

National assn. of manufacturers

National association of manufacturers.

# THE PUBLIC BE SERVED



What It Is,  
What It Has Done,  
What It Believes,  
How It Operates

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UNIVERSITY OF CALIFORNIA

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**NATIONAL ASSOCIATION OF MANUFACTURERS**

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# A DRAMATIC STORY

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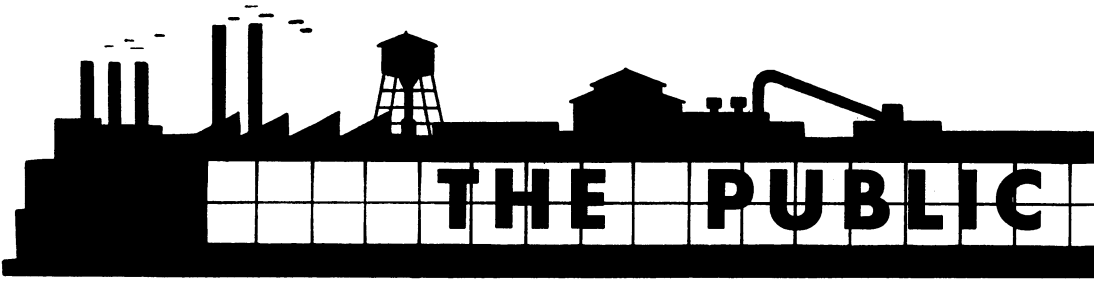
Over the last half century, tens of thousands of organizations were formed—and tens of thousands died. They outlived their usefulness or they were rooted in the shallow soil of selfish interest.

But the National Association of Manufacturers, organized more than 50 years ago to promote industry and commerce, to improve employer-employee relations and to protect the individual liberties and rights of all, has grown with the years.

It has made its share of mistakes—as what individual or group hasn't? It has taken its share of abuse. Not all of its stands were popular at the time.

It has, however, remained true to the principles on which it was founded. And, its solid achievement *for the good of all Americans* you can judge for yourself in reading this little booklet.

Here is the dramatic story of who is the NAM, why it was organized, what it has done in the past, what it believes in, and how it operates.



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# BE SERVED

## Who is the NAM?

The National Association of Manufacturers is, first and foremost, people. It's the veteran out in Portland, Oregon, who started a plant making water softeners a year or so ago.

It is the man in Wichita who has been manufacturing oil stoves and lamps for nearly fifty years.

It is the head of a heavy industrial machinery firm in New York who started out as a grocery delivery boy in Ohio.

It is the woman president of a foundation garment concern in New England.

It is thousands of America's industrial managers—about 16,000 of them—managers of large companies and small.

They are the people behind the NAM policies . . . the managers of manufacturing companies which employ three out of four wage earners in manufacturing industry . . . who are responsible for producing most of the industrial goods produced in the United States.



And, most of them represent small business. More than 70 per cent employ fewer than 500 workers. More than 50 per cent employ fewer than 250 workers.

## **Why was the NAM organized?**

It takes more than people to make an organization that lives. It takes principles in the public interest and ideas and enthusiasm.

When NAM was organized in 1895, the modern era of manufacturing was still in its infancy. Only four "horseless carriages" were registered in the United States. The first silent movie had flickered for only a year. Electricity was in knee pants; the electric refrigerator and radio were unforeseen.

Three hundred businessmen met in Cincinnati to talk over their problems. They believed the manufacturing industry needed an organization—not only to promote commerce, but to serve as a spokesman for the American economic system.

On January 24, 1895, the manufacturers adopted these guiding principles for the NAM:

**"To promote industrial interests in the United States;**

**"To foster domestic and foreign commerce of the United States;**

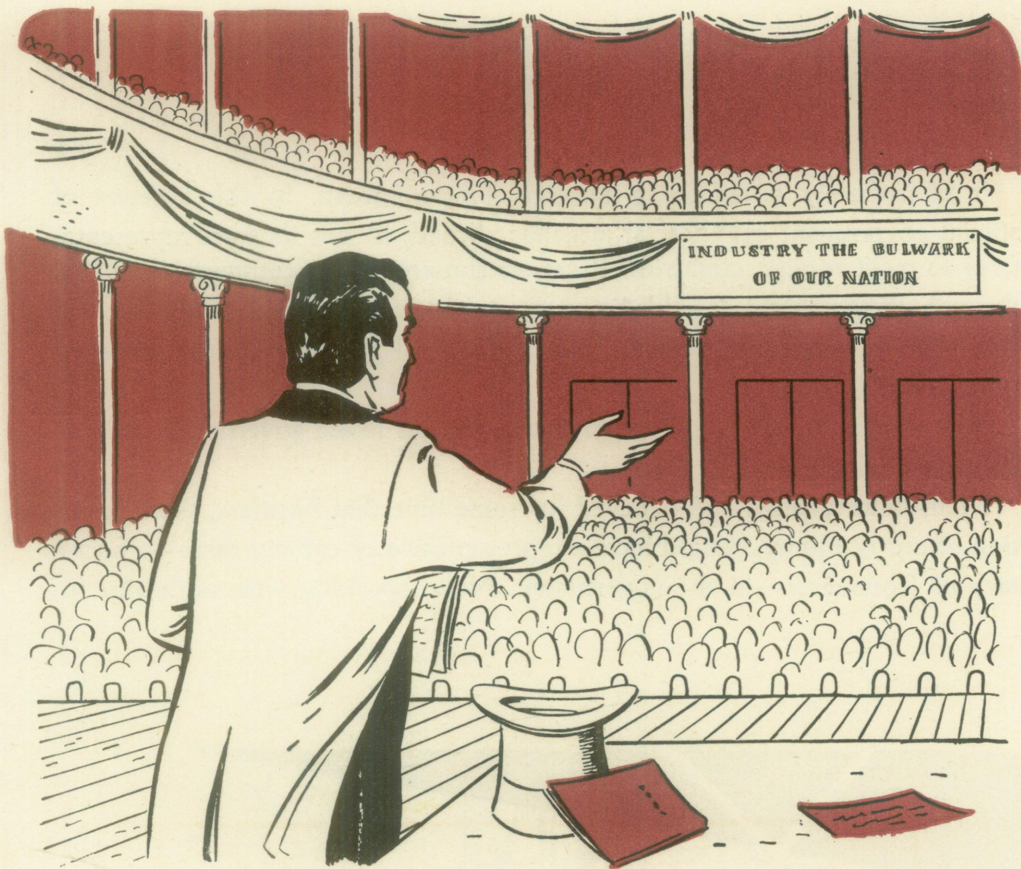
**"To improve relations between employer and employee;**

**"To protect individual liberty and the rights of employer and employee;**

**"To disseminate information among the public with respect to the principles of individual liberty and ownership of property; and**

**"To support legislation in furtherance of those principles; oppose contrary legislation."**





## What has it done in the past?

Governor William McKinley of Ohio (later President of the United States) looked up from his speech and addressed directly his audience of industrial managers, who were launching the NAM.

"Gentlemen," he said, "what any association of this character may be able to accomplish, if wise counsel prevails, cannot be overstated."

Inspired by his words, the fledgling organization went into action.

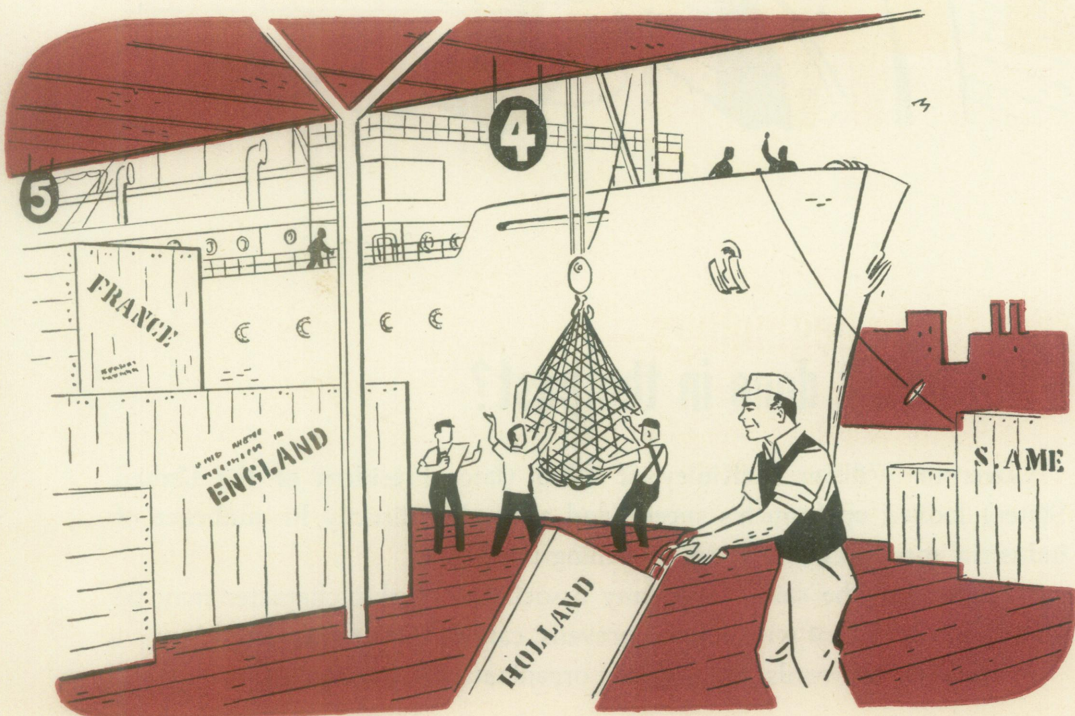


# To promote foreign commerce —

It immediately organized a Foreign Trade Bureau. In the absence of official government commercial attaches abroad, it sent its own representatives to most foreign countries. It set up showrooms in commercial centers throughout the world. It sold American products to the Old World so well that within three years, foreign trade topped all previous annual totals by more than \$17,000,000.

The success of NAM's Foreign Trade Bureau made government officials sit up and take notice.

Many businessmen had believed for some time that business, the foundation of our economy, should have a representative of cabinet rank—a Secretary of Commerce—in the government. Now, speaking with authority for

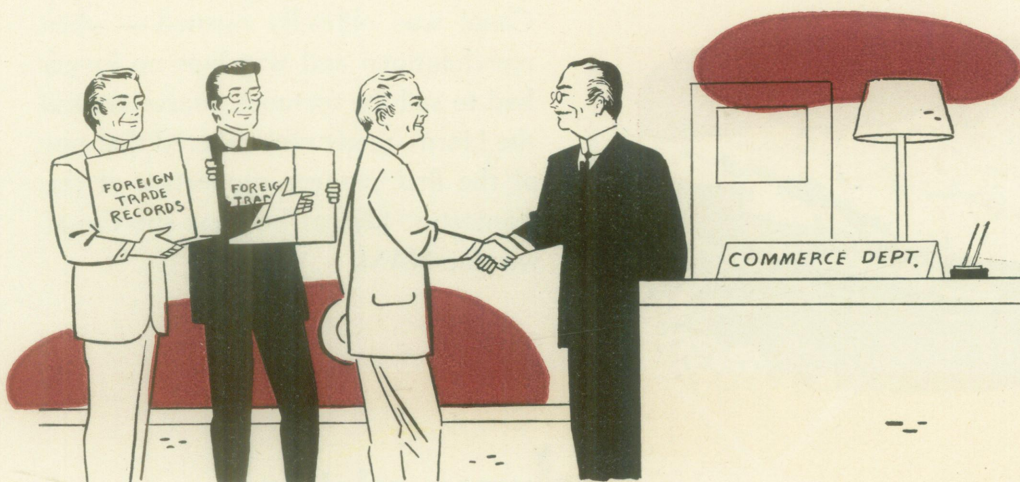




business and industry, and with successful foreign experience to go on, the NAM opened an intensive drive to establish a Department of Commerce.

It took five years, but, in 1903, legislation establishing the Commerce Department was enacted. NAM foreign trade records were turned over to the new department, which in its early years depended on them almost entirely.

That was a beginning—but only a beginning. There was lots to do to “foster domestic and foreign commerce.”



## From these beginnings—

Its efforts helped to strengthen the Interstate Commerce Act in 1899, to stabilize and regulate traffic between the states.

It fought hard and successfully for the building of an ocean-going merchant marine, to compete fairly with Europe's monopolistic control of the sea-lanes.

It urged the creation of a non-partisan Tariff Commission, taking it out of politics.





It led in the organization of the United States Chamber of Commerce and the National Industrial Conference Board.

It promoted the parcel post system, established in 1913 to close the gap between rural customers and urban suppliers.

And in 1920, when the Panama Canal was officially opened — when merchantmen and warships no longer had to sail the tortuous course around the Horn—many remembered that one of the first pioneer supporters of the “fantastic” idea of building the Canal was the NAM.

## Human relations



No one has realized more than the employer-members of NAM that men aren't machines. Today, it has a complete industrial relations program, but even in its early days—

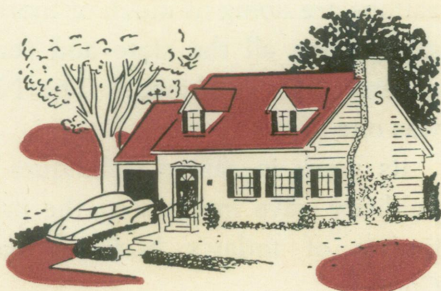
Before organized labor itself recognized the necessity of financial protection for employees against industrial hazards, the NAM was urging and sponsoring workmen's compensation laws.

It put its full weight behind state



legislation to wipe out the blight of child labor in factories.

It promoted, in every way among its own members and all of industry, “real social security”—not just the government check kind. It was the leader in industry’s establishing pensions for retired employees, group health insurance, life insurance, job-upgrading, safer and more pleasant working conditions.



## For the good of all

Public interest is tied up inseparably with industrial interests. Without the expansion of commerce and industry, without the development of mass markets for goods and mass production techniques, our highest living standard in the world would be impossible.

Organized industry did not stop with providing more and better goods to the public at constantly lower prices.

The NAM backed to the limit the original pure food and drug laws, enacted in 1906 to squelch racketeers and quacks.

Conservation of natural resources—ores and forests and lands—was studied and heavy support given the first conservation legislation.

Strengthening the national banking structure through creation of the Federal Reserve System had NAM’s help.

Carelessness in factories—and out—each year was maiming and killing hundreds of thousands. One of NAM’s first major campaigns was promotion of safety.

As early as 1915, President Wilson’s Committee on Industrial Relations





reported: "Three great private organizations are doing as much or more for safety than all the state and federal governments combined." The NAM was one of the three.

Its work in safety techniques and publicity gave impetus to the organization of today's National Safety Council.



## 'To the end that victory—'

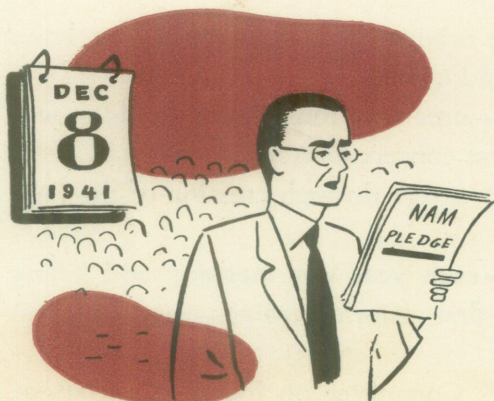
It was December 8, 1941. Grey-faced members of Congress met in a joint session to hear:

"I ask that Congress declare a state of war has existed —"

It took only minutes for the fighting-mad Senators and Representatives to pass the declaration of war.

And one hour after, from the National Association of Manufacturers, came this pledge:

"INDUSTRY WILL BUILD TWO BATTLESHIPS FOR EVERY ONE THAT SINKS. IT WILL MATCH EVERY ENEMY BOMB WITH A DOZEN. IT WILL BLACKEN THE SKIES WITH PLANES. IT WILL PRODUCE, PRODUCE AND PRODUCE TO THE END THAT VICTORY SHALL BE SWIFT AND SURE."





And industry carried through on its pledge. So much so, that Stalin himself stated at Teheran:

"The Allies could not have won the war without United States machines."

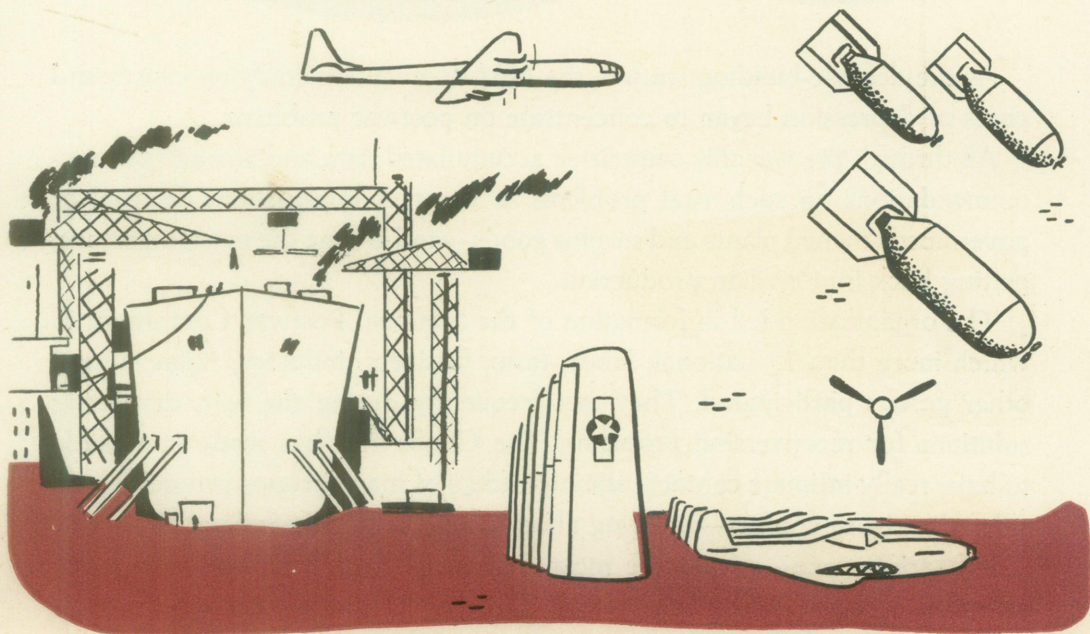
Behind America's production, behind the men and machines, was an industry mobilization program, spearheaded by the NAM and the National Industrial Council.

Defense production facilities were carefully surveyed—at the request of General Knudsen — by the NIC and its affiliated trade, state and local associations. The studies also furnished the answers to those vital questions: "What about strategic raw materials? What about manpower?"

Surveys uncovered 18,000 potential subcontractors—small and medium-sized plants—essential to the overwhelming war production.

At the same time, the War Production Board used NAM's and NIC's facilities to survey available factory and warehouse space and many other war needs.

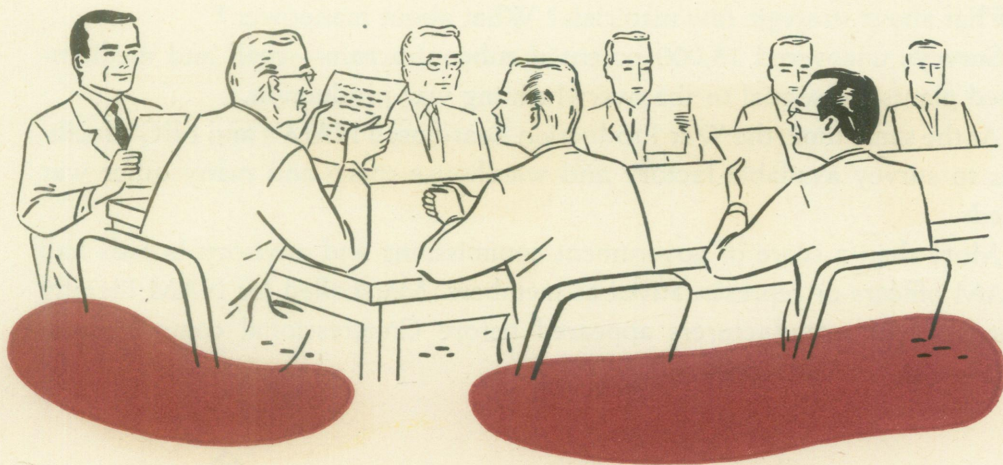
More than a score of government commissions and advisory boards had NAM officers or representatives as members. Marshalled by NAM literally hundreds of manufacturers appeared before Congressional committees to counsel on war measures.





# After V-days

Before Jap planes zoomed over Pearl Harbor, NAM foresaw that even if the United States did not become embroiled in the fighting its economy could not escape grave repercussions of world-spreading war.



As the defense-building started, the NAM committee studying causes and cures of depression began to concentrate on postwar problems.

All through the war this committee accumulated data and worked out recommendations on such vital problems as contract termination, disposal of government-owned plants and surplus goods—and among the most important, getting back into civilian production.

The organization led in formation of the National Postwar Conference in which more than 25 national, labor, farm, business, industry, financial and other groups participated. They met frequently during the war, discussing solutions for reconversion problems. The Conference has made it possible to have really intimate contacts among leaders of many groups generally considered to be in conflict—bringing about common understanding.

Industrial peace—one of the most difficult postwar problems—took the attention of eight NAM committees. They developed a cohesive program



for collective bargaining, workmen's health, and employee welfare.

NAM participated wholeheartedly in the President's Labor-Management Conference, called a few months after V-J Day. While the Conference found no panacea for the nation's industrial problems, NAM continued to work with participating groups to find solutions.

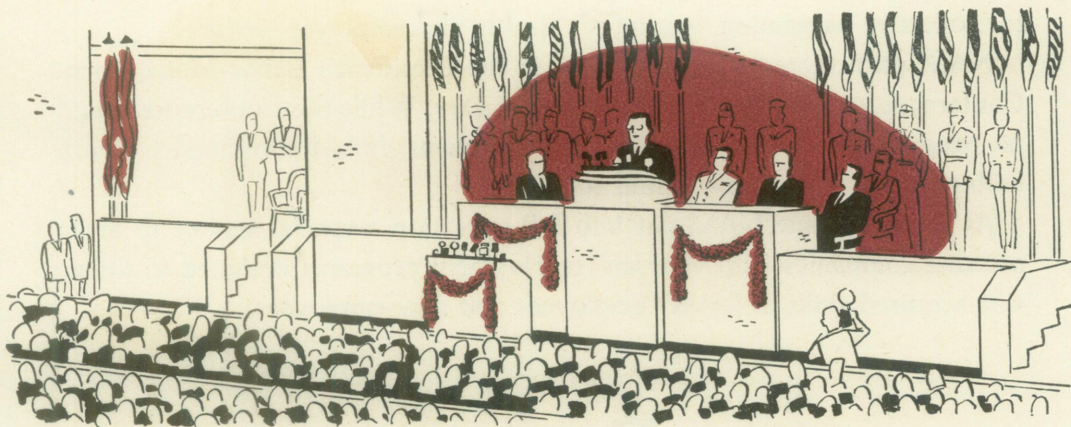
At the same time NAM put into full operation a special service to assist member companies with veterans' employment programs designed to utilize war-acquired skills of former employees and new employees.



NAM again showed leadership in international relations by initiating an international conference of businessmen from 54 allied and neutral countries. This International Business Conference, co-sponsored with the Chamber of Commerce of the United States, the National Foreign Trade Council, and the American Section of the International Chamber of Commerce, was held in 1944 in Rye, New York, to discuss solutions to international trade problems.

When the allied countries met in San Francisco to write the charter for the United Nations, NAM was invited by the State Department to attend. Its recommendations on the basic rights of individuals, registration of treaties, trusteeship for conquered territories and safeguarding the rights of individual countries were included in the final draft. NAM has urged the international





outlawing of cartels—and the strengthening of the proposed International Trade Organization to that end.

Those are accomplishments.

What does NAM *believe* today on labor problems? On government spending and taxation? On international trade?

## **O**n labor problems

NAM believes in the right of employees to join or not to join a union, free from coercion.

It believes that monopoly in labor unions is just as harmful to the public as business monopoly. It's as bad for a union or unions representing the workers of two or more employers to take joint wage action, for instance, as it is for two or more employers to take joint price action.

It believes that employer and employees should be equally obligated to bargain in good faith and live up to their agreements.

It believes that labor unions certainly have the right to strike—when the unions and the employers, having bargained in good faith, can't get together on questions of wages, hours and working conditions—when it's not in violation of existing contracts—and when most of the workers vote by secret ballot to strike rather than accept the latest offer of the employers.



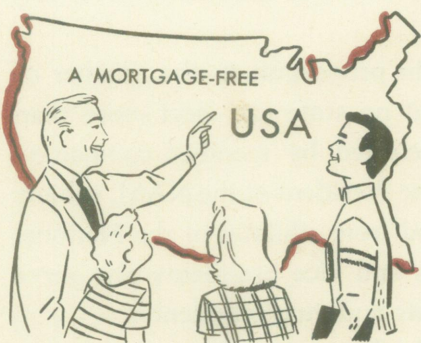
However, strikes not involving wages, hours or working conditions, or strikes to force demands the employer is powerless to grant, shouldn't have the protection of the law. Such issues are involved in jurisdictional strikes, sympathy strikes, strikes against the government, strikes to force recognition of an uncertified union, strikes to enforce featherbedding, secondary boycotts.

It believes that compulsory arbitration is bound to destroy genuine collective bargaining.

It believes that management policies should encourage stabilized employment, high wages based on high productivity, working conditions that safeguard workers' health, dignity and self-respect and a spirit of co-operation between employers and employees.



## **O**n government spending and taxation—



NAM believes that the budget must be balanced and the debt whittled down. It believes that our children and our children's children should have the right to a mortgage-free nation.

It believes that slicing government expenditures is necessary to lighten tax burdens, as a means of insuring growth and development of the economy and a higher standard of living.

It believes that the government tax policy must be such that Americans will be encouraged to invest their savings in production- and job-creating tools for industry. The possible rewards must not be taxed away to such an extent that investment isn't worth the risk.

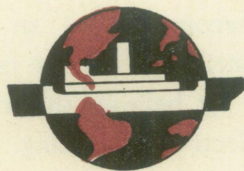


## O n world trade—

NAM believes that world peace cannot exist without world understanding and world trade—that “Unless goods can cross borders, armies will.”

It believes that international cartels and monopolies—whether private or government—are just as harmful to the people of the world economy as cartels and monopolies would be in this country’s economy.

It believes that world trade is a two-way street—that we must both export and import.



## W ho runs the NAM?

As “spokesman for American industry,” the NAM has assumed a serious responsibility. Speaking for 16,000 manufacturers, NAM’s members, is no easy task.

There seldom is a stand or a policy to which all agree. But the majority rules.

NAM is an industrial democracy. Regardless of size, each member company has one vote in electing members to the Board of Directors, governing body of the Association.

Most of the Board members are elected in proportion to the number of NAM-member companies in each state (but no state can elect more than three.) Twelve directors-at-large are also elected by member companies.

Seven directors-at-large are appointed by the President of the NAM, subject to Board approval. Nine directors are selected from affiliates of the National Industrial Council. Former NAM presidents and vice presidents also serve on the Board, as well as the current presidents and vice-presidents.

The number on the Board varies some year by year. But in 1947, it was 153.

The Board elects annually its own chairman, chairman of the Executive Committee, chairman of the Finance Committee, president of the Association, ten national vice presidents, eleven regional vice presidents, the execu-



tive vice president (ranking staff member who is in charge of all operations), the treasurer and the secretary.

NAM's Board is a working group, meeting monthly except during July and August. Its members serve without compensation and pay their own traveling expenses.

## Who makes the policies?

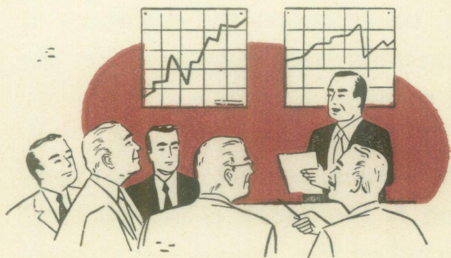
Every year a new questionnaire hits the desk of every NAM member: "What committee would you like to serve on?"

With selection based mainly on these returns, more than 1,000 members serve on NAM's many standing committees.

These committees devote much of their time during the year studying pressing current problems and finding solutions. Almost every day of the year, one or more of these committees or their subcommittees are meeting. They have the help of advisory groups of economists and specialists as well as liaison representatives from the trade, state and local manufacturers organizations affiliated with the NIC. Through these NIC affiliates' advisors, representing 40,000 manufacturers, even broader industrial thinking is incorporated into positions of the committees.

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

Among the committees dealing with current problems, in 1947, for example, were the Labor-Management Relations Committee, the Industrial Relations





Program Committee, the Patents and Research Committee, the Government Finance Committee, the International Economic Relations Committee and others.

Other checks are made regularly with the members in evolving NAM policies. Questionnaires are sent to members. Regional NAM offices report cross-sections of member opinion on problems regularly.

## Who carries out the policies?

Policies worked out and approved by the Board are executed by a highly organized staff, headed by the executive vice president of the Association. Each division is directed by an executive of broad training and experience.

These executives are in constant touch with developments in their various fields, and throughout the year, are occupied in study and research to assist the committees.

NAM staff divisions are:

**P**rogram Division—This division is responsible for servicing NAM committees which evolve policies and for developing over-all programs to put these policies into action. It is essentially a planning and co-ordinating division to see to it that every possible effort is made in achieving the goals set up by the members and the Board.

**E**conomic Policy Division—Under the direction of NAM's Chief Economist, this division is responsible for sound economic thinking and research as an aid in developing Association policies. As NAM's fact-finding agency, it serves all other departments, committees, commissions and members. It studies thoroughly specific problems and issues and frequently publishes the studies for use by members and the general public.

**M**ember Relations Division—Through personal contact, through communications, through meetings, this division is the "service and contact" branch of NAM. It organizes meetings, including the annual Congress of



American Industry, raises funds, develops membership and supervises the work of the regional offices throughout the country.

**P**ublic Relations Division—Selling the story of competitive enterprise on a national level, providing ideas, programs and leadership for local manufacturers and showing the public the reasons behind industry's stands on current issues—these are the responsibilities of this division. Every possible method of reaching the American people with industry's message is used—newspaper stories, background information for editorial writers, cartoons and features for small town papers, national and local radio programs, booklets and pamphlets, advertising, motion pictures, speakers, conferences with community leaders, community public relations, leaders' training. Besides these activities, it produces the *NAM News*, a weekly publication for members.

**B**usiness Management Division—The division handles all financial and business operations and personnel administration for the Association.


**L**egislative Relations Division—Located in Washington, D. C., this division keeps in close touch with government developments affecting industry. In addition to supplying members with news of "what goes on in the capitol," it furnishes Congressional committees and government agencies with information and research data and organizes appearances of industry representatives before these agencies and committees.

**I**nter-Association Relations Division—This division serves in a co-ordinating capacity for the activities of NAM and those of other organizations with similar purposes, and especially those affiliated with the National Industrial Council, which represents 40,000 members of local, state and trade associations. The head of this division is also director of the NIC.

**L**aw Department—Legal counsel for NAM is provided through this department. Through its *Law Digest* and other publications, it reviews and



analyses for NAM members federal laws, regulations and decisions affecting industry.

 **Secretary's Office**—This office serves the Association's Board of Directors and Executive Committee; keeps full records of all Association policies and actions; advises other Association divisions as to conformance of proposed actions to Association policies; and in conjunction with the general counsel interprets the NAM constitution and actions of the Board of Directors and the Executive Committee.

## Congress of American Industry

Climax of NAM's year's activities comes early in December when the Association's annual Congress of American Industry is held in New York.

Thousands of the nation's industrial leaders discuss their mutual problems and headaches and listen to nationally and internationally prominent speakers. Some in the past have included Willkie, Knudsen, Eden, General Smuts, General Bradley, Senators Taft and Byrd—and some of NAM's severest critics such as Leon Henderson and Chester Bowles.

## For a better tomorrow

The story of NAM since its founding in 1895 is the story of American growth.

It is the story of real wages more than doubling . . . of working hours growing shorter . . . of production increasing nearly seven times . . . of capital invested in manufacturing quadrupling.

It is the story of new things . . . electric gadgets and planes and automobiles and television.

It is the story of the success of competition over monopoly—private or government . . . the success of freedom over statism.



It is the story of a nation with but 6 per cent of the world's area and 7 per cent of the world's population out-building, out-producing out-purchasing all of Europe or all of Asia.

And today?

Today, we can look forward to a better tomorrow with more goods, more jobs, more security, IF—

If we keep our individual freedoms—the freedom to work where we want, to speak our minds, to have the opportunity to invent new products, make them and sell them on a free, open competitive market...

If we remember that we have to work for what we get—that no synthetic economic cure-alls can take the place of production...

If we work together in a spirit of public interest and unity.

The NAM is pledged to plan and work and fight for these objectives.

