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(1944)

WHAT IS THE N.A.M.?

INSTITUTE OF
INDUSTRIAL RELATIONS



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NATIONAL ASSOCIATION OF MANUFACTURERS

14 West 49th Street, New York 20, N. Y.

Why the N. A. M. was organized

To promote industrial interests in the United States

foster domestic and foreign commerce of the United States

improve relations between employer and employee

protect individual liberty and rights of employer and employee

disseminate information among the public with respect to the principles of individual liberty and ownership of property

support legislation in furtherance of those principles; oppose contrary legislation

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What is the N.A.M.?



The N.A.M. is the voice of manufacturing industry of the United States

SINCE ITS FOUNDATION in 1895, the National Association of Manufacturers has constantly been the "voice of the manufacturing industry of the United States." ✓

Today it speaks with authority for over 57,000 businessmen — 12,000 manufacturer-members, more than 40,000 members of 307 regional, state, and local manufacturing or trade groups affiliated in the National Industrial Council, and 6300 subscribers to the National Industrial Information Committee.* ✓

When the N.A.M. was launched in Cincinnati in 1895, Governor William McKinley of Ohio, (later President of the United States), told the first organization meeting that "the manufacturers of the United States, by the most reliable estimate, employed in 1890 the vast capital of \$2,900,000,000." He also said: "What any association of this character may be able to accomplish for business and commerce, if wise counsel prevails, cannot be overstated. I do not think that even you, who constitute such a large part of the business world, appreciate the full magnitude of the manufacturing interests of the United States."

In the half century between the 1890 and the 1940 census, the private capital engaged in American manufacturing enterprise rose from Mr. McKinley's figure to \$51,455,000,000.

The N.A.M., now as 49 years ago, steers a steady course toward the fundamental goals of an ever-expanding economy, a rising standard of living, shorter working hours, and more jobs.

*As of October 14, 1944.

N. A. M.'s Constructive Leadership



IN ITS 49 years the N.A.M. has sponsored and worked for many of the policies and reforms which have paced the development and paralleled the industrial growth of this country during the past half century.

Today, geared to the complex problems of transition and post-war, N.A.M. adheres to the aims of its founders, and holds that its present specific purposes are to:

- develop constructive industrial policies essential to the national welfare
- aid government by providing an experienced and mature business judgment on economic legislation
- encourage a wider public understanding of the benefits of the private enterprise system
- continually improve the private enterprise system and thus justify public confidence in it.

N.A.M. was the first organization to foresee that even if the United States did not become embroiled in the fighting its economy could not escape grave repercussions. A committee had been at work for several years preceding the war on a study of the causes and cures of depressions. When the United States entered the defense-building era in 1940, this committee concentrated on efforts to mitigate or solve the inevitable post-defense problems. Directly after Pearl Harbor it became the Association's Postwar Committee to deal with the transition and postwar period problems which both the country and industry will face.

The reports of this committee and related groups are widely regarded as among the most constructive proposals yet offered in the whole field ranging from international relations to purely domestic problems. Among the latter of prime concern to industry, N.A.M.'s recommendations on contract termination, disposal of government-owned plants and surplus goods, resumption of civilian production, taxation, and the like have won the high commendation of interested federal departments and Congressional committees.

N.A.M.'s leadership resulted in the organization of the National Postwar Conference in which 23 national labor, farm, business, industry, financial, and other groups are participating.

Similarly, N.A.M. initiated the calling of an international conference of business representatives from allied and neutral nations held in November 1944. Co-sponsors with N.A.M. in this activity are the Chamber of Commerce of the United States, the National Foreign Trade Council and the American Section of the International Chamber of Commerce.

Again, in the postwar planning field, N.A.M. has rendered important service to industry in the preparation and distribution of a series of booklets, designed as guides for individual manufacturers in their postwar planning, as follows: "Guide to Internal Organization for Corporation Postwar Planning;" "Guide to Postwar Sales Planning;" "Guide to Postwar Product Development;" "Guide to Cost Study in Corporation Postwar Planning;" "Guide to Postwar Financial Planning for Manufacturers." Other reports such as those developed by the Association's Postwar Committee — "Jobs-Freedom-Opportunity" and "Second Report of the Postwar Committee" — are widely recognized as significant contributions toward solution of postwar problems.

During the war, N.A.M.'s officers or representatives, as members of more than a score of commissions or advisory groups, have given government the benefit of the soundest, practical industrial experience that can be mustered. Similarly, marshalled by N.A.M., literally hundreds of industrialists have appeared before Congressional committees to counsel these groups on pending war measures.

Earlier Industrial Statesmanship



THESE PRESENT-DAY steps toward an America that shall find the fruits of victory in productive jobs and rising standards of living are in line with N.A.M. tradition and past performance.

Early in its history, for example, N.A.M. recognized the importance of foreign trade to the development of American prosperity, and became the foremost organized group in promotion of international trade. At that time there was no Department of Commerce. There were no commercial attaches assigned to our embassies abroad. In the absence of such official business representation in other countries, the N.A.M. set up a foreign trade department to serve American business. It dispatched its own representatives to many of the important commercial centers of the world, had correspondents in all the others and established merchandise showrooms to display American goods in several important foreign centers. It also organized the necessary machinery to handle the foreign credit problems of the American manufacturer. Within 3 years after N.A.M.'s foreign trade bureau was organized — in 1898 to be exact — America's aggregate foreign trade topped all previous annual totals by more than \$17,000,000.

The N.A.M. sponsored the formation of the Department of Commerce

The Association realized that this activity was not ideally vested in any private organization. In addition it believed that business, the foundation of our economy, should have a representative of cabinet rank in the government. Accordingly, N.A.M. was the first group to urge creation of a Department of Commerce and for nearly five years it pressed for the necessary legislation. After the Department's formation in 1902 the N.A.M. turned over to the government extensive records on foreign trade which the Association had accumulated. Upon these records the Department depended in great measure during the early years of its existence. Many years later the Bureau of Foreign & Domestic Commerce was created within the Department of Commerce and in 1935, N.A.M. dissolved its foreign trade department.

The N.A.M. was among the first to recognize the urgency of stabilization and regulation of interstate commerce, and in 1899, the N.A.M. was influential in the enactment of amendments to strengthen the Interstate Commerce Act.

The N.A.M. gave pioneer support to the construction of the Panama Canal, to national conservation policies and to Parcel Post and Federal Reserve systems. It backed the original pure food and drug laws and urged the establishment of a non-partisan, semi-judicial Tariff Commission.

The N.A.M. was an early advocate of Workmen's Compensation

The N.A.M. was one of the first, and the most energetic sponsor of workmen's compensation laws. It took up this fight even before the desirability of such provision was recognized by organized labor.

It gained nation-wide recognition for its work in promoting industrial safety. From President Wilson's Committee on Industrial Relations came the report in 1915 that, "Three great private associations . . . are doing as much or more for safety than all the state and federal governments combined." The N.A.M. was one of these. Among those who signed this report was Professor John Commons of the University of Wisconsin.

The N.A.M. first advanced the need for vocational education. Colleges, universities, and public education systems in every state and large city accept the N.A.M.'s recommendations as practical and far reaching.

Again believing that some phases of business problems were too broad in scope for an organization devoted primarily to manufacturing industry interests, N.A.M. led in organization of the Chamber of Commerce of the United States, the National Industrial Conference Board, and the National Safety Council.

N. A. M. — "Industrial Democracy in Action"



THESE, AND MANY OTHER accomplishments of N.A.M. have been achieved by "Industrial Democracy in Action."

No other phrase so well describes how N.A.M. policies are determined and its objectives achieved.

The 12,000 members of N.A.M. are thoroughly representative of all types and sizes of American manufacturing industry. Most of the country's larger manufacturers are members but, most important, actually 71 per cent of the membership is composed of firms employing 500 or fewer workers. Together, N.A.M. members represent the employers of approximately 75 per cent of all workers in manufacturing industry.

But variety of size or type of members is not the most significant evidence of the fact that N.A.M. is not "big-business-dominated." Such evidence is found in the procedures which insure that the policies adopted and actions taken by the Association reflect the best judgment and practical experience of the majority of the membership.

About 2,500 industrialists drawn from the entire membership because of special experience or interest in particular problems make up the 24 standing committees of the Association. To supplement the management experience represented on these standing committees are advisory groups composed of economists and specialists in postwar, distribution, employment relations, and industrial health problems. Every member of N.A.M. each year is asked to indicate the committee service in which he is particularly interested and committee assignments are based as far as practicable on the responses. And these are not mere "letterhead" committees. They are working committees with one or more of them or their sub-committees in session somewhere almost every working day of the year studying problems of current interest to industry and the country.

From these committees — a reliable cross section of all manufacturing industry—come recommendations which, when adopted by the Board of Directors, become the "policy" of the Association on a given subject.

The democratic character of N.A.M. carries through the make-up of its Board of Directors which includes 123 industrialists, elected or appointed to represent fairly the entire membership geographically and otherwise. And the Board too is a "working" Board, meeting monthly except during July and August, with a substantial majority of the members present at each meeting.

Twelve members of the Board are elected at large from the United States by the entire membership. Sixty-eight (in the case of the 1944 Board) are elected from states, by members in that state. The number of directors (maximum of three) from each state depends upon the number of members in that state. There are also 19 directors who are Board members by virtue of being honorary, national, or regional vice-presidents; 8 are directors as active officers of the Association or past chairmen of the Board; 7 members of the Board are appointed as directors-at-large for one year terms; and 9 are appointed to represent the National Industrial Council.

A nominating committee, appointed by the President and confirmed by the Board, selects the candidates for Directors. Others may be nominated directly by members through petitions.

The following officers are elected by the Board:

President; Chairman of the Board of Directors; Chairman of the Executive Committee; Three National Vice Presidents; Seven Regional Vice Presidents; Treasurer; Executive Vice President; and Secretary.

Where N.A.M. Policies Originate



N.A.M. POLICIES, positions, and actions are the result of continuing studies by the following standing committees:

Committee on Administrative Law

Studies the operation of federal bureaus with particular reference to their usurpation of the legislative prerogative, and formulates and sponsors constructive plans for curbing their legislative activities and confining them to their proper administrative functions.

Committee on Distribution

Studies distribution cost reduction, dealer relations, advertising and sales promotion, installment selling, transportation and traffic management, and the application of advanced market research and sales management methods.

Committee on Economic Security

Studies developments in the fields of unemployment compensation and the Federal Old-Age and Survivors Insurance System, with their related payroll taxes; and continued federal government participation in state old-age pension plans.

Committee on Government Spending

Studies public spending policies and practices and methods of improving the existing system of appropriating funds. It works with Congress and other agencies interested in reducing non-essential government expenditures.

Committee on Industrial Financing

Studies proposals for governmental financing of private business, private cooperative plans for pooling venture capital, and the factors influencing the flow of private savings into investment.

✓ || Committee on Industrial Relations Policy
Formulates specific and realistic labor and industrial relations practices.

|| Committee on Industrial Health
Deals with the health, safety, and nutrition of industrial workers.

Committee on Inflation Control
Developing an action program to "hold the line" against inflation.

✓ || Committee on Labor Legislation
Develops practical recommendations and guides for employers engaged in collective bargaining or other negotiations with unions.

Committee on Manpower
Formulates Association policies on postwar employment problems and deals with all current war manpower problems.

Committee on Patents
Keeps abreast of proposed legislation or other developments affecting patents and research, and fosters public understanding of the patent system's contribution to progress.

• Postwar Committee
Studies general principles and problems of international cooperation, international economic relations, international monetary proposals, exports and imports, investments abroad, and raw materials.

Committee on Supervisory Relations
Studies and recommends practices and programs to increase the effectiveness of the supervisory employee and to improve relations between such employees and management.

Committee on Taxation

Studies measures affecting business and individuals which interfere with the flow of capital and the functioning of the private enterprise structure; concerned particularly with the fundamental revisions of the tax structure and considers taxation aspects of the transition and of postwar periods.

Committee on Tax Administration

Examines the administration of tax laws to be sure taxpayers are fairly treated and in accord with the intent of Congress.

Committee on Veterans' Employment Problems

Studies rehabilitation and re-employment problems, and providing management with practical programs for serving returning fighting men.

Committee on Wage and Salary Administration

Deals with issues involved in the wage stabilization program and the rules and regulations governing its administration by the National War Labor Board; also studies wage incentive plans, dismissal compensation pay, and guaranteed annual wage.

Committee on War Contract Termination and Disposal of Government-owned Plants, Equipment, and Supplies

Promotes the passage and enforcement of sound legislation in both termination and disposal fields; endeavors to assist manufacturers in contract termination problems by advising them how to get ready and what to do when termination occurs.

Committee on War Control Termination

Studies principles underlying control legislation; the basis for their termination; the manner in which war-useful materials shall be released for civilian production.

N. A. M. Departments and Member Services



POLICIES RECOMMENDED by the N.A.M.'s committees, and adopted by the Board of Directors are executed by a highly organized headquarters staff, headed by the Executive Vice President of the Association. Each department is directed by an executive of broad training and experience. These executives are in constant touch with developments in their respective spheres of activity, and throughout the year are occupied in study and research for the various committees.

N.A.M. departments include:

Policy Department — Headed by the Association's secretary who is also its chief economist, this department is responsible for policy phases of N.A.M. committee operations and for adherence in all Association activities to the policies determined by the Board of Directors.

Government Finance Department — Operates closely with the Committees on Government Spending, Taxation, and Tax Administration. It interprets tax laws for members, assesses the effects on Industry of proposed tax legislation, and keeps the N.A.M.'s members informed through special tax bulletins. Regional tax meetings are arranged for members and the Department serves as liaison in the federal tax field between Industry and Government.

✓ *Industrial Relations Department* — Deals with every phase of employee relations, wages and hours, labor negotiations, incentives, plans supervisory management, veterans' employment problems, and the like. By surveying the N.A.M.'s members and other manufacturers, polling their experiences on matters of moment in the industrial relations field, this Department keeps members constantly informed on industry action.

Legal Department — Serves primarily as legal advisor to the Association, its officers, committees, and Board of Directors. It recommends and reviews proposals to be made by the N.A.M. to Congress or to administrative agencies of the government and its chief frequently appears as the Association's representative before Congressional committees or government agencies. Through the N.A.M. Law Digest and other publications the Legal Department presents a regular review and analysis of new laws, regulations, and decisions affecting industry.

Public Relations Department — Publicizes Association policies and activities as they develop, utilizing all practicable media.

Research Department — N.A.M.'s fact-finding agency. It serves all other departments, committees, commissions, and the N.A.M.'s members. Studies on problems or issues are published and distributed to members and made available to the general public. It also serves the N.A.M.'s members by preparing special material upon request. During the past few years members with cases before the War Labor Board have been aided by the Research Department in the preparation of statistics on wages and living costs in various industries and communities. This is but one typical example of how the Research Department comes to the direct assistance of the N.A.M.'s members.

Branch Offices



Washington Office — With Washington the center of industrial interest, its Washington office is one of the Association's major activities. Members of the Washington office staff are in daily contact with Congressional leaders, department heads, and bureau chiefs obtaining first-hand information for the membership or presenting industry's views on current problems. It arranges for the appearance of manufacturers or Association officers before

committees of Congress when legislation affecting industry is pending and the advice of the staff is available to members with individual problems in Washington.

Pacific Coast — To bridge the difficulties of distance between the Association's West Coast members and the New York headquarters, N.A.M. maintains branch offices at San Francisco, Los Angeles, and Portland, Oregon. The activities of the latter two offices are under the direct supervision of the manager of the San Francisco office. For most practical purposes, these three offices constitute a "little N.A.M.," where immediate service is available to Pacific Coast members.

Informative Services for Members



N.A.M. News — A weekly publication of the Association, is regarded in and out of industry, as one of the most authoritative publications in the industrial field. Its columns keep N.A.M. members currently posted on developments affecting manufacturers particularly, and naturally much of its content is devoted to the Washington scene. Special supplements are frequently devoted to detailed discussions of problems or issues of prime current interest such as taxation, veterans' employment, patents, and the like. A regular monthly supplement keeps the membership abreast of all major developments in transition and postwar problems.

Law Digest — A regular publication prepared by the Association's legal department in which pending or newly enacted legislation, government regulations, and executive orders are analyzed for members.

Committee Reports — Reports of the various committees dealing with better employment practices, problems of supervisory management, veterans' re-employment, and the like are printed for guidance of members.

Industrial Relations Bulletin — From time to time, the results of studies or surveys conducted by the Association's Industrial Relations Department are made available to members in the form of special bulletins. ✓

Meetings — N.A.M.'s activities are climaxed annually in the Congress of American Industry at New York. Held in New York early in December, this Congress is unquestionably the most important industrial convention of the year. Its sessions attract literally thousands of industrialists each year and its actions are front page news across the country.

During the year several series of regional meetings are sponsored by the Association for the purpose of enabling members to obtain first-hand information on current problems from experts in business or government.

National Industrial Information Committee



BROADLY SPEAKING, N.A.M.'s task as industry's spokesman, breaks into two major functions—one "immediate" and another "long range."

In performance of the first, N.A.M., per se, undertakes to deal "on the spot" and day to day with problems and issues as they arise. This involves countering of attacks on industry generally and N.A.M. particularly, in the press, over the radio, and on the platform. It includes appearances in behalf of industry before Congressional committees and government agencies, and the rallying of public sympathy and support for industry's current positions.

The "long range" activity — the maintenance of public confidence in the free enterprise system, and, more specifically now, hammering home to the public that the leadership of business offers the only real hope of real postwar opportunities, higher standards of living, and prosperity — is the function of the National Industrial Information Committee.

The National Industrial Information Committee was created in 1934 to utilize every practicable media of communication to broaden the public's understanding of the private enterprise philosophy and to stimulate public resistance to attacks on the system.

While it is an integral part of the N.A.M., and operates under broad policies laid down by N.A.M.'s Board of Directors, N.I.I.C.'s educational efforts serve all branches of private enterprise. Recognizing this, the direction of specific activities is vested in an N.I.I.C. Governing Board which includes representatives of those non-manufacturing industries who support this public information effort.

With the public now generally committed to preservation of the enterprise system, the National Industrial Information Committee is now concentrating on demonstrating to the public that the motives of management are good, that industry's policies are sound, and that its pattern for postwar progress is the only workable plan by which the better America of the future can be realized.

In keeping industry's story before the public the N.I.I.C. uses the following media :

Newspapers

Through the Industrial Press Service, a weekly clippingsheet, the Committee's story is carried to more than 5,000 small daily and weekly "grass roots" newspapers with an aggregate circulation of more than 5,000,000.

Radio

Special transcribed series, discussions of postwar problems and potentials are distributed to more than 200 broadcasting stations. Network programs have been and will be used extensively. Other radio activities include "Briefs for Broadcasters"—a program service distributed to 900 women commentators.

Motion Pictures

The Committee produces its own motion pictures for showings in motion picture theaters and for distribution to schools, study groups, and other organizations.

Educational Literature

"You and Industry" booklets, containing fundamental study material about the enterprise system reach two out of three high school students at some time during their study. About 2,500,000 pieces of other printed literature are distributed to the public each year.

Group Cooperation Conferences

The conference method of expressing the economic philosophy of business to the opinion-molders of America is a major phase of the N.I.I.C. program. In this field are committees on Cooperation with Agriculture, Cooperation with Churches, Cooperation with Education, and Home and Industry.

Public Addresses

“Soldiers of Production” is a new type of speakers’ activity designed to reach industrial workers on factory time and factory location with inspirational talks. Foremen’s groups also receive extensive attention from N.I.I.C. staff speakers.

Other Activities

Through Public Relations Conferences, public relations executives are provided an opportunity to share the best thought and advanced practices in the field.

“Service for Plant Publications”—a monthly informational bulletin for house magazine editors—is sent to more than 50 per cent of business firms employing such media.

National Industrial Council



ORGANIZED UNDER N.A.M. auspices in 1907, the National Industrial Council embraces 307 regional, state, and local industrial associations with an aggregate membership of over 40,000 manufacturers.

Primary purpose of the Council is greater coordination of industrial thinking and service as a clearing house for information on problems and trends affecting industry.

With the chairman of N.A.M.'s Board as its chairman, and with nine representatives on N.A.M.'s Board of Directors, the Council is another important medium through which the Association is enabled to keep its finger constantly on the pulse of industry.

In a sense the Council is highly informal, organized only for conference purposes. The Council is an affiliate of, but not subordinate to the N.A.M., each member organization exercising complete autonomy in all affairs.

N.A.M., having sponsored the organization, provides the Council with offices in the New York and Washington quarters of the Association and assigns to it N.A.M. staff members as Managing Director and Secretary.