, XXIII (March, 1941).

also taken in liberalizing such fringe benefits as holidays, vacations, and sick leave with pay. A voluntary check-off was instituted. Before the war the local pressed continually, but not to the point of a strike, for the union shop. Lockheed, however, opposed compulsory membership on principle, and no gains were made in this direction.

At Lockheed, once the idea of union representation was introduced, the pre-union experience apparently had an effect opposite to that resulting in the other airframe companies, where small plants, run on an informal basis did not produce an environment conducive to organization from the outside. As we have seen, highly individualistic employers fought against any interference in their relationships with employees. Once organization started, management made use of all its available weapons in order to keep the unions in a state of impotency.

The small size of the plant and the personal contact which was possible at Lockheed before the war, tended to ease the strains present in the setting up of a collective bargaining situation rather than to emphasize a cleavage between employer and workforce. The first five years of bargaining at Lockheed, 1937-1941, have been referred to as the "sweetheart period."<sup>9</sup> The relationship was characterized by good will and mutual respect, and was directed toward joint advantage.

#### THE WAR PERIOD, 1942-1945

During World War II, the development of collective bargaining in the airframe industry was primarily influenced by two events: (1) the rapid expansion of the industry, and (2) the intervention of the government in labor-management relations. The growth of the industry was not significant simply because of the increase in the size and complexity of operations. These are matters of degree which need not affect the character of an industry. The important point, in terms of impact on industrial relations, was that aircraft manufacture suddenly became a real mass production industry, comparable in operation to the industries which gave rise to the new unionism of the 1930's.<sup>10</sup> Government intervention prob-

<sup>9</sup> Clark Kerr and George Halverson, *Lockheed Aircraft Corporation and International Association of Machinists, A Case Study* (Washington, D.C.: National Planning Association, November, 1949), p. 1.

<sup>10</sup> This point was noted by Wayne Morse, public member of the National War

ably had more direct consequences as far as collective bargaining was concerned. The no-strike pledge on which the national program was based, while it deprived the unions of their most powerful weapon, imposed a heavy responsibility on the government to adjudicate unsettled disputes. This meant intervention in many phases of the relationships between aircraft unions and employers at a time when these relationships were in their initial, formative stages. Particularly important was the government's influence in the determination and stabilization of aircraft wage rates.

*Growth of the industry.* The expansion of the industry did not, of course, start on the day Japanese planes bombed Pearl Harbor. European orders had been slowly increasing from 1938 on. Even so, the industry was stunned when in May 1940 President Roosevelt suggested a production program of 50,000 military planes a year. This was several times the capacity of the industry and represented more planes than had been produced in the history of American aircraft manufacture.<sup>11</sup> By the middle of 1940, government orders had been placed for 200 heavy bombers and a large number of trainer planes. A year later the industry had orders for 80,000 planes for the United States and Great Britain. At the end of 1940 about 70,200 wage and salary employees were working in Southern California aircraft and parts plants; twelve months later the figure was 151,500. A peak of 280,300 was hit in August 1943, almost 10 times the number employed at the beginning of 1940.<sup>12</sup>

Aircraft manufacturers were forced to adopt mass production techniques to meet the increase in demand for planes. Utilization of existing plant space was one of the first steps taken to increase production.<sup>13</sup> The three-shift system, almost unknown in the aircraft industry, was introduced. More efficient use of factory floor-space was accomplished by improved layout and adoption of many

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Labor Board. In dissenting from a Board directive of March 3, 1943, he said: "The record shows that the California airframe plants have expanded at such a rapid pace that at the present time they employ several times the number of people who were employed in January 1941. Production methods, managerial procedures, job classifications, and many other employment factors have so completely changed since January 1, 1941, that it is much more accurate to treat the plants concerned as new industries for which no January 1, 1941, data are available."

<sup>11</sup> W. G. Cunningham, *The Aircraft Industry: A Study in Industrial Location* (Los Angeles: Morrison, 1951), pp. 76-78.

<sup>12</sup> *Monthly Labor Review*, 61 (October, 1945), 722-723.

<sup>13</sup> See Cunningham, *op. cit.*, pp. 78-81, for a brief description of changes in production techniques.

of the mass production methods of the automobile industry. Previously, large orders had been rare; in fact, an order for 100 planes was considered particularly large. Standardization and interchangeability of parts—the prerequisites of mass production—had been unnecessary. Now, the moving assembly line replaced job shop production. Increased specialization accompanied these changes; workers who had formerly needed two to four years of technical training could be trained in a matter of weeks or months.

A new sort of semi-skilled worker was required and, at the same time, the character of the available workforce was changing. About one-third of the peak airframe labor force was not in the labor market at all in 1941. And as the armed forces took more and more manpower, the percentage of women in production jobs increased. By the middle of the war about 40 per cent of employees in California aircraft plants were women.<sup>14</sup> Both unions and management were plagued by the high rate of turnover as workers recruited from every sort of background imaginable sought to find the most suitable job and location. In airframe plants across the nation the same problem arose, and by 1943 quits had risen to an average of 55 per 100 production employees.<sup>15</sup>

For management these developments meant a need for more intensive training programs and maximum use of tooling to permit effective use of inexperienced people. For the unions the situation presented even greater difficulties. Aside from the problems ordinarily involved in organizing and servicing large numbers of employees, there were new complexities arising from the nature of the labor force. The housewives, students, farm hands, and others who stepped in to fill the demand for war production workers tended to be uninformed regarding the labor movement and antagonistic to it. Furthermore, there was little in the booming, suburban-like metropolitan area of Los Angeles to help overcome such attitudes, as there might have been in Detroit, Pittsburgh, or Akron, where severe overcrowding in ancient, dilapidated housing was commonplace. If the unions were to retain the representation rights achieved with so much effort, they, like management, had to educate, and to expand and improve their operations.

*Government intervention.* One of the most important causes of

<sup>14</sup> *Monthly Labor Review*, 61 (October, 1945), 723.

<sup>15</sup> *Ibid.*, 59 (November, 1944), 921.

high turnover in the airframe industry was the lack of a uniform wage schedule. When production planners broke down the task of assembling an airplane into simple job classifications for which inexperienced workers could be quickly trained, hundreds of new jobs were created, each with its own title and wage rate. And if, as sometimes happened, workers received different rates in various plants for substantially the same job, unrest and job shifting followed. Skilled workers were, of course, the object of intense competition on the part of employers. Employers understandably felt justified in paying whatever rate seemed necessary to obtain needed skills.

As early as June 1941 these difficulties were threatening serious interference with production. For the purpose of working out a uniform wage plan for the industry, the presidents of the eight Southern California airframe companies<sup>16</sup> met and formed the Southern California Aircraft Industry Committee. The IAM and UAW were not asked to participate, as several of the companies considered job description and evaluation prerogatives of management. Because most of the companies had already started on evaluation plans of their own, the Committee undertook a study of these and similar plans from other industries. In the course of the following year a composite plan was developed, known as the Southern California Aircraft Industry (SCAI) scheme. The plan encompassed ten grades, each with a rate range, and was based on a point system of job description and evaluation with a heavy weight for skill factors.<sup>17</sup>

Before the industry had taken any steps to implement the scheme, the National War Labor Board scheduled a conference in Los Angeles in October 1942 to discuss the problem of stabilizing wages. The various governmental agencies affected sent representatives, as did the airframe companies and the unions. The SCAI plan was submitted as management's proposal for stabilization; the IAM offered a somewhat similar plan which had been developed in negotiations at Lockheed. The IAM's plan resulted in a higher evaluation of many jobs, and included the only concrete

<sup>16</sup> Vega and Vultee were then considered independent companies. Vega was a subsidiary of Lockheed and was finally consolidated with the parent company. Vultee merged with Consolidated in 1943.

<sup>17</sup> See Robert D. Gray, *Systematic Wage Administration in the Southern California Aircraft Industry* (New York: Industrial Relations Counselors, Inc., 1943).

scheme presented for classifications and rates covering office and technical employees. The UAW objected that both plans were too complicated and placed excessive emphasis on the experience factor. The union requested that the wage rate structure of the automobile industry be applied. Both unions criticized the SCAI plan, mainly because it had been unilaterally developed but also because they claimed the job descriptions were indefinite and failed to provide clear distinctions between classifications. In part, this resulted from the fact that each description was a composite of several jobs, the total number of classifications having been reduced from a little less than 1,200 to only about 300.

UAW refusal to support the only possible alternative to SCAI, the IAM-Lockheed plan, weakened labor's case, and on March 3, 1943, the National War Labor Board ordered management's plan into effect in all Southern California plants. Management was also authorized to prepare a similar plan for office and technical workers. A union demand for a general five per cent wage increase was refused and the wage scale was geared to prevailing rates in the immediate area as determined in Bureau of Labor Statistics surveys. To anticipate difficulties in application of the plan and to encourage acceptance by the unions, the Board created a tri-partite sub-agency, the West Coast Aircraft Committee (Region X), composed of two members from the companies, two from the unions, and an impartial chairman. The Committee proceeded to supervise administration of the orders and to adjudicate disputes arising under them.

*The SCAI plan and collective bargaining.* Although it would seem that the imposition of such a wage scheme might have deprived the unions of one of their most important roles, that of influencing the level of pay, such was not the case. There was considerable confusion and dissatisfaction at the start, but the IAM and UAW quickly found two areas in which the plan could be manipulated to the unions' advantage. One weakness of the plan was the lack of precision in job descriptions. This opened the door for individual classification grievances and requests for upgrading. Success in key cases led to the reclassification upward of hundreds of workers assigned to similar work. Another attack was directed at the evaluation placed on certain classifications. Early re-evalua-

tion of the welder classifications, for example, provided a plausible basis for further efforts of the same kind in other categories.

The result was that the SCAI plan in practice became a permanently open contract under which constant negotiation took place around problems of classification, upgrading, merit rating, etc. So, although the War Labor Board rejected demands for a general wage increase, this stand was largely nullified by approval of the SCAI plan. The revision of the plan by such means as piecemeal re-evaluation of jobs allowed the whole wage scale to be jacked up gradually to higher levels. It is estimated that the operation of the plan in Southern California resulted in an average wage increase of more than 15 cents an hour between July 1943 and June 1945.<sup>18</sup>

Early in 1944, the War Labor Board ruled that arbitration of individual grievances by the tri-partite Committee, as well as wholesale re-evaluation of jobs, should cease. The Board ordered that a Re-Study Committee, composed of union and management representatives, attempt an overall revision of the plan. The study was carried on for more than 18 months and was completed by the industry members of the Committee when, in the postwar period, the union representatives withdrew. Recommendations of the Re-Study Committee, many of which were adopted when the committee was still bi-partite, became the basis for postwar job evaluation schemes at all companies except Ryan, which continued to follow the original SCAI plan.

Although both the IAM and UAW condemned the plan, SCAI served organized labor's purposes well during the period of wage stabilization. The unions were able to make continual gains and to service their members fairly effectively. In addition, failures to win goals could conveniently be laid at the door of the War Labor Board. The plan unquestionably did give a measure of stabilization. It provided wage rates that attracted and held the requisite manpower, both skilled and unskilled. It answered the need for an integrated wage structure which would encourage workers to progress from one job to another and thus develop their highest skills. And, finally, management retained a considerable degree of flexibility, through such devices as merit increases, while the unions were able to maintain their position as active protectors of the workers' interests.

<sup>18</sup> Clark Kerr and Lloyd H. Fisher, "Effect of Environment and Administration on Job Evaluation," *Harvard Business Review*, XXVIII (May, 1950), 96.

The wartime experience with job evaluation was also of long-term value to unions and management. For one thing, both learned the technicalities of job evaluation and its application to a large industry. Individuals on both sides who served on evaluation panels of the West Coast Aircraft Committee or who participated in the Re-Study program had the opportunity of combining the theoretical with the practical approach. Even more valuable than this technical education, perhaps, was the training provided in the techniques of negotiation. Because of the incomplete state of labor organization prior to the beginning of the war, few of the negotiators on either side had had much experience in collective action.

It must be added, however, that little progress was made during the war in the realm of contract negotiation. At no plant were the parties able to reach complete agreement without calling on the War Labor Board. There were good reasons for failure on the company level. Both unions and management had their hands full; it was all too easy, when negotiations became difficult, to "turn it over to the Board." Since the Board and its panels included representatives of both sides, the procedure was actually an extension of the collective bargaining process. There was undoubtedly considerable evasion of responsibility at the plant level, but this was probably not an entirely undesirable thing in situations where the struggle for recognition had left unhealed wounds. In any case, the development of policies and procedures by the War Labor Board and its agencies was a sort of laboratory course in applied labor relations, from which there was certainly some benefit, even though it was an intangible one.

#### Organization During the War Period: Douglas

Turning to the situation in individual plants, we find that the war period brought the unions hard-won, but substantial, victories in most cases. At the still-unorganized Douglas Santa Monica and El Segundo plants, drives were started in 1940 by the IAM and UAW. In 1941 efforts were extended to a new plant in Long Beach which had been built by the government and leased to Douglas. While the unions struggled to gain a majority, new workers poured into the plants by the thousands. Prewar, Douglas averaged about 7,000 employees; by 1943-44 the Southern California total had

jumped to 98,000.<sup>19</sup> The strains which this expansion put upon the Douglas personnel system, based as it was on personal contact and loyalty, were enormous. Nevertheless, no attempt was made to re-vamp personnel practices.

In June 1943 an NLRB election was held at El Segundo in spite of strong management opposition, but neither the IAM nor the UAW won a majority. The IAM, however, gained 39 per cent of the eligible votes cast as opposed to 16 per cent for the UAW. The IAM filed for a new election on the grounds that its withdrawal from the AFL immediately before the first election had confused the voters. A second election held in August was won by the IAM, and Douglas employed an ex-NLRB field representative to deal with the new local.

Six months later the UAW won an election at the Long Beach plant. Both unions then turned their full attention to the home Plant at Santa Monica, the largest branch and always the most difficult in which to gain headway due to the concentration of management opposition.

In an attempt to jump the gun on the IAM, the UAW filed for an election in late 1943. The election was lost and for the following six months an elaborate and expensive campaign was carried on by both unions. With assistance from Lockheed IAM members, plus publicity emphasizing the "radical" qualities of the UAW, the IAM managed to win the plant in an election in September 1944. Douglas, the scene of the most vigorous organizing campaigns since 1937, and also the worst defeats, was finally completely organized. The UAW held the government plant at Long Beach and IAM was entrenched in the permanent El Segundo and Santa Monica branches.

Contract negotiation, however, presented new problems. It is hardly surprising that negotiations did not proceed smoothly at any of the Douglas branches. The long-term opposition of the company had produced militant leadership in the union locals. At El Segundo, ambitious IAM officers and hostile company representatives, without full authority to act, kept relations in a turmoil. No agreement could be reached on a contract and War Labor Board intervention was necessary. The Board finally granted mainte-

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<sup>19</sup> Three other Douglas plants were located out of state and employed about 59,000 persons at the peak period.

nance-of-membership with an escape period and a compulsory, irrevocable check-off. Also included in the contract were wage, vacation, and sick leave clauses. The company protested on all counts.

The situation was similar at Long Beach. After the plant was won by the UAW in early 1944, negotiations broke down on union security and several other issues. Again the Board intervened and ordered a contract similar to those at El Segundo.

Bargaining proceeded only slightly more smoothly at Santa Monica. Union security and several fringe matters were certified to the WLB in 1945. The most important award again was maintenance-of-membership and the involuntary, irrevocable check-off.

As a result of the final establishment of unions in his plants, Donald Douglas decided to introduce a streamlined system of industrial relations. Fred Fisher of the San Francisco Employers Council was hired to head a new department. From an anti-union policy Douglas changed almost overnight to a policy of bargaining legitimately within a contractual arrangement. Thousands of backlogged grievances were attacked immediately and disposed of within a few months. Although recognition in every plant had had to be settled by a National Labor Relations Board election and each contract had required attention from the National War Labor Board, apparently in 1945 the battle was over and both sides settled down to the business of collective bargaining.

### Northrop

Northrop, the only other airframe company in Southern California which remained unorganized up to the beginning of the war, experienced no change during the war years. In spite of repeated campaigns, neither union was able to secure a majority vote. In 1942 the United Aircraft Welders, an independent craft union which represented welders at several plants, won an election at Northrop, but this was for a comparatively small group.

The explanation for this exception to the industry pattern is probably to be found in the company's approach to its workforce rather than in any fundamental difference in attitude toward unionism. At any rate, the company refrained from overt expression of opposition to organized labor. Instead, it granted as voluntary concessions most of the objectives which unions cite as

their reasons for existence. Northrop always paid rates which, if not equal to the highest in the industry, were never far below them. Whenever another company set a pattern either in wages or fringe benefits, Northrop was usually quick to follow. Similarly, an effective grievance procedure was established and seniority rights were recognized, thus robbing union organizers of other traditional selling points.

Management strove in other ways to gain the loyalty of its employees. A program instituted for war veterans illustrates this phase of the policy. Hundreds of combat casualties were hired and trained, sometimes while the men were still in hospitals; jobs were created which were especially adapted for limited capabilities. The program fostered a sense of loyalty to the company which outsiders were powerless to shake. Such an imaginative policy presented an obstacle to union organization efforts, especially when so much remained to be done at more vulnerable plants. The result was that Northrop remained unorganized, and is so up to the present time, except for the small unit of welders.

#### North American

When North American entered contract negotiations with the UAW for the first time in April 1941, its industrial relations arrangements were, if anything, less developed than those at Douglas. Nor did the union approach the bargaining table fully prepared to make the most of collective bargaining. The preceding bitter fight with the UAW-AFL and the narrowly won election left the local exhausted and insecure. In addition, the local leaders were closely following the lead of the far left wing of the UAW, a segment which at that time did not favor the development of cordial relations with management.

Negotiations soon broke down when management stubbornly refused to grant wage increases which were in line with an upward trend already well under way in the area. When conciliation also failed, the dispute was referred to the newly created National Defense Mediation Board. Meanwhile, a strike vote had been taken and passed by an overwhelming majority. Although local officers promised not to call a strike pending an NDMB decision, in the middle of hearings in Washington, on June 5, 1941, a walkout started.

At this juncture of world affairs the government was not willing to permit a shutdown of the second largest producer of aircraft; President Roosevelt ordered the Army to seize the North American plant. The national UAW fired five International Representatives who were involved and revoked the charter of the local. Once in charge, the Army suspended eight local union officers from their jobs. The NDMB resumed its interrupted consideration of the case and finally issued recommendations for the settlement of the major issues in dispute. The new provisions, which conformed to the Board's general policies on union security and wages, were incorporated into a contract which was accepted by the company and the union, but only after heavy pressure had been exerted by both the government and the headquarters of the union.

Following these events, North American brought in an industrial relations staff from the Michigan plant of General Motors, which until 1948 owned a controlling interest in NAA. These men had had considerable experience both with industrial unionism and with the UAW. Patterning their techniques after those developed by GM in the automobile industry, the new staff described its policy as "tough but fair." Emphasis was placed on strict adherence to contract terms, especially those protecting management prerogatives. The approach was rather rigid, with little room for compromise or concession.

The new contract gave the union maintenance-of-membership without an escape clause and a ten-cent general wage increase. Grievance machinery and the duties of shop stewards were described in great detail. Of particular importance was a comprehensive management prerogatives clause. Few changes were made in this contract during the war. Those issues which did arise were generally settled by the War Labor Board.

Relations between the local and the industrial relations department were poor from the start. The union made a series of attempts for two years to gain reinstatement for the eight union members who had been suspended by the Army for sabotage. However, the company refused to negotiate the issue and the men were never allowed to return. In general, a highly legalistic approach to bargaining was taken by the company. The contract was riddled with detailed phraseology, attorneys were employed to advise on contract changes, and voluminous stenographic records were kept

of negotiations for later reference. By 1945 the NAA contract contained its most detailed management prerogatives clause yet and management had gained a no-strike clause.

In spite of the formalized hostility which existed, labor-management cooperation in production, once the war started, was excellent. North American was one of the first West Coast airframe plants to be awarded the Army and Navy E for excellence in production. Throughout the war both employers and union representatives participated without conflict on a joint production committee.

### Consolidated

Although Consolidated, under the leadership of Major R. H. Fleet, put up a hard fight against unionism during the late 1930's and energetically tried to get rid of several clauses in the first contract which were favorable to the IAM, once the 1941 contract was revised with the aid of the NDMB, management changed its policies and accepted both the union and the contract in good faith.

However, in late 1941 the management of Consolidated was taken over by Tom Girdler of Republic Steel, a man known for strong antiunion views. An industrial relations department was set up which attempted to restrict the scope of union participation at every possible turn. But, by this time, the IAM was well entrenched and protected by a clause which automatically extended the rather liberal contract for the duration of the national emergency. In the end, the new management was obliged to deal with the local on those terms established in 1940.

Once the war started, gains at Consolidated did not differ greatly from those made elsewhere in the industry. Bargaining was sporadic, and wages and working conditions were, in the main, set by the War Labor Board. But with the union security safeguards generally in use in the airframe industry, plus the 15-day contract termination clause and the clauses which allowed for joint review of individual wage levels after every six months of continuous employment, the local rode relatively comfortably through the war period. The joint wage review stipulation gave the IAM an organizing point which helped bring membership up to approximately 90 per cent.

## Ryan

Relations between Ryan and the UAW were still in a state of chaos when the threat of war brought government intervention. A simple contract had finally been signed in January 1941 after months of haggling, but by summer the parties were at a new impasse over wage reopening terms of the agreement. Ryan argued that the contract was not open for wage adjustments, but he nevertheless made a bulletin board offer of 10 cents to start five months later. The case went to the War Labor Board in the fall and remained unsettled when the contract expired in January 1942. Again negotiations proved fruitless and further issues were certified to the Board. In June the WLB ordered maintenance-of-membership with an escape clause and a 10-cent wage increase effective October 15, 1941.

The company continued to resist unionism during the war years. Bargaining was rare and relationships remained extremely poor. No new contract was written until 1946. As was the case at North American, in spite of conflict between the UAW local and the company industrial relations department, cooperation between the union and the production staff was excellent. It is likely that the reasons were much the same: left wing union officers and an anti-union management found themselves incompatible on all issues during the war but that of efficient production.

## Lockheed

By the time the war started, Lockheed and its IAM Lodge had had four years in which to build a fairly efficient and comprehensive collective bargaining system. This fact served to ease the parties past many of the difficulties faced in other airframe companies, but Lockheed did not completely escape the strains war exerted on labor-management relationships. Government intervention was not necessary to write an entire contract, but assistance was needed at a number of junctures to resolve deadlocks in negotiations.

The friendliness and informality on which the prewar Lockheed-IAM relationship was largely based slowly disappeared as expansion took place. New and crucial problems arose for both union and management as the workforce doubled and redoubled. Shortly before the war there were 4,000 employees; in 1944 the

total had reached 94,000. For the company, the purely physical difficulties of handling new personnel were almost overwhelming. The immediate result was that less time could be devoted to relations with the union. For the IAM Lodge, expansion necessitated a rapid adaptation to the requirements of mass organization. High turnover, a serious problem to management, was a nightmare to union officials as they tried to build membership without the aid of a stabilizing device, such as a union shop or a maintenance-of-membership clause.

Complicating the union's position were the government controls which would not allow a general wage increase or any substantial contract gain. In order to maintain membership the Lodge was forced to turn its full attention to making a showing on individual grievances, the most lush source of which was the job-rating SCAI scheme. Written grievances rose from 1,000 in 1942 to 6,000 in 1943, 70 per cent of which were over rates of pay, promotion, and reclassification. Although Lockheed was considered to have administered the scheme more liberally than most companies (it was generally first or second in average straight-time hourly rates), even the upgrading and in-grade raises the IAM was able to gain were not sufficient attractions to maintain membership at its pre-war height. Whereas the ratio of union membership was between 80 and 90 per cent before the war, by January 1943 it had dropped to 40 per cent.

The resulting tensions were felt both among union membership and in the union's relationships with management. An imperative need to "deliver the goods" in a situation in which this was unusually difficult resulted in the appearance of rival leaders within the Lodge. Pressure was steadily exerted by this faction for use of more extreme measures with management. Moving with the demands of the situation, union officials became more aggressive with management and management in turn became impatient and more protective of its managerial rights.

Before the war, restriction of collective bargaining to wages and conditions of employment had been taken for granted. Trouble immediately arose when hard-pressed union leaders sought to shift new issues from the area of consultation to that of negotiation. In addition, there was strong union feeling that the new wartime problems which were continually arising called for constant con-

tract revision and negotiation rather than periodic review. The company flatly refused to consider such plans on the grounds they were invasions of employer prerogatives.

The whole power issue came to a head in 1944 and resulted in the worst breakdown labor-management relations had suffered at Lockheed up to that time. The first new contract since 1941 had tentatively been agreed upon, when the membership, under the influence of dissident leaders within the union, repudiated the agreement and denounced official leadership as not assertive enough. The company immediately broke off negotiations. At this point a parallel dispute started. By August 1944 a large number of employees had reached the top of their grades and could expect no further raises unless the union opened opportunities for reclassification into higher-rated jobs. When the IAM Lodge asked for negotiation rights on a new upgrading plan, management again refused to bargain.

A contract was finally signed in June 1945, but ten issues, mainly concerned with extending the negotiation area, were submitted to the War Labor Board. The union demand for continuous bargaining privileges was rejected. The issue soon ceased to have importance; when the war ended, employment declined, union factionalism died out, and the parties returned to their more informal contacts of prewar days.

The wartime situation at Lockheed was not one of unrelieved conflict, however. The tradition of cooperation endured in many aspects of the relationship and was successfully extended into new areas. Extensive apprenticeship and on-the-job training programs were jointly instituted and conducted. The Lockheed Employees' Recreational Club, set up by both parties before the war, was expanded and used as a method of providing social and recreational outlets for the thousands of employees new to the area. At the start of the war Lockheed was the only Southern California airframe plant with a job evaluation plan which had been worked out in cooperation with a union.

In spite of the internal difficulties which cropped up at Lockheed during the war, the company continued to remain pro-union in attitude even if it was not prepared to give way on the IAM's demands for greater power and influence. Widespread joint consultation was encouraged as it had always been. New employees

were given a copy of the contract and a letter suggesting they consider union membership. Recognition was automatically extended when Lockheed opened a new plant. However, no amount of argument would move management from its prewar conception of respective power spheres. For instance, no ground was given on the principle of voluntary union membership. Requests for a union shop were rejected in 1941 and 1943. When the WLB granted maintenance-of-membership in 1945, it was over company protests.

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The demands put upon the airframe industry during the war carried both positive and negative potentialities for the development and improvement of labor-management relations. The unprecedented expansion of employment, by impersonalizing the worker-employer relationship, forced the companies to abandon paternalistic practices. This development, in turn, necessitated the setting up of formal personnel procedures, including industrial relations departments to deal with newly recognized unions. In addition, wartime controls ensured unions a certain degree of status and security, thereby creating a need to speed up the development of bargaining procedures. On the other hand, rapid turnover, the character of the new workforce, and the necessary curtailment of the unions' right to strike, served to retard union maturation and to encourage continued management resistance to acceptance of union representation.

Upon examining the six companies under study we find that, although there was a strengthening of the unions' positions, aside from the situation at Douglas labor-management relations were not greatly altered by the changes which took place during the war years. Although the UAW at North American and Ryan and the IAM at Consolidated were safely entrenched, the hostility which had existed between the parties before the war did not die out; little real bargaining took place at any of the three companies during the war. At Lockheed the strains of the war temporarily disrupted the peaceful relationship which had been established; however, the return of normal conditions brought a renewal of constructive bargaining. Northrop remained unorganized. As far as relations were concerned the most noteworthy changes took place at Douglas. Still completely unorganized at the beginning of 1943, Douglas experienced a rapid transition. Within two years all three plants

were organized and management had accepted collective bargaining in principle and practice.

### COLLECTIVE BARGAINING IN A PERIOD OF CONTRACTION, 1945-1950

With the end of the war the airframe industry faced another set of readjustment problems. The market for military planes, which for years had seemed insatiable, collapsed. Employment had been decreasing steadily from mid-1943, but spread over two years these first cut-backs did not have very serious effects. On the other hand, between July 1945 and January 1946, employment in Southern California plants was reduced more than 50 per cent.<sup>20</sup> Ryan cut its force by almost 80 per cent. At the Douglas plant in Long Beach, 15,000 employees were laid off in a single week. Such large reductions created difficult problems for management and the unions, whatever their seniority arrangements.

For example, the return to limited and uncertain production created a need for a high percentage of workers with broad experience and varied skills. Management wished to retain employees of this type regardless of their seniority positions. The unions, too, had their preferred exceptions, such as shop stewards and local officials without high seniority. At the same time the unions were under heavy membership pressure to provide as much job security as possible.

A much more crucial problem for the companies was that of developing marketable products and finding the orders with which to stay in business.<sup>21</sup> The postwar situation of the industry was the antithesis of the preceding five years. Then the companies had all sold to the same purchaser, the United States Government. Part of the Douglas, Lockheed, and Boeing output actually involved the same product, B-17 bombers. All companies had to conform to the same government regulations regarding bids, contracts, costs, and profits. Wage rates and conditions of employment were likewise determined by a government agency which was striving constantly, as the companies were also, toward uniformity in the industry.

<sup>20</sup> *Employment and Earnings in the California Aircraft Industry, 1940-1953*, State of California, Department of Industrial Relations (San Francisco: February, 1954), Tables 2 and 3.

<sup>21</sup> For a technical discussion of some of the problems involved in conversion of the airframe industry to peacetime production, see Lynn L. Bollinger and Tom Lilley, *Financial Position of the Aircraft Industry*, Business Research Series No. 28 (Harvard University, 1943).

These circumstances virtually compelled the companies to collaborate closely not only in production matters but also in labor problems. A pooled production policy greatly strengthened the ties among the leaders of the industry and their management personnel. Divisive issues such as product competition were all but forgotten during the war years.

Even sharp differences in policies regarding organized labor were moderated by the trend toward uniformity. Lockheed's early voluntary acceptance of the IAM, so completely contrary to what occurred in the rest of the industry and to the area climate of opinion, had more or less isolated the company before the war. Joint participation on the Southern California Aircraft Industry wage scheme and the West Coast Aircraft Committee did much to overcome company variations, though it did not completely remove them. But as long as the war continued and the government called the tune, unifying influences were predominant.

With the end of military operations the ties which had pulled the companies together were loosened. New, dispersive forces came into play. Competition, sharpened by financial insecurity, once more became a factor in the relationship between companies. The failure, at the end of the war, to adopt a uniform wage plan left each company free to make changes which suited its particular policy or manufacturing methods. It was probably inevitable that the varying attitudes toward unionism, which had been more or less suppressed by wartime restraints, should reappear.

### Douglas

Douglas and Lockheed looked forward with optimism to a profitable future in the production of commercial transport planes. Douglas had the advantage of a tried and proven product in its DC models, for which it held orders totaling \$129,000,000. Desirous of making the transition to peacetime production with a minimum of trouble and delay, management met the union halfway in solving the thorny seniority problems involved in mass lay-offs. Exceptions were made in order to retain stewards essential for the survival of union locals; similarly, exceptions were requested and obtained for the retention of skilled workers needed for efficient production. Within six months after V-J Day Douglas had cut its force 50 per cent with less conflict than occurred at most other plants. This

accomplishment was possible largely because of the change in policy regarding grievances which had taken place at Douglas before the war's end. Prompt and effective action in disposing of big backlogs of cases in early 1945 went a long way toward convincing the unions that the company had really accepted them as the representatives of the workers. As a result, negotiations on workforce cuts and seniority were carried on with a high degree of cooperation. Not a single grievance was filed at Santa Monica (IAM) or Long Beach (UAW).

This new approach was re-tested in 1947 when contract negotiations at Santa Monica broke down over the question of wages. The IAM was skeptical of a plea of inability to pay a substantial increase, whereupon the company allowed a union committee to examine its financial status. Convinced by what it saw, the union promptly settled for a five-cent increase which also was extended to the two other Douglas plants.

In 1948 the UAW, whose contract at Long Beach was first to expire, demanded a 15-cent general wage increase. Again the company resisted on grounds of financial insecurity and began to make preparations to wait out a possible strike. Instead of acting, the UAW local, whose membership was down to 300 from a peak of 28,000, continued to work without a contract, awaiting expiration at Santa Monica and El Segundo. All three locals then proceeded to take a militant stand on an increase. A request was made for three-way joint negotiations which the company flatly turned down. Eventually, Douglas was forced to capitulate and grant 10 cents and a common expiration date.

The following year, 1949, all three plants settled for a five-cent general wage increase, plus two cents on fringe issues. The contracts were then closed for two years.

The presence of two unions at Douglas offered difficulties which did not exist in the other companies where only one of the two unions was represented. But despite the potential hazards of inter-union rivalry, relations between all the parties remained fairly good during the postwar period.

### Lockheed

At Lockheed, after the war, there were high hopes of penetrating the commercial field with new lines of planes. They included

the high-speed Constellation, developed early in the war but put aside in favor of other types, the Saturn, a new small transport intended as a feeder-line plane, and other models still on the drawing board. These plans, bolstered by a \$150,000,000 backlog of orders, encouraged the company to retain a higher percentage of its wartime force than did any other company.

Lockheed also entered into negotiations with the IAM regarding revision of the SCAI plan and as early as November 1945 announced a general increase of 15 per cent. The first such raise by any major company in the nation, this move anticipated the postwar trend with remarkable accuracy. The raise set the first postwar pattern for the airframe industry, a pattern which received something less than enthusiastic acclaim by companies in doubt about their future prospects. In many industries, workers reacted to the release from wartime restrictions with a wave of strikes, which, in the number of people involved, was without precedent in the history of the nation. Though it can hardly be said that Lockheed's wage initiative was entirely responsible for the absence of such strikes in Southern California, the wage pattern set was undoubtedly an important contributing factor.

By the end of 1946, however, the situation at Lockheed had changed. The Constellation encountered flight difficulties and failed to sell in the volume anticipated; the Saturn proved an unsatisfactory design and was abandoned, despite a large investment in it. Orders for military planes were not yet forthcoming in volume. Facing heavy financial losses, the company was forced to reverse its wages policy, and in 1947 granted little more than a token increase.

There were other troubles as well. Owing to a practice of rapid promotion and the failure to make the postwar cutback promptly, the company was confronted with serious reclassification problems. About half of all employees were over-classified. The correction of such anomalies gave rise to morale problems and numerous grievances.

Although IAM local leadership recognized that such steps were justified by the company's critical financial position, an embarrassing predicament was created. For years the union had taken major credit for Lockheed's leadership in wages and fringe benefits. Failure to maintain the position inevitably caused dissatisfaction

and much criticism internally from the membership and externally from the UAW.

Again in 1948 Lockheed claimed it was unable to come up to the industry pattern. By now dissension within the union had created a belligerent mood among local officers. The company, on the other hand, had retreated into a defensive, "arm's-length" position. A strike vote was taken in the course of negotiations and gained almost unanimous support in the district lodge. In spite of the unpromising state of affairs, the local finally acknowledged the company's inability to pay and a settlement was worked out for less than the current industry increase.

A considerable improvement in relations occurred in 1949 at Lockheed. The Constellation had begun to pay for itself and the demand for military planes had risen. A substantial increase was granted which brought Lockheed's wage level up to that of the rest of industry. The company also agreed to eliminate the escape period from the maintenance-of-membership union security provision. This was the most favorable treatment any union had been able to obtain in respect to security up to that time. In return Lockheed obtained a two-year contract without a wage reopening stipulation.

#### North American

With no commercial business to fall back on, North American took quick and drastic action in cutting its payroll after V-J Day. Between July 1945 and January 1946 employment dropped from about 14,000 to 5,000.

Relations between the company and the UAW local had improved very little during the war, in part because of the rigid line taken by management, but also because the local continued to be torn by an internal ideological struggle. Relations were further weakened after the war as a result of the reduction in force, since the company was less inclined to adopt the Douglas policy of making exceptions in favor of key union people.

Agreement was reached on contract terms in 1946 only because of pressure exerted by the national UAW on the local to accept a two-year contract with reduced union security. By 1948, however, a more conservative group of officers had taken over the local and the company's attitude had softened somewhat to the

concept of unionism following a change in its own top leadership. The new administrators at North American were no less conservative than the last, but they proved more responsive to the needs of the union. A wage reopening in 1948 was rapidly settled by the granting of a 10-cent industry pattern increase; this was the first time contract negotiations had been completed without recourse to outside parties.

### Consolidated

At Consolidated in 1945 the company was in a weak position financially and product-wise. When, after V-J Day, negotiations started on the first postwar voluntary agreement, the company tried to get rid of the joint wage review clause with which it had been saddled since 1940 by offering in exchange a 15 per cent wage increase. The IAM lodge refused to consider the proposal unless it could get a union shop in substitution.

Negotiations reached an impasse and in February 1946 the union called a strike. The move was very poorly timed and was made against the advice of the international IAM. That year the company was well prepared to wait out a strike. A "carry-back of loss" provision in the tax law permitted airframe producers to average a postwar year against a high-profit war year and then to recompute their taxes based on the aggregate of the two years. Consolidated was about to receive a considerable tax rebate and could afford to hold out against the union.

The strike was not long underway when the company charged local officers with corruption and misuse of union funds. Investigation revealed that officials had indeed been misappropriating union funds. The strike immediately began to lose momentum and was called off after three months by a defeated local. The lodge's charter was revoked by the IAM. A Grand Lodge representative took control of the district lodge, straightened out the muddled records, and then negotiated and signed a new contract with Consolidated. The union got a 15 per cent wage increase, but lost its valued joint wage review and 15-day contract reopening clauses.

These troubles, combined with the drastic reduction in force following V-J Day, almost wrecked the San Diego district lodge. And in its demoralized state the local was manifestly vulnerable to

raiding. During the war the IAM and UAW had had a no-raiding agreement, but now the barriers were down and the UAW moved into Consolidated.

Due to the delay of national UAW leaders in signing the non-Communist affidavits as required under the Taft-Hartley Act, an NLRB election petitioned for by the UAW was postponed until 1948. In the meantime, the IAM contract expired in 1947. The company proceeded to take advantage of the pending election by refusing to negotiate with the IAM and declining to follow the industry pattern of a five-cent general wage increase. For the first time, wages at Consolidated dropped below the average of those at Los Angeles airframe plants. The company also refused to give full recognition to the IAM in grievance matters, and allowed the UAW to present grievances for its members in the company.

The IAM won the NLRB election in March 1948 by 47 votes. Election procedures and results were protested by the UAW, but in August the charges were dismissed for lack of evidence. By the time negotiations started in 1948 Tom Girdler had left Consolidated and the IAM faced a new and slightly less aggressive management front. Nevertheless, the new two-year contract was not particularly favorable to the union. Certain concessions were made in wages and seniority, but the IAM Lodge lost maintenance-of-membership. Also, a "rights of management" clause was inserted for the first time.

### Ryan

The end of the war found the UAW at Ryan still disturbed, as at North American, by a struggle between right and left wing factions. Management's attitude was suspicious, even hostile. Under these conditions negotiations naturally tended to be slow, difficult, and unproductive.

The union was badly affected by the mass lay-offs following the V-J Day. Whereas 8,600 persons were employed in July 1945, six months later only 1,600 remained. On the other hand, the company was in a very favorable financial position in contrast to other airframe producers; Ryan was one of the few companies to show a profit on 1946 operations.

Before agreement could be reached on terms to replace the contract expiring early in 1947, the IAM petitioned for an NLRB

election at Ryan. This action was, of course, in retaliation for the UAW raid on the IAM local at Consolidated. The Ryan management chose to take advantage of the pending election and refused to continue negotiations with the UAW.

The UAW won a decisive victory in the March 1948 election, but again the employers refused to negotiate, this time claiming that the union had neglected to give proper notice when the old contract expired the month before. It was claimed that the former terms automatically went into effect for another year. At this point the local had been a year and a half without a new contract and over two years without a wage increase. The company made a bulletin board offer of a five per cent raise and six holidays or a straight seven and a half per cent raise. Both offers were turned down and a strike was called. After seven weeks, during which time the company hired replacements, the strike broke, and the local was forced to settle for the company's final prestrike offer of seven and a half per cent. The contract signed in July 1948 contained few changes. One addition was a clause prohibiting strikes and lockouts.

A consequence of this period of confusion at Ryan was the rejection of the left-wing officers by the membership of the UAW local. Thereafter relations with the company improved slightly, but there was still little evidence of the growth of a cooperative relationship.

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It is clear in retrospect that the five years following the war was a period in which both unions and companies learned many lessons. Notwithstanding the experience gained under government tutelage during the war, few union-company relationships were sufficiently mature in 1945 to weather economic instability and declining employment. In part this was due to anti-union attitudes carried over from the prewar period; but it must also be said that in some instances union locals lacked the internal unity and leadership necessary for successful collective bargaining.

At the San Diego plants—Ryan and Consolidated—an outbreak of raiding demonstrated the costliness of inter-union rivalry. The unions learned that the price of gains through such warfare is prohibitive, that the cost per new member is many times the normal figure, and that, in the end, the chief beneficiary is likely

to be the employer. It also became apparent that a company which seeks to profit from a rivalry situation by undermining the officially recognized union simply invites antagonism and suspicions which tend to endure long after specific incidents have passed into history.

At Lockheed a relationship which had managed to survive the dislocations of the war fairly successfully was suddenly submitted for the first time to the pressures stemming from an adverse financial situation. It became clear to both parties that there was more to collective bargaining than meeting annually to set a pattern in wages and conditions for the industry. However, peace was finally restored in this plant, not by a redefining of the rights, privileges, and responsibilities of union and management, but by the fortuitous restoration of Lockheed's ability to pay.

A very slight improvement in relations took place at North American where the first contract was negotiated without resort to third parties. Only at Douglas was there any real sign of a development toward maturity in bargaining between 1945 and 1950.

It is fair to say, then, that the industry, so far as collective bargaining was concerned, was still in a period of transition in 1950. But there were indications of progress. At every plant the parties had acquired valuable experience in resolving day-to-day problems through the grievance procedure. More important, both unions and management had learned something of the other's requirements and objectives; there was a growing acceptance, at least in principle, of the need for mutual respect and cooperation. This progress was attested not alone by greater skill in negotiation but also in a new attitude toward union security. One company—Lockheed—eliminated the escape clause in its maintenance-of-membership provision, the security measure which all companies had so strenuously resisted when it was imposed by government fiat a few years before. Another company—North American—was about to negotiate an even greater concession.

#### COLLECTIVE BARGAINING IN A PERIOD OF EXPANSION, 1950-1953

The outbreak of the Korean War had an immediate impact upon the aircraft industry, though one hardly to be compared with that of World War II. Between June 1950 and June 1953 employment in Southern California airframe plants increased about 155

per cent, to a total of 201,700 persons.<sup>22</sup> The expansion involved problems of every description, but none of the same order, for instance, as the conversion from small scale operations to mass production ten years earlier.

In the sensitive area of wages there were established structures of job classifications and rates which had served the industry in war and peace for more than seven years. At every plant except Northrop, unions and management were learning to negotiate peacefully and to live together under contract; relationships, though not ideal, were the best the industry had ever experienced.

It would seem, then, that with prosperity almost guaranteed for producers, and new opportunities for membership growth open to the unions, relationships should improve. Instead, the industry experienced four strikes between 1951 and 1953, and there was a three-way re-alignment—almost a polarization—of forces.

One cause of restlessness was that no sooner had the unions gained strength than new wage controls were imposed. A more important factor was the union rivalry which followed expansion of employment. Following the unhappy experience with rivalry in San Diego, the IAM and the UAW in the Southern California area signed a no-raiding pact in 1950 in which both agreed not to undertake organization at any plant where the other held representation rights. Since only Northrop remained unorganized, this seemed an adequate safeguard against further open warfare, even if there were still some suspicions and surreptitious hostilities.

The new expansion of the fifties, however, took place in part through the opening of new plants. This followed from the government policy of dispersal in order to avoid further concentration of the industry in the Los Angeles area. The no-raiding agreement did not apply or was ignored at new installations, some of which became hard-fought battlegrounds as the IAM and UAW each sought to enlarge its share of the industry.

In competing for new members both sides made extravagant claims. The UAW pointed with great pride to the wage levels prevailing in the automobile industry, more than 15 cents above those in the Southern California airframe plants in 1950. Given sufficient support, the organizers claimed, they could and would do as much for aircraft workers. The IAM, on the other hand, cited its con-

<sup>22</sup> *Employment and Earnings in the California Aircraft Industry, 1940-1953*, Tables 2 and 3.

tinual accomplishments at Lockheed. The company had usually been the first to grant wage or fringe benefit concessions; in addition, the Lockheed wage schedule had been administered loosely with the result that a large number of workers received more than was paid elsewhere in Southern California for the same work. In order to bear out their claims, the two unions were forced into a brisk competition to gain more impressive concessions at every negotiating juncture.

#### 1950: First Union Shop

The period started peacefully enough. In the negotiations which followed close on the invasion of South Korea there was difficulty only at Douglas. The 1950 pattern was established at Lockheed, where the company and the IAM agreed to a six per cent blanket wage increase. The same settlement was quickly made at Consolidated and Ryan.

At Douglas, the contracts with IAM and UAW were not open, as the parties had signed two-year agreements in 1949. But, foreseeing wartime competition for manpower, Douglas offered to grant a four per cent increase without negotiation, provided its three locals would agree to renew their contracts for another two-year term. The IAM locals at Santa Monica and El Segundo accepted the offer. The UAW local at Long Beach turned the offer down, complaining there was no justice in a plan which both precluded immediate bargaining and prevented bargaining for a further two years. In the face of this resistance the company upped its offer to six per cent and agreed to an across-the-board-only wage reopener after one year. This same improved offer was made to the locals at Santa Monica and El Segundo and was again accepted. Apparently Douglas was trying to force its Long Beach plant into a position where it could not refuse to keep pace with the IAM. The UAW local preferred to hold out for negotiations, however, and the deadlock continued into 1951.

At North American in 1950 a complicated wage adjustment was worked out in order to bring rates more closely into line with those at other plants. NAA was now producing Saber Jets in quantity and evidently was desirous of insuring industrial peace for some time to come; negotiations were more fruitful from the union point of view than they had ever been. In addition to sub-

stantial wage adjustments, two innovations were introduced—an escalator clause and a modified union shop provision—both copied from a UAW-General Motors contract negotiated a few months previously. The new union security clause provided that existing employees who did not wish to join the union might continue to work, but that all new hires were required to become members. General Motors' acceptance of the union shop, together with an even more novel concession, the annual improvement factor, had taken the industrial world by surprise and had conferred great prestige on UAW. It is perhaps understandable, in view of previous fluctuations in the demand for military aircraft, that North American declined to follow the General Motors precedent in granting a fixed annual increase. But NAA action in conceding even the modified form of union shop marked not only a reversal of its earlier policy but a sharp divergence from the policy of the rest of the Southern California industry. If management in general was surprised at G. M.'s action, California airframe management was astounded at the break made by North American.

#### 1951: Problems of Wages and Stabilization

The 1951 round was started by Douglas. In April, five months before contract termination, the company made a take-it-or-leave-it offer of 10 per cent to the Long Beach plant. The local turned the company down for the third time and prepared to hold out until expiration in September. Two months later, Douglas made a proposal to all three of its locals similar to that which it had made the year before. It offered to grant a four per cent general wage increase immediately; without waiting for the scheduled reopenings in September, provided negotiations on the wages issue were dispensed with. A four per cent increase was that figure which Douglas workers at Santa Monica and El Segundo were still eligible to receive under Wage Stabilization Board policy. However, a suspension of collective bargaining would preclude the possibility of gaining a greater increase through special WSB approval, an occurrence which was not uncommon by mid-1951 in industries which could claim disturbed relativities with other industries. Nevertheless, the IAM at Santa Monica and El Segundo accepted the management offer. In August, Consolidated made a similar offer which was accepted by the IAM, four months before

contract expiration at that plant. A rather different result occurred at Lockheed where the parties chose to bargain. The WSB approved an average 13 cent increase, an eight to ten per cent improvement depending on the labor grade.

When negotiations finally opened in August on the Douglas-Long Beach contract, the UAW local was ready for a hard fight to make up the ground it had lost and to justify the action it had taken in refusing to accept employer-dictated wage terms. The union demanded complete retroactivity for the six and four per cent increases given the other two Douglas plants and an additional ten cents from September 1951 on. These increases were designed to bring Long Beach wages up to the level at North American. Claims were also made for the union shop, automatic progression, an escalator clause, and a series of other fringe benefits. A new addition to the list was a Severance Pay Plan, an airframe substitute for the Guaranteed Annual Wage. Under this scheme a worker who was laid off would receive a certain number of hours of pay depending on his seniority rating.

Retroactivity immediately became the key issue in negotiations and on this question neither the company nor the UAW local was prepared to compromise. On September 5, a strike started and lasted until the government intervened seven weeks later. On the request of the President, the Wage Stabilization Board appointed a panel to make recommendations, and most of the panel's suggestions for settlement were accepted by both sides. The results were not unfavorable to the workers, but it is generally believed by the union that more could have been accomplished if the parties had been left to fight it out. Ten per cent retroactivity was allowed from June 7, 1951, the date of the Santa Monica-El Segundo four per cent addition. From September 5 an additional nine cents was granted which brought the Long Beach local that much above the two other plants and actually allowed the workers to make up what they had lost in not obtaining retroactivity to 1950.

Probably the most important recommendation of the panel was that the parties negotiate a union shop clause. But Douglas had never retreated from its wholehearted opposition to such a concession and the fact that it had withstood a seven-week strike bolstered its position. The recommendation was rejected.

### 1952: Intensified Union Competition

The UAW had now definitely taken the initiative from the IAM in the airframe industry. The next year, 1952, the UAW led off in March with a wage re-opening at North American. The local again undertook to achieve one of its long-term objectives—to remove or reduce the differential between aircraft and automobile wages. A demand for a 23.4 cent an hour raise was submitted. A strike vote was passed by a large majority, but before any action could be taken, the government intervened to prevent an interruption to the production of Saber Jets.

A panel of arbitrators listened with some sympathy to the union pleas for an inter-industry adjustment. Several points were noted which supported the union's claims of inequity. The panel then pointed out that aircraft workers had been prevented by law and by their own patriotic scruples from correcting the inequity during the war years when they possessed the economic power to do so. The award granted an across-the-board increase of ten cents, of which five cents brought NAA up to the level set by the industry the preceding fall and five cents narrowed the inter-industry differential. Also, 12 cents of the NAA cost of living allowance was incorporated into the wage rate structure. Since the new rates exceeded those of all other Southern California airframe companies, they were indisputably an important victory for the UAW and were hailed as a token of further gains to come.

Challenged by this tangible achievement, to say nothing of the taunts which accompanied it, the IAM was forced to prove itself. When negotiations opened at Lockheed in June, major union demands were the union shop, substantial wage increases, and a cost of living wage adjustment clause. There had never been a strike in the 15 years of bargaining at Lockheed and apparently each side believed the other would give in rather than permit a walkout. Negotiations continued for two months, with management as determined to hold to the pattern set at North American as the union was to better it. In the end no concessions were forthcoming, and a strike started. Twenty-six days later employees returned to work in response to an appeal by President Truman.

With the assistance of the Federal Mediation and Conciliation Service a compromise was worked out whereby Lockheed granted

a nine cents an hour average increase, an escalator clause with quarterly cost of living adjustments, and several improvements in fringe benefits. These changes did not represent an overall gain over NAA; in fact, in all but the top ranges NAA wage schedules were still slightly better. In return for the concessions the company insisted on reinsertion of the union membership escape clause which had been done away with in 1949.

Though a strike is not necessarily fatal to good relations—it may, indeed, prove quite the contrary—the element of surprise in the Lockheed case, followed by outspoken bitterness on both sides during the strike, did lead to a certain coolness between the parties once regular relations were resumed.

Douglas and Consolidated followed the Lockheed pattern, with Ryan trailing some six months later. The Douglas-El Segundo local of IAM struck with Lockheed over the same issues, but there was no appreciable difference in end results. All companies conceded similar wage increases and the escalator. Perhaps as a result of wartime influences the producers were again tending to present a united front toward labor.

#### 1953: North American Strike

In 1953 the inter-union competition over wages and fringes came to an end. Top level leaders of the UAW and IAM signed a mutual assistance pact in Washington, and this was followed by district meetings, the first of which was held in Los Angeles. Both unions supplied complete information on their operations, and standing committees were set up to maintain effective liaison during the forthcoming negotiations. Two factors undoubtedly influenced this reversal of attitude: the outcome of the 1952 elections and the increasing unity of employers. Faced by an unfavorable political climate and a newly unified opposition, union leadership decided that inter-union rivalry was a luxury which could no longer be afforded.

The removal of wage controls in 1953 left labor and management forces free to test their strength. The UAW again found itself in the pattern-setting position with its contract at North American expiring in October, one month ahead of Lockheed and Douglas. To open negotiations the UAW local presented demands for complete elimination of the wage differential with the automobile in-

dustry, a severance pay scheme, a comprehensive health plan for workers and their families, a full union shop (rather than the existing scheme which allowed workers employed prior to the Agreement of 1950 to refuse to join the union), and other lesser improvements. At the same time, management submitted three major proposals: no wage changes, withdrawal of the union shop, and union payment for time spent by stewards in processing grievances.

Negotiations produced very few agreements; no headway could be made on wages or union security. When it became clear that North American was in a far from generous mood, a strike authorization was secured and the deadline was set for midnight October 22. Efforts made by the Federal Mediation Service to resolve the dispute failed. On the morning of October 22, management offered a contract package including a four per cent general wage increase plus certain other adjustments in the wage schedule. The offer was rejected and the strike, involving approximately 33,000 workers, commenced at the three branches of NAA—Los Angeles, Fresno, and Columbus.

In the meantime, IAM contracts had opened at Lockheed and Douglas. Both companies were holding the line on the last set of rates offered by North American. At Douglas—El Segundo, the IAM accepted this pattern with a few minor changes. Locals at Lockheed (IAM) and at the Douglas Santa Monica (IAM) and Long Beach (UAW) plants rejected the terms and proceeded to mark time, waiting for the key settlement at North American. A strike vote was taken at Santa Monica, but was not passed. However, in line with the new IAM-UAW cooperation policy, the IAM contributed \$4,500 to the UAW-NAA strike fund.

From the first week of the 54-day strike, UAW, reversing its position in the Long Beach strike, sought government intervention. Whether or not the union had counted on government action, it was definitely not forthcoming. A spokesman for the Department of Defense stated that the strike was regarded as "strictly a collective bargaining matter between the Union and the Company."

North American was now in a relatively strong position. The pressure to maintain production had eased by the end of 1953, intervention in the dispute appeared unlikely, and the company

was in a favorable financial state. There was every indication that management planned to see the fight through to the finish.

By the fourth week of the strike, a large number of workers had returned to work despite the picket lines, and the company reported a decided increase in withdrawals from the union. As the tide began to turn against the union, top officials of the Aircraft Division of the UAW came from Detroit to take over negotiations. New and greatly reduced demands were flatly rejected by the company, as was a proposal to submit the dispute to arbitration. As Christmas drew near and more people returned to work, it became evident that the strike was lost. Finally, on December 15, the union was forced to accept terms which were approximately those of the company's original offer.

Probably the worst aspect of the defeat, from the union's point of view, was the weakening of the union security provision. All resignations from the union received between the beginning of the strike and the ratification of the new agreement were given effect. In addition, the valued modified union shop was replaced by maintenance-of-membership. It can scarcely be questioned that the result at North American was a humiliating defeat not for UAW alone but for the IAM as well. Contracts which were still open at Lockheed, Consolidated, and Douglas were settled on the same basis as that at North American. Three months later a similar agreement was made at Ryan. Management had definitely seized the upper hand.

#### COLLECTIVE BARGAINING IN A PERIOD OF ECONOMIC STABILITY, 1954-1955

For the last year and a half and for the first time, employment in the airframe industry has been stable at a high level with no government controls in effect. Both the unions and the companies have been free of economic insecurity and the influence such insecurity has had on labor-management relations in the past, such as from 1945-1950. The current government policy of maintaining a sizable peacetime air force has kept employment up, while the policy of spreading orders for aircraft over a period of years has stabilized employment. Persons employed in Southern California aircraft and parts manufacturing rose from 110,000 in January 1951 to 214,200

in January 1954. Since the latter date, the total has varied no more than a few thousand either way up to the present.<sup>28</sup>

Another recent development has been a drawing together within the labor and management sides. The IAM-UAW pact made in early 1953 has been continued. Information is regularly interchanged, and before the 1954 negotiations arrangements were made to present similar demands on most issues. A closer alignment of management appears to have resulted from this tightening of labor's ranks. After the IAM-UAW pact was signed it became evident that the companies were more strongly united than ever before on the concessions they would make to the unions. This unanimity was again apparent in the 1954 negotiations.

In contrast to the confusion and excitement in the later months of 1953, 1954 passed very quietly. Aside from Ryan, which picked up the 1953 pattern in March, no company was scheduled to negotiate until December. Both the IAM and UAW spent the year building their memberships. Organizing campaigns were run at most of the companies, with accompanying rises in the number of grievances and arbitrations. On the whole, day-to-day relations were good.

North American was a serious exception, however. The year was characterized by non-cooperation and general disruption. Both sides were suffering from the effects of the strike. The UAW local had lost both membership and a great deal of prestige. The company's back-to-work campaigns and special treatment of strike-breakers during the conflict threw the workforce into two apparently irreconcilable camps once normal production was resumed. Throughout the early months of 1954, the union complained continually of victimization of members and overly strict application of work rules. Grievances were abnormally heavy during the entire year. There were roughly 100 arbitrations at the company's three branches. Union-management cooperation was almost impossible at all points of contact.

Rather abruptly before 1954 negotiations were to start, both sides ceased their attacks. When bargaining started, the local's case was taken over by the National UAW. Walter Reuther sent his administrative assistant, Jack Conway, with full authority

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<sup>28</sup> *California Labor Statistics Bulletin*, Department of Industrial Relations, Area Supplements (San Francisco), Tables 1 and 7.

to make an agreement with North American. The atmosphere throughout negotiations was one of reasonableness; both sides expressed their willingness to call a halt to unnecessary warfare. The union indicated its sincerity by withdrawing, before discussion, several previously stated demands, including that for a company-paid pension. The company proceeded to grant a non-contributory pension anyway. The scheme, designed after one adopted by General Motors, was the first of its kind in the West Coast aircraft industry and represented a particularly impressive gain for the union.

Other contract changes at North American were approximately the same as those being made in the rest of the industry at the time: a six to eight cent an hour raise, certain inequity adjustments in wage schedules, and revised minor fringe benefits. To compensate for the NAA pension plan, the other companies conceded substantial improvements in health and welfare clauses.

Two other contract changes are worthy of mention. Escalator clauses, which had been adopted by all companies by 1952, were dropped from IAM contracts. These clauses had been sought by the IAM when it was believed that living costs were due to rise sharply and when escalation seemed to represent a safeguard against the wartime wage freeze. Contrary to expectations the Bureau of Labor Statistics' cost of living index showed an overall rise of only 1.1 per cent from December 1951 to December 1954. Bolstering this point in favor of eliminating escalation was an historical reluctance, common to many labor unions, to shift emphasis away from the raising of real wages and toward merely keeping pace with the price index.<sup>24</sup> The UAW locals at North American, Douglas-Long Beach, and Ryan chose to continue their escalator clauses, but with certain limits to downward movements after a cost of living index fall. The second major change was the shifting of contract termination dates. Prior to the negotiations of 1953, similar expiration dates were resisted by management as a hindrance to individual maneuverability. In practice, Lockheed preferred to lead the field, knowing that competitors would be forced to meet the pattern; whereas, if another company led, Lockheed might have to accept changes it considered undesirable.

<sup>24</sup> This move of the IAM airframe locals was a reflection of a national trend away from the escalator clause. See, "Wage Escalation—Recent Developments," *Monthly Labor Review*, 78 (March, 1955), 315-318.

Ryan, on the other hand, usually chose to follow as far behind as possible in order to cut costs. Douglas and Consolidated tended to follow Lockheed's lead fairly consistently and avoided taking the lead. North American varied its preference from year to year depending on its economic status. The situation was complicated by competition between the IAM and UAW. For example, Douglas continually sought to equalize conditions at its three plants, while the two unions attempted to gain the edge on each other. Separate termination dates were probably as useful to labor as they were to management, so long as a state of union rivalry existed.

In 1953 the unions demanded identical termination dates as part of their new cooperation policy. Management unexpectedly agreed, and December was decided upon. Ryan, however, chose to continue to follow the industry by six months. In 1954 policy was reversed again and varying expiration dates were set for 1956. Lockheed will lead on February 15 with North American following one month later and the rest of the industry trailing over a three-month period. The change came about through a compromise. Management desired a return to the earlier system in order to reduce the likelihood of union collaboration on either demands in negotiations or strikes, or both. The unions agreed to the reversion in order to shift termination to the spring, a more favorable time for strikes than the Christmas season.

Taking the industry as a whole, negotiations in 1954 were rapid and peaceful. The abrupt about-face at North American apparently sprang from a desire on both sides to put an end to the unprofitable feuding which had been going on during the year. At Douglas and Lockheed, also, there was a noticeable lessening in the coolness between parties which had existed since the respective strikes of 1951 and 1952. Only at Douglas-Long Beach was there a delay in settlement, when the UAW local, without success, attempted to gain the NAA pension scheme.

It is rather soon to determine to what extent economic stability and the absence of government intervention have contributed to the apparent improvement in relations in the industry. At the moment, it seems more likely that the North American strike of 1953 was the primary influence. As far as the unions were concerned, if the strike did nothing else, it served to prove the futility of taking on the industry in a piecemeal fashion. Perhaps the re-

sults would have been different had the unions cooperated in their approach to management or had North American itself chosen to take an initial position more appropriate to a collective bargaining situation. But, as it was, the unions could but consider that their strength had been tried and had failed to measure up to their needs. A peaceful period of retrenchment and reconsideration of long-run goals was definitely in order. On the other hand, the result of the strike indicated to management that it was still able to resist extreme union pressure. That management, particularly North American, chose not to press its advantage a year later, but instead adopted a reasonable attitude in negotiations, may possibly indicate a reluctance to risk further disruptions of such a magnitude as that at NAA. If this is so it may well be that the test of strength in 1953 has resulted in a temporary balance of power between the two sides.

### CONCLUSION

Probably the most important reasons for the rather slow progress toward mature relationships in the Southern California airframe industry lay in the economic character of the industry and the presence of competing unions.

Regarding the economics of the industry, an unstable product market has caused periodic financial insecurity which would not tend to stimulate mutually satisfactory negotiations even if no other obstacles were present. For example, taking the industry as a whole, loss of military orders after World War II gave rise to stiff competition between the various companies over the relatively small commercial and private markets. The extent of this competition can be judged by the fact that any one of the major airframe producers had the physical facilities to supply all commercial planes and a substantial proportion of the military planes required in the average peacetime year.<sup>25</sup> In such a situation costs are necessarily of paramount importance. As airframe labor represents approximately 50 per cent of total airframe costs, it is easy to see why management was not inclined to follow a generous line in negotiations and, instead, aggressively resisted improvements of any sort which called for monetary outlay. While the general economy was experiencing prosperity from 1945 to 1948, the airframe industry

<sup>25</sup> Kerr and Halverson, *op. cit.*, p. 7.

was in a state of depression. Out of every 100 production workers employed at the peak in 1943, only about 16 were on the payroll in 1946. Unions in other mass production industries were consolidating their strength during the first postwar years, but airframe unions were faced with employer claims of inability to pay, personnel cuts, and mass reclassifications downward. In such an environment the airframe unions were hardly in a position to duplicate gains being made in the rest of the nation, and discontent and resentment were the result.

Although the fortunes of the companies have apparently been tied to a peace-war cycle which equals prosperity and depression, the unions, up to now, have found the upswings only slightly more favorable than the downswings. Whereas in peacetime, or during periods when reduction of government orders seems imminent, employers have been unable or unwilling to risk large outlays, in wartime government controls have hampered achievements which might be made through completely free negotiations. In neither case has a comfortable background been provided for the development of harmonious relations.

These same economic problems caused an uneven development of labor-management relations from company to company. As the market for either military or commercial aircraft varies, so varies the ability and desire of various firms to meet labor's demands. At a time when demand for military planes is high, ability to pay and desire for continuity of production combine to make labor's path easier. In a war emergency situation, however, there is a decline in the demand for commercial planes, and therefore, a stiffening of resistance to labor's demands in companies specializing in commercial products. This state of affairs eases, of course, as soon as commercial producers convert to military production. The reverse situation also occurs, as in 1946, when those companies equipped to handle immediate commercial work were able to make liberal concessions to the unions for the sake of ensuring peace, while similar policies were impossible for specialist producers of military aircraft. Thus equal pressure from the unions was meeting varying degrees of success or failure during the same periods of time—hence the plant to plant fluctuations in the course of relations.

An almost equally serious effect on labor-management rela-

tions has been caused by the only recently ended rivalry between the IAM and UAW. Up to the beginning of World War II, battles over jurisdiction were continual; these disputes dissipated energies which might have been devoted to organizing the unorganized and built a backlog of ill-feeling which prevented inter-union cooperation on issues relating to management as a group. For example, government acceptance of the employer-sponsored job evaluation scheme in 1943 is believed to have come as readily as it did because the UAW refused to support the IAM's alternative plan. After the no-raiding pact of 1950, the fight was shifted from raiding to gaining superior conditions in negotiations in order to influence workers at new branch plants being set up in other states. In the relatively prosperous, expanding Northwest lumber industry such two-union rivalry within a collective bargaining framework has resulted in greater benefits for members and fewer strikes. However, in airframe this sort of rivalry was characterized by an all-out race for a leading position regardless of the various companies' special problems at any given time, more frequent strikes and, in 1953, an unwise over-extension of position by the UAW which seriously set back both the UAW and the IAM.

Intra-union factionalism has also played its part in diverting the attention of the airframe locals. For the first few years after its arrival in Southern California, the UAW was torn from top to bottom by internal political factionalism; the right and left wings of the small locals in Southern California fought among themselves for control. The result was that while the IAM reached a peaceful and profitable settlement at Consolidated in 1939, the UAW was meeting vigorous and effective opposition at North American and Ryan—vigorous because of management's objection to the radicalism of certain union leaders and effective because of the splits in the labor side. The UAW strike called in 1941 at North American in the middle of mediation proceedings only served to lessen UAW's prestige in the eyes of management. When, during the post-war period, the UAW locals' political difficulties were overcome, relations with management showed some improvement. But internal troubles were not restricted to the UAW. Inter-union rivalry and the economic instability of the industry made for an ineffectiveness in negotiations which caused membership discontent and led to factionalism and unsteady leadership in most airframe locals

at one time or another. This sort of problem is still common in both IAM and UAW locals and has caused administrative action to be taken by the national unions in almost every local in the Southern California area in the last two years. Obviously such disruptions have not strengthened labor's position in relation to management.

While an unstable product market and inter- and intra-union rivalry appear to have been the key reasons for the difficulties between labor and management in the Southern California airframe industry, other factors were certainly present which aided this state of affairs. For example, airframe employers were, from the beginning, generally unsympathetic to the idea of unionism. Such attitudes have been modified over the last 20 years, but have not entirely disappeared. Industry leadership is still, for the most part, in the hands of the men who originally owned and operated the companies under consideration. Douglas, Ryan, Northrop, and Kindelberger of North American are pioneers, who by their individual abilities have been able to survive the economic hazards involved in aircraft manufacture, not only in the thirties but in later years as well. It was not unnatural that such men opposed the organization of their workers into pressure groups which would seek in various ways to curtail management's freedom of action. And under the circumstances, it was not surprising that the airframe companies readily fell in with, and were bolstered in their opinions by, the open-shop, anti-union policies popular among Southern California employers. However, if the production of aircraft had involved less financial insecurity it is unlikely that employer antagonism would have provided more than an initial obstacle to good relations. Anti-union employers were common in the automobile and steel industries, for instance, but this did not stand in the way of the eventual development of strong unions and effective collective bargaining systems.

Lockheed, of course, was the exception; the corporate group which assumed control in the early thirties chose to move with the national trend. Lockheed's voluntary acceptance of the IAM gave that union a membership lead in the industry which has never been overcome. Even so, until very recently, relations at Lockheed were conducted on an informal, "family" basis, more reminiscent of the insularity and intimacy of preunion days in an aircraft plant than

similar to the highly organized, formal collective bargaining and grievance systems common in other mass production industries.

Into the same category of secondary influences fall the particular characteristics of the airframe workforce in Southern California. Tremendous fluctuations in total employment in the past have made it difficult for the unions to establish large, permanent groups of members. A very high turnover rate from 1941 on necessitated almost continual organizing drives. Increased turnover followed naturally from rapid industrial expansion and the high percentage of young, temporary, and women workers employed during the war. The problem was not strictly a wartime one in Southern California, however; from 1940 to the present, heavy in-migration to Los Angeles and San Diego has ensured a high degree of general mobility as migrants seek the right job, near acceptable housing and adequate transportation.<sup>20</sup> But, difficult as it has been for the unions to maintain sizeable memberships, the job has been done. At all plants substantial percentages have been held through the years in spite of violent fluctuations in total employment and the lack of union shop clauses. It is impossible to know how great a drain continual organizing has been on the locals. Certainly large memberships indicate potential strength. That some of the reasons for the failure to settle the problems involved in labor-management relations in this industrial setting may lie in the attitudes of the rank and file, is a question which would bear considerable further study.

There can be no question but that industrial relations in the Southern California airframe industry are still in a state of transition. It is possible that a new turning point may soon be reached. The no-raiding pact of 1953 has been a success up to now and has left the locals free to concentrate on their dealings with management. Employment is stable and at a high level. Full acceptance by management appears to be the announced next goal of both unions—a goal which takes the form of the union shop. To the unions the security clause represents not only a justifiable following of a trend long underway in the rest of the aircraft industry but also a means of cutting away the last traces of the paternalism of the thirties. To management the goal is viewed as an intolerable

<sup>20</sup> For a discussion of labor mobility and the population increase in the Los Angeles area from 1940 to 1950, see G. L. Palmer, *Labor Mobility in Six Cities* (New York: Social Science Research Council, 1954), pp. 34-38, 49.

infringement on its prerogatives. Certain management spokesmen have indicated they would be prepared to take a strike of any duration or magnitude in order to keep the union shop out of the industry. In whatever way the issue is finally settled there is no doubt that it will have an important impact on relations as they now exist. Barring future severe financial crises in the industry, a mutually satisfactory settlement of the union security problem should lead to greatly lessened tensions between labor and management.

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