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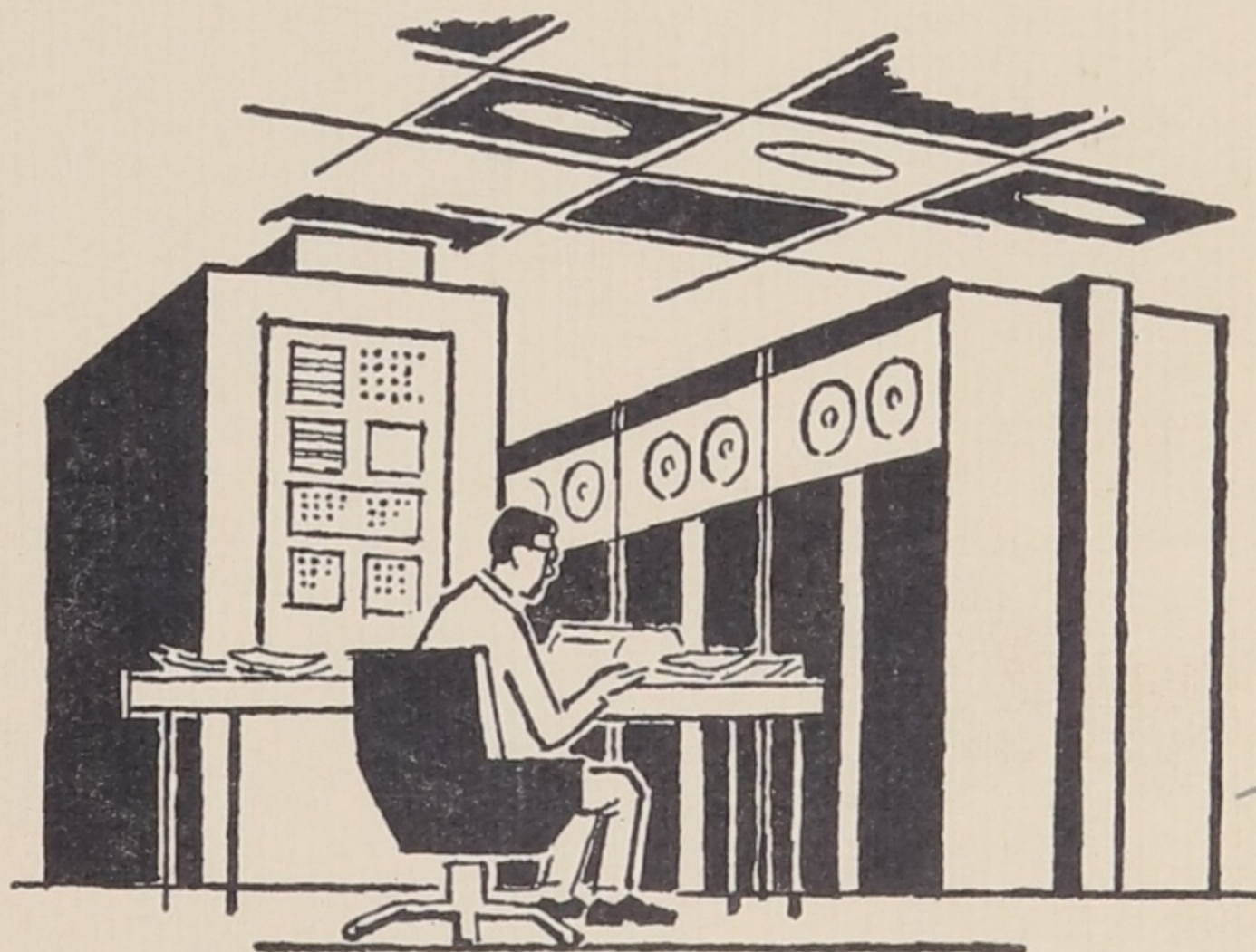
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The Social and Technological Revolution of the Sixties



Conference Series No. 9
March 1965

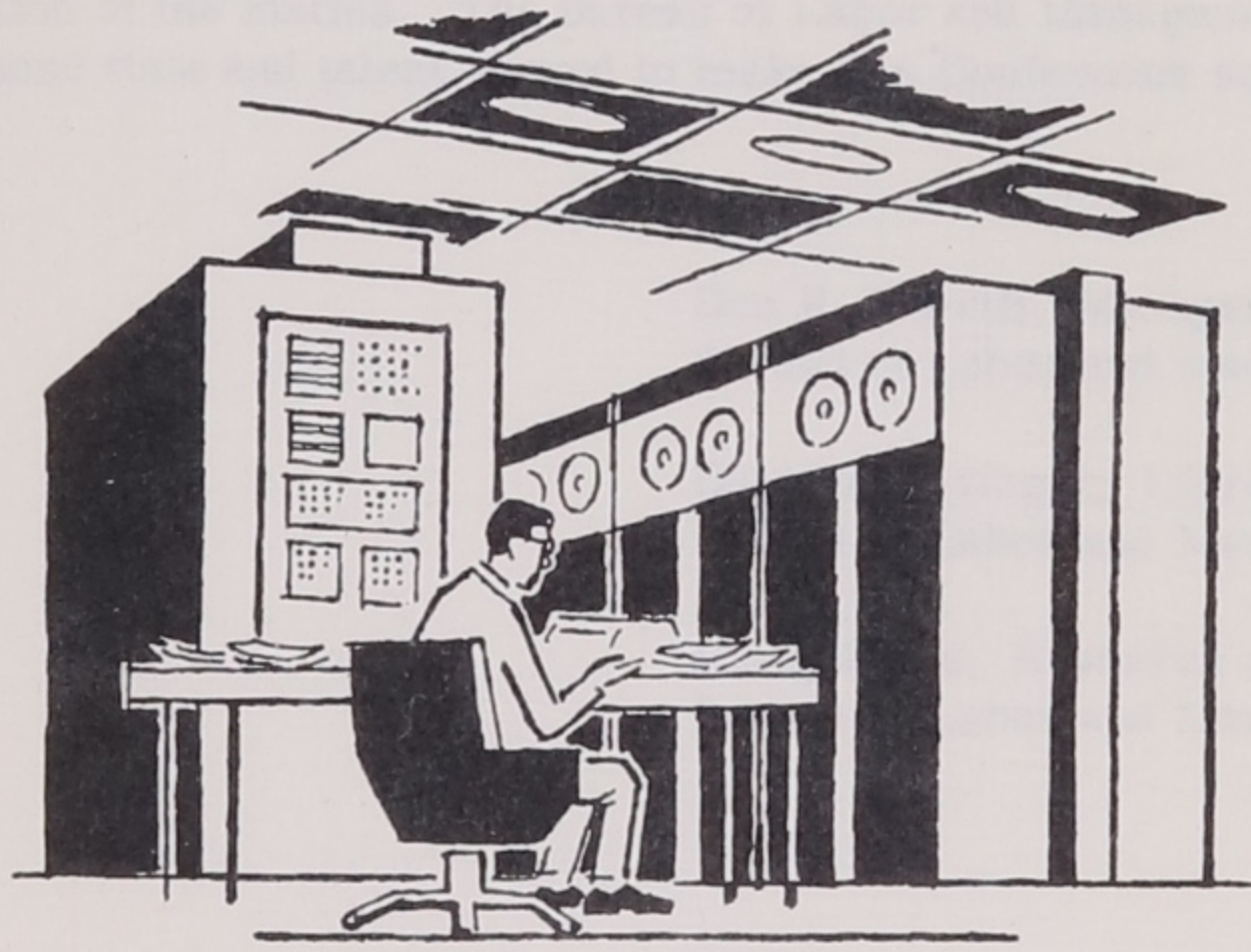


BUREAU OF LABOR AND MANAGEMENT
COLLEGE OF BUSINESS ADMINISTRATION
THE UNIVERSITY OF IOWA · IOWA CITY



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The Social and Technological Revolution of the Sixties



Don R. Sheriff
David Zaehringer
and
Craig Lloyd

Editors

Published by

THE BUREAU OF LABOR AND MANAGEMENT
COLLEGE OF BUSINESS ADMINISTRATION
THE UNIVERSITY OF IOWA
IOWA CITY, IOWA

FOREWORD

The Ninth Annual Labor-Management Conference on the Social and Technological Revolution of the Sixties was held on Thursday, March 18, 1965, at the University Athletic Club in Iowa City. While the efforts of many people were responsible for making this program a success, a special thank you goes to Governor Hughes; the guest speakers from industry; the Iowa Federation of Labor, AFL-CIO; the session leaders from The University of Iowa; the Iowa Center for Continuation Study; and the staff of the University Athletic Club.

The presentations of the guest speakers and University staff provide an account of what labor and management have done, can do and must do to meet the challenge of the social and technological revolution of the sixties. The Bureau of Labor and Management is deeply indebted to these speakers whose time and talent served to make this Conference so worthwhile.

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 The University of Iowa

INTRODUCTION

Jude P. West
Head, Government Services
Bureau of Labor and Management
College of Business Administration
The University of Iowa

The Bureau of Labor and Management is today sponsoring its Ninth Labor-Management Conference. The purpose of these conferences has been to bring together the leaders of labor, government and management to discuss key and topical issues of mutual concern.

The first labor-management conference considered the "Employer-Employee Attitudes in Iowa's Economy." Within this framework panelists discussed "The Economic Outlook and Its Bearing on Industrial Relations" and "Employer-Employee Communications for Improved Morale."

A later conference focused on the dual theme of "The Changing Pattern of Labor-Management Relations" and "The Impact of Labor-Management Relations on the Towns and Cities of Iowa."

The last conference focused on "The Problem Drinker in Industry." A general, medical, and industrial perspective on alcoholism was given and company and union plans for assisting the alcoholic worker were presented.

Today's conference, entitled "The Social and Technological Revolution of the Sixties," focuses on two of the most crucial issues of the day: the Civil Rights Act of 1964 with its ramifications for both labor and management, and automation and its effect on collective bargaining.

We have two outstanding panels to discuss these issues and Governor Hughes will be with us to give an overview to labor-management cooperation for manpower development. It is to our mutual pride that so many management, labor, and civic minded citizens took the time to come to The University of Iowa to attend this conference.

To insure that we will conduct the conference according to schedule, allow me to review the proceedings for the day. Dean Willard Boyd will officially welcome you on behalf of the University and in turn will introduce Governor Hughes. After the Governor's presentation, the first panel will be introduced by Mr. Don Sheriff, Head, Management Services, Bureau of Labor and Management.

It is my pleasure now to introduce Dr. Willard L. Boyd, Vice-President for Instruction and Dean of the Faculties, who will officially open our conference and welcome you on behalf of the University.

WELCOME

Willard L. Boyd
Vice-President for Instruction and
Dean of the Faculties
The University of Iowa

It is a pleasure for me to welcome you to this significant conference. By your presence you are demonstrating your deep interest in the economic and social future of Iowa's citizens. Let me assure you that the problems you will be dealing with are also of great concern to your three state-supported institutions of higher learning.

My function this morning is twofold. First, I have been asked to describe briefly the nature of The University of Iowa's involvement in the Social and Technological Revolution of the sixties, the seventies, the eighties, and the unforeseeable future.

With regard to the University as a center for teaching and research, I can assure you that we are immersed in long-range planning.

The student body has doubled in the period from 1952 to 1964. We expect an enrollment of
16,000 next fall
20,000 by 1969, and
25,000 by 1975.

Unfortunately, our growth problem is not simply a numerical one. It is also necessary for us to anticipate the specific education and research needs of tomorrow. Thus, while we can predict our total enrollment with reasonable accuracy, we are unable to determine with any assurance the allocation of these students among the various disciplines. For example, after Sputnik there was a considerable student shift to the physical sciences; more recently, however, there has been a dramatic and somewhat unexpected move to the health professions and law. Therefore, the University, like any business, must be both viable and imaginative if it is to remain in the forefront of America education.

The ten colleges of The University of Iowa are constantly revising and adapting their programs to meet the educational needs of all Iowans from preschoolers to senior citizens. The bachelor's degree is offered by the 30 departments of the Colleges of Liberal Arts and Education. The Graduate College offers the master's degree in 87 different departments and programs and the Ph.D. degree in 52 departments and programs. In addition, there are the professional Colleges of Engineering, Law, Medicine, Dentistry, Pharmacy and Nursing. Of special importance is the accelerated growth of the undergraduate and graduate programs in the College of Business Administration. I do not indulge in a non sequitur when I say that this College is rushing carefully and deliberately into a position where it can provide the educational and research leadership necessary for Iowa's economic growth.

Of necessity, the University must concentrate primarily on the education of its increasing full-time student body. Nevertheless, we are anxious to extend our program to the part-time student. Currently, we are offering 35 late afternoon and evening classes for commuters, 160 courses through correspondence, as well as off-campus extension classes, special Saturday classes, and three radio courses. During the last year over 14,000 persons attended our con-

ferences, workshops and short courses. In addition, numerous faculty members serve as consultants to local and state governments, members of public boards and commissions, and public speakers. Once again I am pleased to cite the leadership of the College of Business Administration, which extends its teaching and research through its Bureau of Business and Economic Research and the Bureau of Labor and Management.

To meet the expanding educational needs of Iowans, the University is strongly committed to the concept of interinstitutional cooperation within the state and region. No one institution can meet the state's demands. Through various interinstitutional committees The University of Iowa, Iowa State University and State College of Iowa work closely together. The Board of Regents has recently undertaken a state-wide study of higher education which will encompass not only the role of the state supported institutions of higher learning but also the community and private colleges and universities. The University wants to cooperate closely with the community colleges both in their terminal and transfer programs. The Colleges of Engineering, Education and Nursing are actively aiding the state's technical-vocational schools. As a member of the Committee on Interinstitutional Cooperation (Big Ten plus Chicago) we are able to utilize unusual facilities and programs at other institutions and to cooperate on studies of interest to this region.

Higher education is not a panacea for all of the economic and social problems which beset this state and nation. However, it does provide the wherewithal to attack these problems. Well-trained graduates and superior research facilities cannot alone create more jobs. These are assets which must be capitalized on by venturesome and imaginative leaders of business and labor. I do not minimize the importance of attracting business to our state, but I do urge our existing industry to tap our human resources for the purpose of developing new products and services. The bulk of our young people wish to stay in Iowa. We must be willing to try their new ideas if we are to thrive.

New ideas and new ways are epitomized by automation and human rights. The University clearly cannot remain aloof from these major social and economic forces. Automation is everywhere on the campus. We admit, schedule, and bill the student by machine. We teach him FORTRAN so that he can speak to the machine and we machine grade him. He sometimes only sees an instructor on closed circuit television. With all of this we still must admit that the greatest educational machine ever invented was the printing press, and we are astounded to learn that the theoretical mathematician never uses the computer. As the University grows larger we must be especially careful to preserve the individuality of the student and not yield to the impersonality of automation.

And yet if we are to digest all of the information available today we must automate or perish. The computer greatly hastens research and does some of it more accurately than man. The University is obviously concerned with the technology of the machine, but we must also contend with the by-products of the machine. Will there come a time when man will resent having more leisure? How should he spend his leisure time? We must be concerned with both his mental and physical health. As a consequence, education for professional competence alone will fall far short of the individual's needs.

Our concern today with the individual in a massive society is matched by our desire to provide equal opportunity for all of our citizens. In the area of human rights, the term "education" has all too frequently meant equivocation and delay rather than a vigorous force for the elimination of bigotry. The Catalogue of this University clearly sets forth our policy of nondiscrimination. A faculty, student, and alumni Committee on Human Rights is charged with the responsibility of carrying out this policy. We have cooperated with the community in the establishment of a municipal human rights commission and the adoption of a fair housing ordinance to aid our students and staff. We have sought to stimulate in our students a sense of responsibility with respect to

the country's primary domestic problem. Of particular concern is the placement of our students without discrimination. On the more academic side, research contributes to the alleviation of discrimination. You have a copy of Prof. Bonfield's article in the Iowa Law Review and the University Library maintains a special collection of publications on human rights.

As I have tried to indicate, the subject matter of this conference is of critical concern to the faculty and students of the University. The sponsorship of the conference by the Bureau of Labor and Management is further evidence of the significant contribution this group is making to the State of Iowa.

My second function this morning is to introduce a man who is deeply concerned with the subject matter of this conference. He believes in the importance of higher education as a vital force in Iowa's future and he has taken a sincere interest in teachers and students on college campuses throughout the state. Moreover, he has demonstrated by action his commitment to the cause of human rights in numerous ways including executive order and the advocacy of effective legislation. It is my privilege to present to you the Governor of the State of Iowa, the Honorable Harold Hughes.

IOWA'S ROLE IN THE SOCIAL AND
TECHNOLOGICAL REVOLUTION
OF THE SIXTIES

Honorable Harold E. Hughes
Governor of the State of Iowa

A great deal is happening in this Iowa of ours these days, economically, socially, intellectually -- and even politically.

There is -- I need scarcely tell you -- some variance of opinion as to whether these developments are all desirable, but there is general agreement on the point that Iowa is moving and changing.

Perhaps some will disagree with me, but I believe we are experiencing in our state a profound and thoroughgoing revolution of ideas and attitudes. I think we are attaining a new maturity of viewpoint. I believe we are rediscovering the zest of venture.

A new idea tossed into the pool of public opinion today has a reasonable chance to swim; whereas a few years ago, it would have been doomed to drown.

I don't want to appear starry-eyed about this. I have never lived in any ivory tower, and I am accustomed to facing the realities. The weight of the past, with its old prejudices and its old nearsighted selfish interests, is still with us. We haven't shed all the barnacles by a long shot.

But we are moving . . . after all the long years of inertia and self-righteousness, and I deeply believe we are moving in the right direction.

I don't care what the experts, the seers, the soothsayers, the commentators, the unbelieving prophets and cynics say -- my heart is full of faith in the future of this state.

This good and abundant land of ours and the proud, self-reliant people who inhabit it . . . this Iowa does not need to belong to those who can only look downward and backward.

And I believe we have broken the spell.

As you all know, in the past few years, despite the problems of the farm economy, Iowa has broken all records in industrial development and economic growth. Our unemployment rate has been low among all the states of the union. Prospects for future investment and development are unprecedented.

But this is only part of the story -- and I think some of the other chapters are going absolutely unheeded by commentators who are wiser by far than I.

Take the present legislature for example. A great deal has been written and said about the number of inexperienced people serving in this Assembly. A great many doubts have been raised about just what this green legislature would accomplish.

The basic fact that has not been noticed is that this is the first real "people's legislature" in our time -- the first real cross section of our state . . . its cities and towns, its farm areas, its industry, its working people, its professions.

Sure, it is not functioning as smoothly as a more stereotyped legislature might function. Certainly, I have had my own disagreements with what they have been doing at times -- and I have leveled criticisms at them just as much as virtually everyone else in the state has done.

But the peculiar part of it all is that this 61st General Assembly has already made breakthroughs for progress that could not have been dreamed of in previous sessions.

The removal of secrecy from legislative procedures and from the committees of the Assembly is perhaps the most important legislative improvement -- from the standpoint of public-interest causes -- in our lifetimes.

No longer can an individual or small group of individuals kill good public-interest legislation without being brought to public account for the deed.

This session of the Assembly, whatever its imperfections may be, has already enacted government reorganization measures that have been needed for decades.

We have long had a habit of rating a state legislature's accomplishments exclusively on what it does in taxes and in a few other issues that have traditionally captured the headlines.

But the scope of government is as vast as the scope of life itself. And issues such as human rights, public welfare, care of the delinquent, sensible government reorganization, civil liberties, vocational education, and so on down the line have inevitably been given a secondary place or ignored entirely.

Here is one citizen of this state standing before you who never felt more proud in his life than when the Iowa General Assembly a few weeks ago wiped the shame of public hangings from the conscience of our state.

This is a rugged, hard-working group of legislators, and there is a great deal of difficult work left to be done before this session of the Assembly adjourns. There are many other worthy goals they will attain, I feel sure, that may not cause the legislators to be showered with glory but will enhance the moral stature of the state and give us government more responsive to the will of the people.

I mention the legislature here today because, to me, it is a shining example of the revolution of attitudes that is taking place in Iowa -- a revolution that I believe is enormously beneficial to the state.

I have lived in Iowa all the years of my life -- except the war years. As long as I can remember, we have walked -- intellectually and spiritually -- in negative, self-righteous paths that were not worthy of the quality of our people.

At long last, ladies and gentlemen, I believe we have begun to free ourselves from the bull-headed prejudices that have cramped our spirit and retarded our growth in years gone by.

Our record-breaking economic growth of the past two years -- the new peaks in the value of manufactured goods, employment, personal income and new industrial developments -- these are a prime example.

We are seeing for the first time what can be done to advance the common good when we have a truly cooperative effort behind the endeavor.

I stress the word cooperation because it is the key to the progress we all seek for our state.

As Governor, I am constantly bombarded by representatives of the various interests in the state which have come to the state government on behalf of their specific groups.

I am sympathetic with many of the proposals of these groups for legislation or other changes to improve their lot.

I am sympathetic with the demands of labor for safety laws, for better employment security laws, for fairer bargaining arrangements. I am sympathetic with the demands of farmers for agricultural land tax credits, for equal opportunity for their children, for public support for the very real problems of agriculture. I am sympathetic with the demands of industry for property tax stabilization, for relief from the moneys and credits tax and for some understanding of the problems of business in these competitive, fast-moving times.

We can and should give constructive consideration to the legitimate needs of all of the various occupational groups that make up our population. Yet in each case, the needs of a specific group must be seen in relation to the needs of the state as a whole.

As Governor, I am concerned about all of the people of this state -- farm people, working people, businessmen. But I have neither the time nor the inclination to get involved in the organizational divisions within the occupational groups.

It seems to me that it is possible to be for the working man, period -- regardless of whether he belongs to a craft union, an industrial union or no union at all. It seems to me that it is possible to be for the farmer -- whether he belongs to the Farm Bureau, the Farmers Union, the NFO, the Grange or to no farm organization at all. It seems to me that it is possible to be for the businessman -- whether or not he is a member of the manufacturers' association or the chamber of commerce, and whatever his political philosophy may be.

In other words, this state is big enough to encompass all of us . . . people of all creeds, organizations, faiths, occupations, colors and philosophies -- so long as they are people of good will.

And while we are at it, let me make it perfectly clear that as Governor I will, to the best of my ability, represent all of the people of this state, and that neither labor nor agriculture nor industry will be in the position of "running the state" so long as I have any voice in the matter.

My interest is in doing all I can to promote a genuine spirit of cooperation among all Iowans for the greater good of our state and its future. And in the context we are discussing today, that means promoting a genuine spirit of cooperation between Iowa management and Iowa labor, both unionized workers and those who are not represented by unions.

As I see it, one of the major areas of need for labor-management cooperation in Iowa today is in helping to speed the development of a more realistic vocational education program in Iowa.

For years it has been recognized that one of our prime needs is for a state-wide system of area vocational-technical training centers. This training is urgently needed to give a large segment of our young people who will not be attending college the kind of educational opportunity they want and need, and to supply Iowa's growing industry with qualified personnel to man its plants.

One of our state's greatest attractions to new industry is a labor supply of exceptionally high quality. But this advantage will soon be lost if we do not provide vocational-technical training in the kinds of skills that modern industry requires.

In our record surge of industrial development, we have already reached the point where many job classifications in Iowa industry cannot be filled by workers in this state -- for lack of training. If our industrial growth is to be sustained, we can no longer postpone meeting this problem.

I am deeply convinced that one of the major responsibilities of the current session of the legislature is to provide the legislation and the appropriation to get a system of area vocational-technical training centers going in Iowa. I have recommended that four of these area schools should be authorized for construction in the next two years, which I believe is a very substantial step in the right direction without getting clear out of range of our financial capabilities.

Legislation and appropriations alone will not build these centers, however. It will take the combined efforts of a great many groups working in cooperation to make this program become a reality.

We also need a better effort than we are currently making in vocational retraining and relocation of Iowa workers who find themselves either currently unemployed or likely to lose their jobs in the wave of economic and technological change that is sweeping our state.

There is also a need for a concerted effort on the part of Iowa employers and Iowa unions to work together on such matters as:

1. Increasing productivity and reducing unit costs.
2. Developing a constructive approach to living together under collective bargaining contracts and avoiding, if humanly possible, the use of economic force as a means of settling their differences.
3. Facilitating, on a private basis, the necessary retraining of workers whose jobs are likely to be either eliminated altogether or drastically modified by technological change -- anticipating change rather than reacting to change after it has occurred.
4. Exploring the possibility that the Iowa Manufacturers Association and the Iowa Federation of Labor could form a special committee to study the more serious manpower problems that are likely to confront Iowa as such in the next few years. And I would here indicate my willingness to give full support and cooperation to the efforts of any such committee if it is formed.

If we are going to continue to move Iowa forward, it is time for Iowa employers and Iowa unions to subordinate their conflicting interests to the welfare of Iowa's economy as a whole and begin to work cooperatively together on manpower problems, productivity problems, and labor shortage and labor surplus problems . . . instead of continuing to hit each other over the head in terms of shortsighted and temporary partisan advantage.

I think we are ready for this sort of team effort in Iowa today. I think that Iowans as a whole are developing a fairer and more mature understanding of the problems and legitimate aspirations of the working men and women of the state. They are beginning to realize that the factory worker or mechanic who is their neighbor and fellow church member is the same person when he is a part of a labor organization.

It is generally acknowledged that Iowa's labor force is of the highest quality that can be found, and that Iowa's businessmen are among the most resourceful.

I hope and believe that the old age of stubborn prejudice and dark distrust toward working people and labor organizations -- and of mutual suspicion between labor and management -- is drawing to a close in Iowa.

In this hour of unlimited promise for our state, no Iowan can afford to be anti-business, anti-labor, anti-farmer, anti-government or anti-progress. No Iowan can afford to look with suspicion at his neighbor because of the occupation he follows, the church he attends or because of the color of his skin.

Our future depends upon our ability to act as a united people. We cannot afford to rest on our oars. Neither can we afford the luxury of fighting with each other.

Through a conscious effort to achieve higher levels of cooperation and mutual understanding we can all become better Iowans . . . and make our state an even better place in which to live.

EMPLOYMENT PRACTICES IN TRANSITION:
THE CIVIL RIGHTS ACT OF 1964

Don R. Sheriff
Head, Management Services
Bureau of Labor and Management
College of Business Administration
The University of Iowa

It is my pleasure to moderate this session of The University of Iowa's Ninth Annual Labor-Management Conference which will examine the Civil Rights Act of 1964 and its meaning to employers, employees and labor unions.

When the Congress of the United States adopted Title VII of this act, it made it the stated aim of the federal government to bar discrimination in employment based on race, religion, sex or national origin in all businesses and industries affecting interstate commerce.

This is truly a significant piece of legislation imposing new obligations on employers, labor unions and employment agencies. It affords employees and job applicants new rights and sets up machinery for the enforcement of these rights. In effect, a complex federal-state relationship has been created to enforce the provisions of this act, and this relationship gives to the states an incentive to enact their own fair employment practice laws where they do not already have them.

I am sure we all agree that elimination of discrimination is urgent on all grounds -- moral and political as well as economic. The vast manpower resources represented by minority groups cannot be fully utilized until the entire problem, in all its facets, is faced squarely, in the sense that adequate vocational training, guidance and counseling, housing, and the many other requisites needed for an effective and motivated work force are everywhere provided.

However, we are making great strides. Until the end of the thirties, the eminent Swedish economist, Gunnar Myrdal, reminds us, the Negro's era of relative stagnation had so impressed itself on American thinking that even social scientists believed that "progress was foredoomed to be very gradual and slow." This prognostication has not come to pass.

As President Johnson said in his Memorial Day Address at Gettysburg in 1963, "The Negro says, 'Now.' Others say 'Never.' The voice of responsible Americans -- the voice of those who died here and the great man who spoke here -- their voices say, 'together.' There is no other way." Today, a century since Abraham Lincoln issued the Emancipation Proclamation, America is fully proclaiming an "Epitaph for Jim Crow" -- Equal Opportunity is the American Way.

Through a dramatic changeover to a new system of social relations, we are witnessing the realization of this epitaph. The Civil Rights Act of 1964 is part of this changeover. It is forcing both management and organized labor to recognize the factor of race in much the same way that the labor movement forced management to recognize the check-off and seniority. Both recruitment and selection policies have been significantly affected. For instance, at the present time, merit hiring is being hotly contested in corporate personnel offices and union hiring halls throughout the country as well as in the courtroom in such cases as Myrat vs. Motorola. It is the purpose of this distinguished panel to first examine the Civil Rights Act of 1964 and then discuss its impact on discrimination in hiring.

FAIR EMPLOYMENT PRACTICES LEGISLATION

Professor Arthur Earl Bonfield
College of Law
The University of Iowa

Title VII of the Federal Civil Rights Act of 1964 is the first national attempt to secure by statute equal employment opportunity for all persons in this country, regardless of their race, color, religion, sex, or national origin. This Act imposes upon employers, labor unions, and employment agencies new obligations, and confers upon employees or potential employees who are members of minority groups a new set of rights enforceable through appropriate procedures. The employment provisions of this new Federal Act will not become effective until July 2, 1965; but once effective they should have a great impact on the opportunities of minority group members to obtain suitable employment on equal terms with other Americans.

When fully effective the equal employment opportunity provisions of the 1964 Civil Rights Act will generally apply to all employers who are "engaged in an industry affecting commerce" and employ 25 or more workers for at least 20 weeks in the current or preceding calendar year. The requirement that the employer be "engaged in an industry affecting commerce" is constitutionally dictated. The source of Congress' power to enact this statute is its authority to regulate, protect and foster interstate commerce. Consequently, the Act had to be framed with reference to national power in this respect.

The term "industry affecting commerce" parallels and seems to incorporate by reference the definition of "industry affecting commerce" in the Labor Management Reporting and Disclosure Act of 1959 and the term "affecting commerce" in the National Labor Relations Act. Like the National Labor Relations Act the equal employment opportunity provisions of the 1964 Act seem to represent an exercise of Congress' regulatory power to the limits of its authority under the commerce clause of the Constitution. In view of the United States Supreme Court's broad construction of congressional authority under the commerce clause it is fair to assume that the overwhelming bulk of employers who employ the requisite number of employees will be covered by the Act. In the circumstances of the modern economy it would seem to be a rare case where an employer of 25 or more employees for 20 or more weeks in the current or preceding year would not be "engaged in an industry affecting commerce" among the states.

With respect to the number of employees which an employer must employ to be covered by the Act, it should be noted that the figure of twenty-five will be reached over a period of several years. More precisely, Title VII will apply to employers of 100 or more starting July 2, 1965; employers of 75 or more starting July 2, 1966; employers of 50 or more starting July 2, 1967; and employers of 25 or more after July 2, 1968.

The requirement that the employer "engaged in an industry affecting commerce" employ the requisite number of employees for 20 or more weeks during the current or preceding calendar year was included to clarify the Act's application to employers whose business is seasonal or fluctuates. If an enterprise has had the required number of employees on the payroll for 20 or more weeks in either the preceding or the current calendar year it seems to be covered by the Act for the entire period.

There are several significant exemptions to the category of covered employers. Title VII does not apply to federal or state governmental bodies. However, the former are covered by the President's Committee on Equal Employment Opportunities and the latter by the "equal protection" clause of the Fourteenth Amendment to the United States Constitution. Also excluded from Title VII's coverage are bona fide private membership clubs exempt from taxation under the Internal Revenue Code. Two further significant exemptions from the category of covered employers under the Act are educational institutions with respect to their educational personnel and religious corporations or societies "with respect to the employment of individuals of a particular religion to perform work connected with the carrying on . . . of its religious activities."

A labor organization is generally covered by the equal employment opportunity provisions of the 1964 Civil Rights Act if it is "engaged in an industry affecting commerce." A union is deemed to come within that classification if it (1) maintains a hiring hall or (2) has an aggregate number of members during each year of the next four years equal to the number of employees employers must have to come within the Act's coverage -- i.e., 100-75-50-25 respectively. Additionally, the labor organization must either, directly or through a chartered local, (a) be certified as a bargaining representative under the National Labor Relations Act or Railway Labor Act or (b) act or seek to act as the representative of employees of an employer or employers covered by Title VII.

An employment agency is covered by Title VII, regardless of its size, if it regularly obtains employees for an employer covered by the Act or finds jobs for employees with an employer covered by the Act. Both the United States Employment Service and state and local employment services receiving federal assistance seem to be regarded as employment agencies for this purpose.

Employers covered by the Act are forbidden to discriminate on the basis of "race, color, religion, sex or national origin" in the hiring or firing of employees, in the setting of their compensation, or the terms, conditions or privileges of their employment. It is also an unlawful practice for any covered employer to limit, segregate, classify or advertise for employees in any way which would deprive or tend to deprive a person of employment opportunities, or adversely affect his status as an employee, because of his "race, color, religion, sex, or national origin."

Whether an employer's conduct toward an employee is based on any of the forbidden criteria is a question of fact with the burden of proof initially on the person alleging discrimination. The act of discrimination by the employer must be intentional. This probably means no more than that the asserted act of discrimination must have been knowingly and deliberately based on an individual's "race, color, religion, sex, or national origin."

The Federal Act makes it unlawful to discriminate against a person in regard to employment only on the basis of the above factors. Other criteria and qualifications for employment are not affected. Tests may still be used to determine employment and promotion qualifications so long as the tests are "not designed, intended or used to discriminate because of race, color, religion, sex, or national origin."

The prohibitions on covered labor organizations are similar to those on covered employers. Unions may not exclude or expell from membership or otherwise discriminate against any person because of his "race, color, religion, sex or national origin"; they may not limit, segregate, or classify their members, or refuse to refer any person for employment on this basis; nor may they attempt to cause an employer to discriminate against any person on this basis. Similarly, employment agencies may not use the prohibited criteria as grounds for refusing to refer a person for employment, as grounds for classifying or referring an individual for employment, or as grounds to otherwise discriminate against any person.

The employment title of the 1964 Civil Rights Act plainly provides that no employer, union, or employment agency is required to give preference to any individual or group to correct any employment imbalance which may exist with respect to the number or percentage of persons of "any race, color, religion, sex, or national origin." Indeed it can be argued with great force that any preferential treatment accorded persons of one such group would necessarily result in unlawful discrimination against individuals of other groups.

There are several exceptions to the broad proscriptions of the Act. The most important of these provides that the Act's prohibitions will not apply "where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operations of that particular business enterprise." This exception applies to hiring and promotion by employers, classification or referral by a labor union, admission or employment in an apprenticeship or training program, and advertising or employment notices.

The provisions of Title VII may be enforced by any individual who has been discriminated against in violation of the Act. Persons claiming to be so aggrieved may file a written charge with the Equal Employment Opportunity Commission established by Title VII. That body will then attempt to eliminate the alleged unlawful conduct through informal methods of conference, conciliation and persuasion. However, if a state law exists which also prohibits the conduct complained of the Federal Commission may not proceed with the complaint until 60 days have expired from the time of the complainants filing of a written charge under state law with the appropriate state authorities. A member of the Equal Employment Opportunity Commission may also file such a complaint with the Federal Commission if he has reasonable cause to believe it is warranted; but he too must first complain to appropriate state officials if an adequate state law exists, and accord them 60 days to remedy the situation before the Federal Commission proceeds.

If the Federal Commission fails to get voluntary compliance it notifies the person aggrieved. Within 30 days of such notification a civil action may be brought in Federal Court "by the person claiming to be aggrieved or if such charge was filed by a member of the Commission by any person whom the charge alleges was aggrieved by the alleged unlawful employment practice." The Commission need not assent to or approve of the bringing of this suit.

In these suits brought by individuals to enforce their rights the court may appoint an attorney for complainants and permit the suit without payment of fees. Such a suit is a de novo proceeding and not a review of the private and confidential proceedings by the Commission. Defendant, of course, is accorded a full opportunity to rebut any charges made or evidence presented to the court. To prevail, complainant must prove intentional discrimination of the kind prohibited by the Act. If such a finding is made by the court, it may enjoin the unfair employment practice and order appropriate relief including, but not limited to, hiring, reinstatement, back pay, promotion, etc.

The Federal Commission does not itself have authority to file suits in Federal Court to enforce the Act's proscriptions. The United States Attorney General, however, may bring such suits on behalf of the federal government if he has a reasonable belief that there exists a "pattern" of intentional resistance to enjoyment of the rights guaranteed by this law. In such cases the Attorney General need not previously have referred the matter to any state agency or the Federal Equal Employment Opportunity Commission.

Individuals who disobey court orders pursuant to such suits are of course liable to citations for contempt -- both criminal and civil. Criminal contempt -- punishment for defendant's intentional breach of the court's order -- must be tried before a jury with a maximum punishment of \$1,000 fine or six months in jail. As for civil contempt, a person may be jailed by the court until he complies with its order. In such cases a jury is not required.

The fact that the Federal Act when fully effective will only apply to employers of 25 or more in industries that "affect commerce," the fact that complainants must exhaust state remedies, if any, prior to invoking federal remedies and the fact that the federal proceeding is rather cumbersome, highlight the continued importance of state fair employment laws.

Iowa is one of 26 states with a statute proscribing discrimination in employment on account of race, religion, or ethnic background. That penal provision provides that:

1. . . . It shall be unlawful for any person or employer to discriminate in the employment of individuals because of race, religion, color, national origin or ancestry. However, as to employment such individual must be qualified to perform the services or work required.

2. It shall be unlawful for any labor union or organization or an officer thereof to discriminate against any person as to membership therein because of race, religion, color, national origin or ancestry.

Violations of this Iowa Act are punishable by a fine of not more than \$100 or imprisonment of not more than 30 days. The present employment statute should be construed to cover any attempts by employers to discourage in advance minority group job applicants. Such efforts by employers are calculated to avoid the need for any actual refusals on their part to hire members of minority groups. Similarly, the words "any person" and "discriminate in the employment of individuals" should be construed to cover the activities of employment agencies that aid or facilitate an employer's discrimination in "employment." However, efforts to construe the present statute to cover the prior two situations are not without their difficulties, especially because of the notion that, as a penal statute, it should be narrowly construed. Consequently, the Act may be deemed deficient in its failure to expressly and clearly cover these circumstances.

The statute as it stands suffers also because it goes too far. It provides for no exemptions from its all-inclusive mandate. The words "must be qualified to perform the services or work required" may provide some room by construction for desirable exemptions. But there is a danger that if these words are read to permit any kind of racial or religious qualifications for employment, they might render the act a dead letter.

The following employment statute is therefore being proposed in the current session of the Iowa legislature as a substitute for the present Act.

1. It shall be an unfair or discriminatory practice for any:
 - a) Person to refuse to hire, accept, register, classify, or refer for employment, or discharge any employee, or otherwise to discriminate in employment against any applicant for employment or employee, because of the race, color, creed, religion, or national origin of such applicant or employee.
 - b) Labor organization or the employee, agents, or members thereof, to refuse to admit to membership any applicant, to expel a member, or otherwise to discriminate against any applicant for membership or member in the privileges, rights, or benefits of such membership because of the race, color, creed, religion, or national origin of such applicant or member.
 - c) Employer, employment agency, labor organization, or the employees, agents or members thereof, to directly or indirectly advertise, or in any other manner indicate or publicize, that individuals of any particular race, color, creed, religion, or national origin are unwelcome, objectionable, not acceptable, or not solicited for employment or membership.

The proposed provision also embodies four exemptions in an effort to assure a reasonable accommodation between society's interests in equal opportunity and freedom of association. The first exception to the provision is in favor of the small employer -- one who regularly employs less than four people, not counting members of his family. Almost all fair employment practices acts exempt small employers, which are defined as employers with less than a specified number of employees. The general consensus seems to be that notions of freedom of association should preponderate over concepts of equal opportunity in these situations because the smallness of the employer's staff is usually likely to mean for him a rather close, intimate, personal, and constant association with his employees.

There is also an exemption from the proposed act in favor of employees hired to work inside the house where the employer or his family presently reside. Within the sanctity of a man's own abode, his final retreat from the world around him, freedom of association should prevail unless some particularly critical requirement of greater value demands otherwise.

The exemption contained in the proposed provision in favor of the employee hired to perform personal services on the person of the employer or members of his family is meant to reflect the particularly intimate nature of the association between the employer and employee in that situation. When a sick person hires another to care for him, or an individual hires a babysitter, or a tutor, or any other employees who perform these kinds of very personal services for the employer or his family, he should be free to discriminate if he so chooses. A balancing of all the equities involved indicates that freedom of association should predominate under these circumstances.

An exemption in favor of bona fide religious institutions "with respect to any qualifications for employment based on religion when such qualifications are related to a bona fide religious purpose" seems obvious. It is an attempt to recognize the right of individuals to freely exercise their religion.

The proposed employment statute now before this State's General Assembly would set up an Iowa Civil Rights Commission which would be charged with the enforcement of the new law. Like the federal procedure, either an aggrieved person or a member of the Commission with probable cause may file a complaint. Unlike the Federal Commission the Iowa Commission could itself, after resort to conciliation and mediation had proved futile, issue an order ending the unlawful discriminatory practice. The Commission's order would be enforceable in the courts via a contempt remedy. Of course, such an order would be issued by the Commission only after a full hearing, and it would be enforceable in the courts only after judicial review of the propriety of the order. Nevertheless, this procedure has numerous advantages in terms of the simple and expeditious accomplishment of the objectives of such legislation.

The prior brief and overly general sketch of federal and state fair employment practices legislation is meant only as an overview. Insufficient time precludes any more detailed or sophisticated analysis here. Hopefully, however, the perspectives provided will supply food for further discussion and an examination of the many legal and moral issues raised by such legislation.

THE LABOR MOVEMENT AND CIVIL RIGHTS*

Walter G. Davis
Assistant Director
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AFL-CIO

I am particularly glad for the opportunity to participate at a conference which addresses itself to what I consider one of the major challenges facing the American people since the years of the Great Depression.

Working, as I have in recent years at the national level of the American labor movement, I think that I have recognized the extent and depth of some of the problems which make up this great challenge and I have most certainly been fortunate indeed for having the opportunity to be somewhat involved in both the Civil Rights Revolution and the Technological Revolution as they relate to each other. It has contributed immeasurably to my own knowledge.

The labor movement is irrevocably involved with both revolutions because they both involve the future of America and the destiny of all of its people.

Our commitment as a labor movement has traditionally been to support the kind of effort by government and private groups that would maintain a healthy, growing economy which would provide decent jobs for all at decent wages and working conditions.

Now these are words which are meaningless unless they are believed to be proper and obtainable goals, not only by trade unions but by a majority of Americans.

Our national programs, therefore, reflect this general idea but it is beneath the surface of this high aspiration that we find our basic implementation difficulties.

First, in case you do not realize it, we do have a basic rationale behind our Civil Rights policy.

Briefly, it is based upon a clear understanding of life as it exists in America as well as life as it ought to be.

We are not merely concerned with Title VII of the Civil Rights Act, although it was through the vigorous fight waged by the AFL-CIO that such a Title was included in the law. But, we recognize that minority group citizens and Negroes in particular are caught in what we term the vicious circle which doesn't relate to discrimination in employment alone but to discrimination in the fields of education and housing as well.

Pick any part of the circle. Once you become subject to one element of it, you are automatically involved in the other two. In other words, equal job opportunity is meaningless to a Negro who is a product of a substandard school system because he is segregated in the Negro ghetto of one of our major cities.

* This paper was read by A. Jack Lewis, Secretary-Treasurer, Iowa Federation of Labor, AFL-CIO.

We have been trying to increase the understanding of our members of the basic problems facing Negroes in this country.

Most of you, I am sure have heard it said "Why don't Negroes assert themselves, using the kind of initiative that our immigrant parents used at the turn of the Century?" "If they had the will and ambition, they would progress more."

More often than not, those who compare today's Negro with the immigrant who came to this country at the end of the 19th Century are people of good will. Their view, however, rests on a false assumption.

The immigrant who entered this country in 1900, entered a society which was expanding territorially and/or economically. As Bayard Rustin, a leading tactician of the Civil Rights Movement so aptly put it: "It was then possible to start at the bottom, as an unskilled or semi-skilled worker, and move up the ladder, acquiring new skills along the way. Especially was this true when industrial unionism was burgeoning, giving new dignity and higher wages to organized workers. Today the situation has changed. We are not expanding territorially, the western frontier is settled, labor organizing has leveled off, our rate of economic growth has been stagnant for a decade. And we are in the midst of a technological revolution which is altering the fundamental structure of the labor force, destroying unskilled and semi-skilled jobs -- jobs in which Negroes are disproportionately concentrated."

Whatever the pace of this technological revolution may be, the direction is clear; the lower rungs of the economic ladder are being lopped off. This means that an individual will no longer be able to start at the bottom and work his way up; he will have to start in the middle or on top and hold on tight. It will not even be enough to have certain specific skills, for many skilled jobs are also vulnerable to automation. A broad educational background, permitting vocational adaptability and flexibility, seems more imperative than ever. We live in a society where, as Secretary of Labor Willard Wirtz puts it, "machines have the equivalent of a high school diploma. Yet the average educational attainment of American Negroes is 8.2 years,"

The importance of quality education cannot be overemphasized. Take New York City for example. A labor leader, who also is a member of the Board of Education, has pointed out that a 7th grade student in Harlem is in fact 3 years behind a 7th grader in Scarsdale, New York -- a virtually all-white, upper-middle-class community in Westchester County.

We have watched the experience of high school graduates from each of these school systems when they appeared at the personnel office of a large national company to apply for a job.

The personnel director cordially greeted them and affirmed the fact that his company was an equal opportunity employer. So that he could determine where they would fit into the firm, he subjected them to a test which was fairly administered and with which the average high school graduate would have little trouble.

The Negro youngster came out second best. Why? Because he was the product of a sub-standard education -- an education conducted in the midst of ghetto life, in overcrowded classrooms where teachers have to spend 60 per cent of their time acting in the role of a policeman and devoting the other 40 per cent to teaching. This is part of our great challenge and the problem exists nationally. How does this all tie in with the Civil Rights Law? Well, obviously the Civil Rights Act of 1964 won't solve these problems. We in the Labor Movement recognize them because they are real and serious.

From the economic point of view, we also support our Civil Rights policy by demanding government policies and programs that will create economic growth and jobs. The cost of discrimination is prohibitive.

The President recently presented to the Cabinet the following report from the Council of Economic Advisers on the economic cost of discrimination. It indicated that:

1. Negroes have not been sharing fully in the abundance of our economy. On the average, they have less education, work in less skilled occupations, suffer more unemployment, and get paid lower wages.
2. If Negroes received the same average pay as whites having the same education, the personal income of Negroes and of the nation would be \$12.8 billion higher. This is a measure of the effect of discrimination in employment.
3. If Negroes also had the same educational attainments as white workers, and earned the same pay and experienced the same unemployment as whites, their personal income -- and that of the nation -- would be \$20.6 billion higher.
4. The entire economy would benefit from better education of Negro workers and an end to job discrimination. Industry would earn additional profits. The total Gross National Product would rise by an estimated \$23 billion, or an extra 3.7%.

At the present time, both labor and management are seeking the best methods to achieve voluntary compliance with the new law, but even the most optimistic observers must turn their attention to the basic problem which I have just described.

I have approached this subject as I did because I want you to recognize that the Negro today is suffering from the fall-out of 100 years of discrimination.

Half-hearted affirmative action is better than none but it is not good enough.

Having full cognizance of this fact, the AFL-CIO is concurrently moving on all fronts and urges all Americans to support programs that will meet the hard-core problems.

The War on Poverty will help some but unfortunately cannot begin to cope with all of the basic problems.

Labor has a two-pronged program which has recently been activated.

One phase requires each international union to develop an equal job opportunity program within its trade or industry and the second phase represents our effort to wipe out race discrimination in the local communities of our land. These programs will involve the local labor movements in some 700 communities.

In addition, President George Meany has called upon unions to prepare to apply selective economic pressure on employers who refuse to comply with Title VII of the Civil Rights Law. This would include the use of the collective bargaining process to spur equal opportunity.

As you know, Title VII will become effective on July 2nd of this year. It will be some time before its provisions are really meaningful. The Equal Employment Opportunity Commission required by the Title has not even been appointed yet which means that the rules and regulations of the Commission will be further delayed.

My view is that the federal government has decided to walk the extra mile to give unions, employers and employment agencies more opportunity to comply voluntarily.

At this point in time, we cannot categorically determine what compliance under the law will mean in any specific case.

We do know, however, that among the problems which labor will have to resolve are problems involving discrimination as it relates to admission to membership and admission to apprenticeship training programs. In addition, many complaints received by the AFL-CIO Department of Civil Rights allege that members have not been fairly represented by their duly elected officials because of race. Quite often, union members complain that they have been by-passed by employers in the areas of promotion and up-grading because of their race.

Our programs internally, therefore, will in the first instance deal with these obvious injustices.

A whole new understanding of the operation of our craft unions and apprenticeship training programs must be developed and presented to the public-at-large.

We are aware of the pattern of discrimination that still remains within the House of Labor and more specifically with respect to admission to membership and apprenticeship training programs in the highly skilled trades. As many of you know, there are other elements involved which have little to do with racial discrimination but are more concerned with the present economic situation within the trade or industry.

Craft union leaders are understandably concerned with the number of job opportunities available as they relate to the number of union journeymen in their local unions. They, therefore, turn a deaf ear to those promoting an expansion of their membership rolls if there are not corresponding job opportunities for members of the union.

Another problem is that quite often few qualified Negroes have actually sought entrance into the trades. This too is understandable for many reasons which I will not enumerate here except to mention the most obvious one which is the popular belief by Negroes that they would not be admitted notwithstanding their qualifications.

My personal view is that this is not entirely true. Many more qualified Negroes would be in the trades today if there was not this reluctance to apply.

Educational programs within the structure of the Labor Movement is attempting to deal with the whole question of fair representation and the advancement of promotional opportunities. We are seeking greater cooperation from employers in this area -- another reason why a Labor Management Conference at this time is so important.

Notwithstanding the new law, the Civil Rights Movement can be expected to accelerate their activity on all fronts.

Civil Rights organizations are taking a hard look at Title VII of the new law and will be vigilant in their scrutiny of the implementation of federal programs. For example, in the construction field where federal funds are involved, the demand will be to withhold such funds wherever discriminatory practices are found with respect to employment and benefits to recipients of such funds.

There will probably be several long hot summers to come before any tapering off can be seen in the Negro protest against injustice in America.

Employers and unions can make a basic contribution to America by taking real affirmative action in bringing knowledge of existing opportunities to the Negro community. This contribution can add an even greater dimension to the old cliché which in effect says, "we don't discriminate -- we are for equal employment opportunity."

To end on an optimistic note, America has the resources and I believe the will to move ahead affirmatively and now.

When employers and union cooperate together in the field of equal job opportunity, we will have met and overcome the great challenge facing the American people.

EQUAL EMPLOYMENT AND THE BUSINESS COMMUNITY

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While reading an editorial in the February issue of the Employment Counselor, I came across a very interesting and thought provoking question: "Is business meeting its obligations in the march of man, or is business clinging to the relics of another age in a selfish and foolish attempt to maintain the status quo?" This question is quite apropos for our conference today in view of its title, "The Social and Technological Revolution of the Sixties." And, during the course of our discussion this afternoon I would like you to keep that question in mind, considering how it may relate to your own place of work -- whether it be in business, industry, labor, government or the academic field.

Equal employment, or perhaps I should say the move toward equal employment without regard to race, creed, color or national origin is not new: especially not for government agencies or government contractors. Under the First War Powers Act of 1941, President Roosevelt issued Executive Order no. 9001 establishing the requirement that government contractors provide equal employment opportunities without regard to race, creed, color or national origin. This concept was continued through the Truman, Eisenhower and Kennedy administrations and on into the present administration. However, in spite of the earlier executive orders, equal employment opportunities had little meaning or effect. It was not until President Kennedy signed Executive Order no. 10925 that equal employment opportunities took on real meaning and caused many personnel executives to change their way of life, especially when a federal agency compliance officer knocked on the door. How was Executive Order no. 10925 different than its predecessors? What were the motivating forces in the order that gave impetus to the move toward equal employment opportunities? First, it had some teeth -- the power to apply economic sanctions; and, second, it required the government agency or government contractor to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color or national origin. This means the government contractor or the government agency is expected to do more than just not discriminate.

Executive Order no. 10925 and its companion Order no. 11114 have made an impact on the business community. Much has been done and much is still being done to provide jobs, at all levels, for those in minority groups. The Plans for Progress organization, on a voluntary action basis, is moving forward on many fronts to carry out the spirit of the executive orders. A large measure of the progress that has been made, however, has been limited to the governmental agencies, the government contractors and those non-government businesses and industries who have joined with Plans for Progress or with local community action groups.

We say progress has been made but as we stand back and look at the measure of that progress, comparing it to the total problem, we see that little has really been accomplished. Discrimination is still raising its ugly head: not only in Selma, Alabama, but in Chicago, Detroit, New York, Dallas, Philadelphia, Los Angeles, Washington, D.C.; in the North, in the South, in the East, in the West; you can find it in almost any area you care to examine.

The federal government is attempting to do what it can, short of assuming dictatorial powers, to eliminate discrimination in our society. One step in this direction was the passage of the Civil Rights Act of 1964. To be sure, the Civil Rights Act will not solve the problem. I do not believe any law can, since the issue of civil rights and equality goes beyond the purview of the law. However, the Act does establish ways whereby the problem can be brought out into the open in order to attempt to reach a solution. The Act also enunciates the position and commitment of our government to grant equal rights and opportunities to all people -- including those in the minority groups -- in education, employment and other social and economic areas of our society.

For the purposes of our discussion this afternoon we are most interested in Title VII. This has been reviewed for you so I will not spend time in a legal discourse covering that portion of the Act. I will try to confine my remarks to some practical applications and effects of Title VII as it relates to the employment process.

In a recent Prentice-Hall publication someone said, and I quote:

"Employers, unions and employment agencies now face the most far-reaching regulation of labor relations since the N. L. R. A. was passed 29 years ago: the new Federal fair employment practices law (Civil Rights Law). It prohibits job discrimination because of race, color, religion, sex or national origin. The whole weight of the Federal government will be behind the drive to eliminate such discrimination."

If I may digress for a moment, I would like to point out a number of significant differences between the Civil Rights Act of 1964 and the executive orders under which the government agencies and government contractors have been required to operate.

First, as has been discussed earlier, Title VII of the Civil Rights Act of 1964 covers most of the employers, labor organizations and private employment agencies in the United States, subject to certain limitations or exclusions. You will note, it does not cover the federal government or its agencies. However, before anyone gets excited, let me remind you that the executive orders are still in effect so the government is not free to discriminate.

Second, Title VII does not spell out a requirement that you take affirmative action. It requires that you do not discriminate. Here again, however, before any government contractor starts to jump for joy because Title VII doesn't say you must take affirmative action, let me remind you that government contractors are subject to the Civil Rights Act but they also continue to be subject to the executive orders and their compliance mechanisms.

Third, the prohibition of discrimination because of sex is added to Title VII. This is not found in the executive orders. Personnel executives may find this particular addition will create some difficult problems, depending, of course, on the degree of enforcement.

Returning now to our discussion, I would like to look at some of the practical problems relative to the implementation of Title VII so far as the business community is concerned.

I have found, from observation and experience, that most of the company officials to whom I have spoken can honestly say they hold no principle or prejudice which would prevent them from subscribing to a program that provides equal employment opportunities. But they are deterred from taking any action because of a concern that this action will disrupt their organization. As a result, we have racial discrimination in business and industry as a product of non-policy rather than policy. In most cases the pattern of discrimination has simply evolved, growing out of custom, habit, fear or some other similar factor. The general attitude of business and industry has been to "let sleeping dogs lie" while the community custom remained static or changed slowly.

But, now community customs are changing and changing at an accelerated pace. The business executive is confronted with external forces (the government, racial groups, interracial groups and the community) demanding change, and with prevalent attitudes within his organization demanding status quo. Today the businessman can no longer sit back and say, "Let George do it -- I can't afford to stir up a hornet's nest in my organization." We may as well face the facts, whether we like it or not, the time has come for a change. Unfortunately these changes do not come easily -- the road is sometimes a little bumpy.

Our company has never had a policy of discrimination. It has always had an official policy which tied employment and post-employment practices to ability and performance rather than to color, race, creed or national origin. Yet in 1951 I discovered we had discrimination -- it was discrimination by custom and based on fear. I wanted to promote a Negro janitor to the classification of wirer and solderer but the plant superintendent was afraid of what might happen in the department; he didn't want to create a disturbance or disrupt production. It finally required a directive from our president to the superintendent to make him change his mind. The transfer was approved -- I could cite other incidences within our company and within other companies where Negroes have been placed in jobs heretofore not open to them, not because management wanted to discriminate but because they were afraid of what might, but never did, happen within their organization. I am convinced that fear is the greatest stumbling block in the path of the equal employment opportunities program -- yes, even in the path of the total civil rights program.

A primary factor to the success of any program dealing with equal job opportunities is the attitude of top management. This applies to business, industry, the labor organization or the government agency. Unless top management -- and I do mean the top -- is behind the program 100%, it is difficult, if not almost impossible, for operating personnel to achieve any degree of success in offering employment and post-employment advancement without discrimination because of race, creed, or especially color. Top management must set the tempo for the whole organization. They must mean what they say about equal opportunity for all without equivocation. Non-discrimination must be a fixed and unequivocal policy in recruiting, interviewing, evaluating, hiring, training and promoting qualified employees.

The attitude of top management and the policies concerning equal employment opportunities promulgated by them must be communicated downward. It is well for the president of a large corporation to subscribe to a program of equal employment as he sits in his plush office in New York, or Chicago or Iowa City. But what about his division manager in the Detroit plant? Unless the word comes down to him in terms he can understand, he may continue his "let sleeping dogs lie" policy. As I said earlier, top management must set the tempo and it must permeate the entire organization and then spill over to the community on the outside.

With an affirmative attitude in an organization, can anything be accomplished? I would like to refer you back to the incident of the janitor I wanted to promote in 1951 and compare that with an incident that occurred two weeks ago. On this latter occasion two Negro janitors were involved. It was my pleasure to award these two gentlemen their certificates upon the completion of a training program for punch press operators. Today, these two former janitors are punch press operators. The training program these men completed has the enthusiastic support of the division management down to, and including the departmental foreman. The line employees are enthusiastic about it -- it provides an opportunity for development and promotion. Selection to participate is not based on the color of the skin of the man or woman who is making a request for training. Our employees know that management means what it says about hiring and promoting at all levels, on the basis of qualifications and not on the basis of race, creed, color, sex or national origin.

Cook Electric is a Plans for Progress company. We are committed to a plan for progress and we intend to carry out our commitment. Why, because we are an organization dedicated to social work? No -- just because it makes good economic sense. We spend billions, as a nation, to cultivate world markets but fail to develop a large market -- the minority groups -- whose earnings will pour back into our economy.

UNION AND MANAGEMENT COOPERATION:
AN APPROACH TO MEETING THE CHALLENGES OF
TECHNOLOGICAL CHANGE

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Needless to say, automation is a highly controversial area which elicits opinions from almost everyone. There are those who tell us that this is an old specter while others state that it is a more recent phenomenon. To point out these differences I want to read you the report of a British journalist who toured the United States.

". . . The thing that struck me first was how few men there were about. To watch the way in which ingots were gripped from furnaces, laid on rollers, carried on to be pressed, rolled out with steel fingers automatically putting them into position, you would have thought machines were human. . . . From the moment the ore is pitched into the furnace until the rail was finished, everything is done by machines, and no man has a direct hand in the work."¹

The place -- Carnegie Steel Plant, Homestead, Pa.; the time--1902. In contrast to the view that automation is an old problem allow me to direct your attention to the following statement.

"The major domestic challenge of the Sixties is to maintain full employment at a time when automation is replacing men. It is a fact that we have to find, over a ten year period, 25,000 new jobs every week to take care of those displaced by machines and those who are coming into the labor markets."

These, ladies and gentlemen, are the words of the late President Kennedy at a press conference on February 15, 1962.

There are, of course, several areas to think about when we speak of automation and technological change. We could consider the impact of such changes upon society -- and its several components; upon public policy; upon legislation; upon the individual; upon employment; upon productivity; or upon the entire economic system. While these and several other areas are perhaps of more significance, this afternoon we have chosen to focus our attention upon the impact these changes have had on collective bargaining. More specifically, our attention will be directed towards the cooperative efforts that labor and management have made at the bargaining table in dealing with the problems created by automation and technological change.

It is well known that technological change has affected collective bargaining and that, in turn, collective bargaining affects the rate of technological change. The interaction of these two forces is naturally of interest to collective bargaining students who realize that the impact of these changes is far reaching. The attention of these students has been drawn to the displacement of people, which is a prime concern of labor unions in seeking job security; the mergers and dissolutions of companies forced to meet the competitive challenge of automation and its

attendant capital requirements; and the changing composition of the work force from blue to white collar -- which affects the unions' character, employment patterns and bargaining relationships.

Even the strike has been modified as an effective weapon in collective bargaining as we have seen by experiences in the oil, chemical and communication industries.

Such changes prompt each of us to ask many questions such as: Does collective bargaining promote or retard the rate of technological change? Does bargaining over automation tend to promote third party interference, i. e., government intervention? Does automation change the bargaining strategies and postures of labor and management? Does technological change re-emphasize the managerial prerogatives and union security arguments? Does it disrupt internal union control and promote "wildcat" strikes? Does it truly promote new and creative approaches to bargaining?

These and other questions may be considered by this afternoon's panelists. In discussing these issues I am sure our panelists will expose us to similar problems and questions they have encountered and dealt with at the bargaining table.

While labor and management cooperation in the bargaining arena is not necessarily a new phenomenon, it must be considered new in the context we are using it in this afternoon. Technological change -- or automation if you will, and collective bargaining as we know them today are new. It is, therefore, within this setting that we are carrying on our discussion this afternoon.

UNION - MANAGEMENT COOPERATION IN AN AGE OF DYNAMIC TECHNOLOGICAL CHANGE

Harold W. Davey
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Union-Management Cooperation Defined:

As a former student of the late Sumner H. Slichter, the term "union-management cooperation" carries for me one meaning only. It refers to joint efforts by Company X and Union Y to increase productivity and to reduce unit costs.¹ Its orientation is strictly in terms of changing technology, changing job mix and changing factor proportions.²

Historically, we have few examples of this type of joint effort except in two situations: (1) wartime emergency and (2) desperation moves to save job opportunities in a marginal firm or industry.³

Reasons for Management and Union Opposition:

In so-called "normal" situations, both management and union representatives shy away from joint efforts to increase productivity for somewhat different but seemingly compelling reasons. Management has feared that a joint operation would give the union too much status and prestige and might involve an impairment of essential managerial prerogatives. Management has also not been particularly sanguine about the fruits of such an effort.

Union leaders, on the other hand, have generally taken the view that production was management's job with which they wanted as little to do as possible. The union view has been that assumption of responsibility would serve to blunt or undercut the union's ability to be militant and aggressive in negotiations. Of perhaps greater importance in explaining lack of union enthusiasm for joint efforts is the belief that the results might be adverse to incumbent employees in terms of reduced job opportunities and/or loss of wage advantage.

Today's strong economic climate might seem to make the outlook even more unfavorable than usual for the success of joint efforts to increase productivity, particularly in the union viewpoint. It will be the fundamental thesis of these remarks, however, that the need for such cooperative efforts is more urgent today than at any prior time in our history.⁴ I propose first to list some prerequisites for success and then to sketch in outline the essential characteristics of a viable model.

Prerequisites for Management and Union Cooperation:

From both a psychological and an economic standpoint, it is essential that Company X and Union Y accept the fundamental proposition which first appeared, to my knowledge, in the 1948 contract between General Motors Corporation and the UAW to the effect that "to produce more with the same amount of human effort is a sound economic and social objective."⁵ This, as you know, is the rationale for the annual improvement factor increase first employed by GM and UAW on a

a trial basis in 1948 and then accorded much wider significance by its continuance in the famed five-year agreement, 1950-1955.⁶

This may be looked upon as a joint prerequisites. Both parties to the collective bargaining agreement must accept operationally the proposition that increasing productivity is the common denominator which embraces both the employer's interest in healthy net profits and the worker's interest in improving his economic status and protecting his job security. It is axiomatic among economists that the most satisfactory approach to job security is through increasing the number of job opportunities. We can no longer afford open warfare after bargaining table failures or guerrilla warfare (slowdown or conscientious withdrawal of efficiency) during the life of contracts.⁷

The joint effort to increase productivity and to reduce unit costs is a facile ideal to put forth in textbooks and speeches. It is, however, not easy to implement in the practical short-run, unless there is a meaningful recognition that the implementation will not adversely affect incumbent workers on the one hand or management's freedom to manage and to innovate on the other.

This basic consideration suggests the following prerequisites to effective joint effort:

1. Management must accept the pragmatic truth that no useful results will be achieved from proposed joint efforts to increase productivity and to reduce unit costs unless the workers are assured that their individual interests will not be negatively affected in the sense of net economic loss in income terms or loss of job. If the latter effects are in prospect, there must be adequate alternatives in the form of internal job mobility⁸ accompanied by the necessary retraining, relocation in a new plant, or in extreme cases, severance pay. No plan for increasing productivity will work if the workers or the union have reason to think it involves "bargaining backwards."⁹

2. The union and the workers involved must accept the proposition that management must not only be allowed but positively encouraged to innovate. This involves a commitment to a 180-degree turn in much contemporary union and worker thinking that is oriented toward a retention of outmoded work rules and restrictions.¹⁰ This 180-degree change will not materialize, however, unless and until there is positive evidence that management is willing to honor the prerequisite just stated above.

One further qualification is necessary. The type of union-management cooperation here contemplated will have little chance for success in companies or industries where the nature of the market structure, or the potential demand for the product(s), or the degree of monopolistic industrial organization may be such as to preclude the wedding of increasing productivity to a prospective net increase in job opportunities.

The prospects for success are brightest (or should be) in growth industries whose technology is already dynamic and could become more so if a joint effort such as that here proposed were to be undertaken. In firms and industries faced by static or declining consumer demand or utilizing a technology that appears to have reached finite limits (e.g., cutting of men's hair), it must be conceded that the odds are heavy against the success of joint sponsorship of a cost reduction program. Even in such cases, it is not necessary to write off the idea entirely if the prerequisites stated above were to be adhered to scrupulously and if we could postulate effective coordination between public policy on structural employment and private effort to cushion the impact on individuals.¹¹

Essential Elements in a Model Joint Effort:

In general terms, what are the essential requisites for a joint effort on increasing productivity and reducing costs? In my judgment, the principal considerations include the following:

1. A firm understanding that the objective of the program is to increase productivity and reduce unit costs for the economic benefit of both the employer and the employees.

2. A clear, mutually-acceptable formula for equitable sharing between employer and employees of the fruits of the program. The semantics of the Kaiser-Steelworkers Fontana plant's "productivity gains sharing program" might be adaptable for this purpose, if not the substantive content of the plan itself.

3. Use of the joint committee as the most logical administrative instrumentality for effectuating such a program. Important corollaries to point 3 are:

a. Members of such a committee would, in most cases, need extensive briefing as to the precise nature of their responsibilities and obligations.

b. Such committee should be composed of individuals whose prior experience and demonstrated interest indicate their suitability for such service. Membership should not be related to official ranking in either the management or the union hierarchy. The committee should be a continuing organization and should be extra-contractual. Use of "informed neutrals" in an advisory capacity should be provided for but not required.

c. A thorough management and worker education program outlining the duties, responsibilities and limits of the joint committee's authority should be undertaken before the committee becomes operational.

d. Findings and recommendations of the committee that will directly affect bargaining unit employees in terms of changes in job mix, manning requirements, hiring policy, etc., should be fully reported to and discussed with the appropriate management and union labor relations representatives for the latter's information in connection with anticipated collective bargaining contract negotiations.

e. The jurisdiction of the joint committee should be carefully but broadly defined. It should encompass consideration of any proposal or idea from any source that might increase productivity or reduce costs. Its jurisdiction should also, in my judgment, extend to suggestions as to new or changed products and new or changed marketing and distribution methods that might contribute to increasing job opportunities at the same time that productivity gains and cost reductions are being achieved.

f. Regular reports by the joint committee should be distributed to all employees. They should be designed to make clear both the gains made and the problems encountered. A genuine feeling of individual participation must be created, maintained and, if possible, enhanced.

4. Finally, whatever the initial scope and content of the program may be, provision should be made for revision and reorientation as experience with the program may dictate.

In the foregoing sketch of a suggested model I have necessarily avoided detailed consideration of short- and long-run obstacles that will be encountered, no matter how favorable the auspices accompanying the plan's initiation and operation.

The Kaiser-Steelworkers Approach:

What is proposed here might be characterized as a blend of certain ingredients found in the Scanlon Plan¹² and the Kaiser-Steelworkers plan.¹³ The fundamental desideratum of any such

plan, no matter what its substantive content, is joint understanding and joint desire to make the program succeed.

In evaluating early experience with the Kaiser-Steelworkers plan, the Harvard Business School research team has noted¹⁴ the following principles found to have been vital to the plan's successful launching:

1. The plan was tailor-made in terms of the special conditions obtaining at the Fontana plant.
2. Both parties exhibited a willingness to be imaginative and objective as well as a desire to succeed.
3. Each party was willing to recognize the goals and problems of the other (this is intimately related to the statement of prerequisites given earlier in these remarks).
4. The plan had the direct support of top management and top union representatives who made concerted efforts to insure that middle and lower echelon personnel understood the importance of the operation.
5. Sensible and flexible ground rules for operation were adopted.
6. Healthy relationships were reestablished at the local level.
7. Clear communication was stressed.
8. Effective use has been made of subcommittees and technicians to deal with such issues as determining supply, labor and material costs at various levels of plant capacity.
9. Management and union did as much as possible on their own. Rather than using public members as crutches, they used them creatively.
10. Finally, and in my mind of overshadowing importance, there has been a joint determination to retain free collective bargaining at the heart of the relationship between management and union.

As Professor Healy and his associates have observed, although it may be several years before the Kaiser Long-Range Sharing Plan itself can be "reasonably evaluated," it is not too early to evaluate the Kaiser approach.¹⁵ By the same token, we now have a considerable quantum of evidence as to the successes and failures of the Scanlon Plan in a variety of different situations.¹⁶

Many companies and unions who may determine jointly to undertake a creative and imaginative program can avoid many pitfalls and errors that might otherwise plague them by reviewing the experience with the War Production Board's joint committees during World War II,¹⁷ by reviewing British experience with joint consultation,¹⁸ and perhaps also by studying the experience of a number of other countries with workers' councils¹⁹ and the West German experience with codetermination.²⁰

With reference to the immediately preceding remarks, let me make clear that I am not advocating any fundamental change in our present customary relationships between managerial authority and the scope of collective bargaining. Nor am I advocating adoption of particular features of other systems that aim at the same basic goal as that envisaged here. I suggest that we pursue the goal in our own individualized American fashion. We can, however, learn something

useful from the experience of others and from our own previous failures and shortcomings in this area.

Conclusions:

As the co-authors of The Impact of Collective Bargaining Upon Management made clear some five years ago,²¹ certain aspects of collective bargaining have served to give the American worker a closer identification with his place of employment than at any prior time in our history (i. e., seniority, pension equities, etc.). His individual stake in the economic well-being of Company X is, or should be, more visible today than ever before.

By the same token, most prudent American employers have accepted unionism as an integral element in the industrial relations picture. "Boulwarism" as a policy is, in my experience, the exception rather than the rule.²² Cooperation of the type discussed here is completely compatible with vigorous, hard-nosed collective bargaining. Management and union do have legitimate areas of conflict at contract negotiation time. It would be a dull world and a static one if conflict were to disappear entirely. At the same time, I suggest in all seriousness that the underlying economic community of interest between employer and employees (and the unions who represent them) is more pervasive and more enduring.

It is critically important that we take affirmative joint action to implement such interests for the benefit of Company X, Union Y and the employees in question. Union-management co-operation, as defined herein, is by no means a new idea. We are in a position today nevertheless to give fresh operational significance to this concept if we can apply even a portion of the brains and energy that in the past has been devoted to economic and legal conflict.

Footnotes:

- 1/ The pioneering study in question is Sumner H. Slichter, Union Policies and Industrial Management, Washington, D. C. : The Brookings Institution, 1941. See in particular, pp. 393-554.
- 2/ In recent years there has been considerable experimentation by management and organized labor, usually triggered by the visible impact of dynamic technological change on the incumbent work force. The range and variety of joint efforts of a cooperative nature is covered in summary fashion by Charles C. Killingsworth, "Cooperative Approaches to Problems of Technological Change," Chapter 4 in Gerald G. Somers, Edward L. Cushman and Nat Weinberg, eds., Adjusting to Technological Change, New York: Harper & Row, 1963. For an updating of Slichter's original material in his Union Policies and Industrial Management, see Sumner H. Slichter, James J. Healy and E. Robert Livernash, The Impact of Collective Bargaining on Management, Washington, D. C. : The Brookings Institution, 1960, chapter 28.
- 3/ Several examples of the latter are analyzed in Slichter's 1941 study, cited supra, note 1. The most complete account of experience with joint committees whose formation was encouraged by the War Production Board during World War II is that of Dorothea de Schweinitz, Labor and Management in a Common Enterprise, Cambridge, Mass: Harvard University Press, 1949.
- 4/ It is also worth noting at this point that a persuasive case can be made for the proposition that it is easier for management and union to initiate joint efforts at increasing productivity and cost reduction during a prosperity period than during a depression. The rationale for this view was ably stated by Ernest Dale some sixteen years ago. See his Greater Productivity through Labor-Management Cooperation, New York: American Management Association, 1949 (Research Report No. 14). See also Harold W. Davey, Contemporary Collective Bargaining, 1st ed., Englewood Cliffs, N. J. : Prentice-Hall, Inc., 1951, pp. 354-358.
- 5/ The full statement reads as follows: "The annual improvement factor provided herein recognizes that a continuing improvement in the standard of living of employees depends upon technological progress, better tools, methods, processes and equipment, and a cooperative attitude on the part of all parties in such progress. It further recognizes the principle that to produce more with the same amount of human effort is a sound economic and social objective."
- 6/ For a penetrating analysis of the rationale and impact of the GM-UAW formula and similar provisions, see Joseph W. Garbarino, Wage Policy and Long-Term Contracts, Washington, D. C. : The Brookings Institution, 1962.
- 7/ For a balanced selection of articles on both theoretical and applied aspects of the problems associated with work rules and output control or restriction, see Paul A. Weinstein, ed., Featherbedding and Technological Change, Boston, Mass: D. C. Heath & Co., 1965.
- 8/ I have reference here to reabsorption within the same firm or industry. We need more information on the extent to which lateral mobility of blue collar workers into white collar jobs takes place, or fails to take place. The research now being conducted by Professors James Stern and David Johnson of the University of Wisconsin is illustrative. Their preliminary report given before the American Statistical Association on December 29, 1964 contains some provocative data.
- 9/ The best illustration of this axiom that comes to mind is the 1959 steel strike.
- 10/ The best illustration of the magnitude of this problem that comes to mind is the marathon dispute between the railroads and certain of the operating brotherhoods.
- 11/ There is encouraging evidence that the need for such effective coordination is widely recognized, but we are not in position to state that the desired coordination is imminent.
- 12/ See Frederick Lesieur, The Scanlon Plan, Cambridge and New York: The M. I. T. Press and John Wiley & Sons, Inc., 1958. See also Slichter, Healy and Livernash, op. cit., pp. 864-868.
- 13/ A thorough explanation of the details of the Kaiser-Steelworkers plan can be found in a National Industrial Conference Board study, The Kaiser-Steel Union Sharing Plan, New York: NICB, 1963 (Studies in Personnel Policy No. 187). A readable and up-to-date discussion of the origins of the plan and early experience with it can be found in James J. Healy, ed., Creative Collective Bargaining, Englewood Cliffs, N. J. : Prentice-Hall, Inc., 1965, pp. 245-281.
- 14/ Ibid., pp. 275-280.
- 15/ Ibid., pp. 279-280.
- 16/ See references cited in footnote 12, supra. It goes without saying that there is no particular magic in any one plan or any one procedure. The indispensable ingredient to the success of any plan is a joint determination to make it succeed.
- 17/ See study cited in footnote 3, supra.

- 18/ See, for example, the discussion of joint industrial councils in Allan Flanders and H. A. Clegg, The System of Industrial Relations in Great Britain, Oxford: Basil Blackwell, 1954.
- 19/ See, for example, the account of the Yugoslavian industrial relations system in John T. Dunlop, Industrial Relations Systems, New York: Henry Holt & Co., 1958.
- 20/ See, for example, Werner M. Blumenthal, Codetermination in the German Steel Industry, Princeton, N.J.: Industrial Relations Section, Princeton University, 1956. Also Herbert J. Spiro, The Politics of Codetermination, Cambridge, Mass: Harvard University Press, 1958.
- 21/ Slichter, Healy and Livernash, op. cit., at p. 841.
- 22/ The General Electric philosophy of communication with employees and its bargaining posture toward the IUE, the principal union with which GE negotiates, continues to receive extensive publicity, accelerated by the recent NLRB decision (December, 1964) holding that the Boulware approach in the 1960 negotiations constituted a failure to bargain in good faith. My own study of the collective bargaining scene leads me to conclude that the GE approach is not typical or representative of management attitudes today. See Harold W. Davey, "The Continuing Viability of Collective Bargaining," Vol. 16, No. 2 Labor Law Journal (Feb., 1965), pp. 111-122.

AUTOMATION*

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Before I begin presenting my views on automation, I probably should preface them by saying I believe the United Auto Workers has become the effective and influential collective bargaining instrument that it is, because it has placed people above all other considerations. It has in all its activities since its beginning in 1937. Among the industrialists who have been manufacturing machines for automation, any concern for the people involved has not become particularly evident until the recent flurry of excitement.

I said what I said about the UAW because we believe that what becomes of people in this rapidly-advancing technology should be THE prime objective. Now, others may not agree. Some may put profits first. The employer with whom I bargain has repeatedly made this his first consideration. Others may say that industrial production is all important. I hear that philosophy constantly, too, every time I sit down at the bargaining table. I do not share it.

I agree that a machine can be a marvelous thing, but I would remind you -- and the makers of automated equipment -- that it is man, not the machine, that was created in God's image. I would presume, therefore, that the Creator is less interested in machines than in man's outcome -- his welfare, his character and his legacy to his sons and daughters. That is certainly the UAW's philosophy. So I warn you: you can expect that belief to color my remarks here.

The first thing that I would say about automation is that, today, as of this hour, nobody seems to know exactly what kind of a tiger we have by the tail. All of a sudden, we have frantic concern from two sources -- the manufacturers and the government. In all the previous years when industry was blithely inventing and churning out these machines, neither the makers nor the legislators showed any symptoms of fear or any inclination to look ahead. Only the labor unions were warning the government and the public that some day very soon the fiddler would have to be paid for this industrial dance. As long ago as 1955, in a report called "The Impact of Automation," the UAW's President Walter P. Reuther was warning a committee of the Congress that this problem should be studied. It was not until last year that the Congress created a commission to go into this problem, and that commission did not hold its first meeting until last February.

This lack of knowledge about the effect automation is having on our economy and our people goes up to some very high places. Among them is our Secretary of Labor W. Willard Wirtz, who happens to be, I hasten to add, one of the most compassionate men who has ever held that office. He says he is "presently convinced that automation makes more jobs than it destroys." He adds, however, that his statement "suffers so from semantic fever that it is barely rational." I might add that Secretary Wirtz admits he has no statistics to back up his optimism.

On the other hand, neither does Dr. Donald N. Michael -- the sociologist who coined the word "automation" -- have any reliable figures to back up his prediction that automation means the end of full employment.

* This paper was read by Edris Owens, International Representative, Region 4, UAW.

At this moment, I think the most accurate statement on the subject was the one made by Daniel Bell, the Columbia University sociologist, who said of automation and its effect, "Nobody knows a damn thing about it; it's all a matter of assumption, speculation." Mr. Bell, incidentally, is a member of that congressional commission which I mentioned was not created until last year and did not meet until last February. It has 14 members. It is called the National Commission of Technology, Automation and Economic Progress. They have come along a little late, but I presume it is better late than not at all. I shall be interested in their findings.

President Lyndon B. Johnson also has set up a National Commission on Automation to advise him on this problem. A member of that commission is UAW President Walter P. Reuther. Knowing him as I do, I can assure you some bold thinking will take place in that commission's meetings and some very practical and constructive suggestions will emerge. He can be depended upon, I believe, to consider people before the machine. In 1955, when he testified before Congress, he said,

"Our recognition that there will be problems, and serious problems, to be solved, does not mean that we are opposed to automation. We are not. We fully recognize the desirability, as well as the inevitability of technological progress. We welcome the potential benefits which automation can and should bring."

"But we oppose those who would introduce automation blindly and irresponsibly, with no concern for any result except the achievement of the largest possible quick profit for themselves."

I might interject here that the profit motive seems to have dominated attitudes on automation until quite recently.

President Reuther also made another point which I think is appropriate here. He said:

"The benefits which we today can so readily recognize as the fruits of the First Industrial Revolution were achieved only after decades of privation, misery and ruthless exploitation for millions of working people."

"Most of us find it difficult to believe that the Second Industrial Revolution -- the Automation Revolution -- can possibly produce similar results.

"But if vast social dislocations are prevented this time, it will be only because the combined social wisdom of private groups and government will be used to prevent them."

I don't like to enter into political discussions at times such as these, but -- as a representative of a labor union, as well as a private citizen -- I shudder to think of the kind of social wisdom our government would have shown in this crisis had the recent national election gone the other way.

I personally cannot, at this point, make any sweeping generalizations for you, but I can give you a plain set of disturbing figures about the one industry I do happen to be something of an authority on -- I refer to the automobile industry.

In 1947, the automobile industry produced 4,800,000 cars and trucks while employing 626,000 production workers.

But in 1964, that same industry produced 9,300,000 cars and trucks while employing only 595,000 production workers.

In other words, because of the technological advancement in a mere period of seven years, this industry was able -- in just one year -- to produce four and a half million more cars and trucks -- with 30,000 fewer workers.

If this disturbs you, I would add for your thinking the reminder that our nation's population -- and therefore the number of people who need work to sustain themselves and their families -- is growing, not shrinking.

If there are that many thousands of jobs less in such a basic industry as automobile manufacturing, how many less will there be in another seven years?

I also would remind you that our national unemployment rate right now, in spite of general prosperity, is still 5 per cent. If this is deplored now, what will our attitudes be next year, or next decade?

If I seem grim, I remind you that we at the UAW are concerned about people and their families. It is almost a reflex action with me, in any social crisis, to concern myself with the people involved. When automation is mentioned to me, I do not visualize a computer busily whirring away. I visualize a worker being handed a discharge slip. I visualize the lines of people in an employment security office. I visualize workers having to exhaust their savings, having to sell their homes and having to deny their children education for this future that we have been so happily assured is going to be heaven on earth for us because of the machine.

If you think I'm grim, some very impressive authorities and thinkers share my gloom. It may sound like a bad joke, but a philosopher-scientist at the Center for Democratic Institutions in Santa Barbara, California, John Wilkinson, said: "We ought perhaps to establish human sanctuaries as we establish refuges for condors and whooping cranes." In a less whimsical vein, Mr. Wilkinson foresees, as he put it, "the possibility of the imminent destruction of all human values."

I am not quite that pessimistic. Worried, yes. Ready to drop to my knees, no. I can recall a time -- not too many years ago -- when an automobile worker couldn't foresee much of a future for himself and his family. But that circumstance was changed, changed because men put their minds and energies to the task of solving a social crisis, which is exactly what automation has become.

But men are beginning to grope for a solution to this crisis. I have mentioned two commissions set up to study this problem. There are others. One that comes to mind is the Ad Hoc Committee on the Triple Revolution -- Cybernation, Human Rights and Weapons. Business also has suddenly shown some concern. IBM, a name virtually synonymous with automation, has made a grant of five million dollars to Harvard to study automation. All over the country, countless seminars and conferences -- like yours here at Iowa -- have been, are being and will be held. Some times it takes us a while to move, but move we do.

Unions, and this includes the UAW, have been moving all along. One of the early ones to do anything at all about this problem was the Meat Cutters. Years ago they negotiated with Armour Company the formation of joint union-management committee to see if retraining would answer the problem of technological displacement of men by machines in the meatpacking industry. They found retraining is one answer -- under certain conditions, among them the previous education of workers. Now, in part as a result of those early groupings, we have the Manpower Development and Training Act, which allows the Department of Labor to underwrite training classes for displaced industrial workers, or those who want to train themselves for future jobs before the technological axe falls on the job they have now.

I presume you have heard of the plan negotiated by the West Coast dock workers. Under this agreement, shipowners are putting five million dollars a year into a fund to assure longshoremen a full pay envelope while the handling of cargo is being automated. The Steel Workers negotiated a plan with Kaiser Steel -- which gives workers a share of any cost savings accruing from

technological advances and protecting those with six months or more service against layoffs. Electrical workers in New York negotiated a 25-hour work week.

The UAW's approach, as symbolized by its 1964 agreements with the automobile and firm equipment companies, has been not only to preserve present jobs, but to try to create more.

One method we have used is to negotiate more relief time on the assembly lines. We shall know before long how many new men will have been hired by the auto companies to fill in these gaps in production time. I can assure you it will run into the thousands.

Another step UAW took to create jobs for younger men was by negotiating pension improvements that will make it possible for older workers to retire in relative comfort -- and at an earlier age than formerly. We estimate that the early retirement phase of our program alone, which will go into effect next September, will create some 19 thousand jobs for younger men -- if the eligible older workers choose to retire.

From the example I have cited, you can assume that whatever the unions do in this crisis, they will insist that the human being's welfare comes before that of the machine's.

From other quarters have come some suggestions that have seemed radical, if radical ideas scare you. It just happens they don't frighten me. A great deal of good has come from some of them. As I recall, bank deposit insurance was once considered a radical idea. It's now a bulwark of our economy. The bankers who once fought it now use it as an advertising pull to acquire new depositors. Social Security was once considered a radical concept. As for its general acceptance now, you will recall, I believe, what happened to a recent national political candidate when he proposed doing away with it. I mention these points only to help prepare you for what may be recommended down the road.

One economist, Dr. Robert Theobald, has proposed that a basic minimum income provided from the general revenues of the federal government be made the constitutional right of every adult American, so that he will be able to feed and clothe himself and his family when his work disappears. You can imagine the uproar his idea created in some circles.

Others have begun to stress the importance of educating people to accept leisure -- which isn't as silly as it sounds, considering our upbringing. They would have people use the time they once spent on machines in developing new, personal pursuits and character improvements. They believe reading, activities in the arts and recreations and other avocations can help man adjust to a world in which the machine does the work. If you think idleness is a curse, I would remind you that there is no record of Socrates ever having held a job, and he managed to enlighten mankind.

In the sense that this idea means that man should no longer be considered a beast of burden, I heartily concur. I have devoted more years than I care to recall as a trade unionist trying to extend that concept. But, in a Puritanical society such as ours, in which work is idealized and held up as ennobling, we have a lot of attitude changing to do before this idea obtains a wide grasp.

Whatever policy and program does emerge from this concern with automation -- and I believe it will be a blending of many methods of attacking this problem, for we are a nation that advances through a consensus -- whatever the policy is, unions will support it if it puts the human being first.

It may involve federal regulation of some sort, and I know how that will sit with some of our so-called rugged individualists. They find the mere suggestion of it repugnant. IBM's

Thomas Watson, Jr., was recently quoted as saying: "I hate anything to do with government control of business, government control of my private life, government control of highways -- of anything."

But, he admitted, if you offer a choice between high unemployment and more government control, "most people will choose government control -- within reason."

As a unionist, however, I can assure you and Mr. Watson that our organizations have faced regulation on every side, including some that prevented even the basic human rights of free choice by the individual through secret ballot election. And yet, we in the labor movement have survived and grown and, what is more important, have contributed to man's economic and spiritual advancement because we wanted to and because we worked at it.

The problems of automation will be solved the same way.

UNION AND MANAGEMENT COOPERATION

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Sophocles in his philosophical wisdom said, "Heaven never helps the man who will not act." And it may be truly observed that in this erupting era of automation now is the time for far-reaching intelligent action. Let there be no mistake about it, there are few among us who cannot soon be replaced by a bright and shiny button.

But even the most advanced of the modern miracle machines can spew forth amazing answers. Perhaps it was politically inspired, but a recent story out of Washington told what happened when the Defense Department fed data into a highly complex computer to determine how our armed forces could kill the greatest number of our enemies' troops at the lowest cost to our taxpayers. The machine's lightning-like answer was astounding -- it replied, "with bows and arrows."

Technological change -- a modern-sounding term -- has been with us since the dawn of civilization. It is as old as a stone age ax, and as new as a four-inch transistor radio; as commonplace as a can opener, and as complex as a space vehicle. In its simplest sense, technological change may be thought of as the development of a better way of doing a known job or the discovery of how to do a previously impossible one. While not actually science, it draws heavily on science for its innovations.

Innovation can be contrasted with invention by the infinitives "to use" and "to conceive." The first one to use an idea is an innovator, and he may or may not be the inventor -- the one who conceived it. Innovation also can be contrasted with adaptation. Adaptive behavior implies a response to environmental stimuli which is successful in terms of organizational survival.

The most discussed aspect of technological change, at least since the Second World War, is what we loosely call automation. This word generally describes the automatic linking of an industrial process to a device which checks the process and adjusts it to the desired standard. Automation in industry has greatly accelerated the whole process of technological change in our society. Many experts feel that the real impact of automatic devices has not yet been fully felt, even in our 1965 technologically advanced economy.

Automation is the third phase in the development of technology that began with the Industrial Revolution of the eighteenth century. First came mechanization, which created the factory system and separated labor and management in production. In the early twentieth century, mass production brought the assembly line and other machinery so expensive that the ownership of industry became atomized into millions of separate shareholdings and had to be divorced from management. Finally, since World War II, automation has added the elements of automatic control and decision making, turning the factory from a haphazard collection of machinery into a single, integrated unit, resulting in production on an enormous scale. Mechanization was a technology based on forms and applications of power. Mass production was a technology based on principles of production and organization. Automation is a technology based on communication and control.

Automation is based on all principles of these three stages of technological growth. It embodies the mechanization of eighteenth-century England, the continuous mass production

principle of early twentieth-century United States and the automatic control principles being put to use all over the industrialized world since the War. But automation is more than a technology. It is a concept of manufacturing. It requires that the entire productive process from raw material to final product be analyzed so that every operation contributes most efficiently to the achievement of the goals of the enterprise.

Technology has brought with it great progress in better living and working conditions and a certain number of very real problems. We have only to look at recent history to see what amazing human progress has been made in a very short time.

Just a century ago, steam and water power provided less than one quarter of the energy needed for all production. Men and animals supplied the rest, with men giving by far the greater share. Today in the United States, machines supply 98% of all power for industrial work. Men have been freed, at least in our country, from much heavy physical work. The average work week has been reduced from 60 hours in 1890 to 40 hours or less today, and it will be reduced even further. More important, men working today have safer, and generally more interesting jobs, than they had just a few years ago.

Concern over automation has never been greater than right now. In fact, when the Secretary of Labor established an Office of Automation and Manpower late in April, 1961, to retrain and find employment for workers displaced by technological advancements, it marked the first official federal government move in the field of automation.

Eleven men were recently sworn in as members of the new National Commission on Technology, Automation, and Economic Progress by Vice-President Hubert H. Humphrey. This commission was created through the passage last year of labor-backed legislation. Its task will be to study the effects of technological change, likely developments in production and employment over the next decade, and ways of channeling new technology into existing industries.

This Commission will present its findings to the President and the Congress by next January first. Commission Chairman is Doctor Howard R. Bowen, President of The University of Iowa. A. J. Hayes, President of the Machinists' Union, is on the Commission.

The word automation was first used by management consultant John Diebold in 1955, when he shortened the word automatization, coined nine years earlier by Ford executive, Delmar S. Harder. However, it would be a mistake to assume that because the word itself is relatively new, the concept of automation is also new. The successful search for new and easier methods dates back to the Persian wheel of Egypt and to the Archimedean screw -- a simple mechanical device for raising water. But, James Watt's steam engine patented in 1769 is generally considered to have been the first truly automatic process. In this simple invention, a fly-ball governor was used to insure a constant steam feed under any load.

Automation is a red flag, no matter how you look at it. Unions see their strength dissipated. Workers see their jobs obliterated, their security jeopardized, their future at stake. In most cases, however, the fear of automation is worse than the fact. Rumors distort the truth.

Management should recognize its responsibility to keep the union informed of its plans, to tell the true story. If the situation is typical, displacement of workers as a result of automation will be kept to a minimum, attrition and transfers will see to that. Even in extreme conditions, it can be proven to union representatives that new systems mean the difference between some jobs and no jobs.

Economic progress in these United States would not have been possible without our constantly improving technology, of which automation is an important part. Since 1850, the population of the United States has grown about eight times, jobs have increased more than nine times, and goods and services 75 times. With the technology fostered by free enterprise systems, jobs multiply faster than people and goods and services multiply faster than jobs.

In 1800, nine farmers were able to produce food for themselves and one person living in the city. Today, a single farmer, using modern machines and fertilizers produces enough food for himself and thirty others. It is an astounding fact that, if we went back to the farming methods of 1910, it would take every man and woman in our country working 48 hours a week just to feed us in the style to which we have become accustomed.

It seems that too many people like to play on a natural fear of no work. They say that automation is a major cause of unemployment and they are proposing all sorts of methods to control it or direct it to the so-called socially desired ends.

Clearly automation is to industrial engineering as sex was to psychology -- it has kindled the public's interest in a heretofore obscure branch of knowledge while giving rise to great fears of dire consequences if the practice is carried too far.

As we have mentioned, broadly speaking, automation involves the substitution of machines for human effort and judgment in the implementation and control of production. In a commercial bakery or coal mine, automation may involve the mechanization of materials-handling. In banks, insurance companies, and government agencies the wave of new technology is signified by the computer, with its immense capacity for storing and manipulating great masses of information at high speeds.

The effect of recent technological change on employment cannot be easily determined. It is undeniable that in specific situations technological change, i. e., automation, has resulted in a net reduction in employment. This consequence has been observed in particular plants in the meat packing, oil refinery, electronics, coal and paper industries. In some cases it has exceeded 50%. Paradoxically, these reductions in employment may not result in any direct unemployment, because the size of the work force is diminished by the so-called attrition approach, through deaths, resignations and retirements. Nonetheless, there is a diminution of particular employment opportunities for new entrants into the labor market.

Trade Unions have added their own bricks to the walls that divide the labor market. Since the end of World War II, unions have pressed for pensions and welfare payments, supplemental unemployment benefits and a diversity of fringe items. These measures undoubtedly have afforded greater security to the incumbent worker but, as indicated, they have also created an incentive for employers to restrict the distribution of employment opportunities to fewer workers. At the same time the actuarial basis for many of the fringe benefits, such as pensions, has created additional obstacles to the re-employment of older workers.

With the geographical shift in employment accompanying the introduction of technological change, many unions have negotiated new and more sophisticated programs to prop up the job security of their members. The meat-packing unions have won company-wide seniority rights in some firms which, under certain conditions, make it possible for senior employees displaced from one plant to displace junior employees at another plant. In the automobile, steel, agricultural- implement, metal-container, and glass industries, the unions have obtained interplant transfer rights for their members who may exercise a prior claim to jobs when they are moved from one facility to another.

Obviously, our major private economic institutions will have to assume their burden of responsibility for maintaining equality of access to employment opportunities. On the corporate side, this means the removal of restrictions based on race and other extraneous considerations. Also, the larger firms especially can devote increased resources to comprehensive planning in order to balance future manpower requirements against the present age distribution of workers in the firm.

On the union side, the maintenance of open labor markets will require a reevaluation of present programs for employee security. For years, unions fought long bitter battles to elevate the economic status of those they considered to be oppressed and downtrodden.

After the Wagner Act was declared constitutional in the formative years of unionization as we know it today, management was accused by union organizers of resisting change, of advocating a status quo. Presently it appears that there is a switch in the thinking. Management is now advocating change, in some instances at a too rapid rate, while the unions are advocating the situation of status quo. In fact, it may be said that through the extension of pension plans, expanded seniority units, and interplant transfer systems, unions may engender a new form of discrimination based on the simple fact of present job incumbency. Unlike the wall in Nassau Senior's parable, the walls erected by the unions may keep the new birds out of the valley while the old birds roost within.

A few unions, such as the Electrical Workers' Union in New York City, have made concerted efforts to open up economic opportunities for young people, many of whom are members of minority groups.

There are more people working than ever before -- 74 million in January, 1.7 million more than a year ago. This is about double the average annual gain in 1960-63. Many of these additional jobs have been filled by people attracted into the labor force by the opportunities offered in a sharply growing economy. Nevertheless, the unemployment rate has been whittled away and in January dipped to 4.8 per cent, the lowest since October 1957.

Nearly a third of the rise in employment over the past year has been in manufacturing. At the same time, extensive use of overtime has pushed the average work week to the highest level since the end of World War II. Improved technology and greater investment in capital equipment have enlarged productivity in manufacturing. Assembly line employment has actually decreased, but jobs in areas where production gains are harder to come by have increased more nearly in line with sales volume. Total factory employment in January was the same as in mid-1953; but the number of production workers has declined by eight per cent, while the number of office, sales and other nonproductive workers has increased by 30 per cent. Rising investment, while making possible higher output without proportionately increasing the number of workers, also helps create other types of jobs.

Dr. Philip Hauser estimates that between 1955-60 there was an average number of about 200,000 persons under 25 entering the United States work force each year. The figure now has tripled to about 600,000 per year and is increasing. By 1975, in another ten years, he estimates there will be 90 million men and women in the labor force. To provide for new additions and to hold unemployment below 4 per cent, some way must be found to create 15 million new jobs, and the experts tell us it costs between \$15,000 and \$20,000 in business investments to create one job.

This kind of wealth can only result from an increase in our productivity. It must come from growth, and most authorities agree that you cannot get growth from a backward-looking economy that clings to outmoded ways when new and better tools are at hand.

This doesn't mean the day is at hand, or even just over the horizon, when machines and computers will take over the productive function of man. Frequently in this computer age, there has been a subtle but definite downgrading of the value of the human brain. We seem to forget that in order to make a machine that seems smarter than man, man must be smarter than the machine. According to Arthur Samuel, consultant to IBM's Research Department, the chance of constructing an artificial brain that could duplicate ours is about the same "as the chance that every American will be stricken with a coronary on the same night."

In the new book The Computer Age prepared by Gilbert Burch and the editors of Fortune magazine, the costs of duplicating the brain's cells and connections are estimated thus: Even at the ludicrously low cost of only five cents per cell and one cent per connection, the cost would come to more than one quintillion or one billion-billion dollars, more money than all the governments in the world together possess.

Samuel, by the way, is a man who taught a computer to play checkers so well that it now constantly beats him. But checkers is a relatively simple game with a finite number of alternative moves. Chess is a different matter; no machine yet programmed can play very much better than a good novice. The number of all possible moves in a chess game is something like ten to the fortieth power. To examine all these, even the fastest computer would take longer than the age of the universe, which is estimated to be about two billion years. It is not enough that a few brilliant men can create computers to think for us; the greatest thinking machine is inside each of us.

Many authorities are convinced that automation is a job creator, not a job destroyer. Dr. Yale Brozen, professor in the Graduate School of Business at the University of Chicago, in a recent address expressed his views: 1. That automation creates jobs. 2. That unemployment results from raising wages too fast, and 3. That the minimum wage, which Congress is being urged to boost again, hurts workers it is supposed to protect.

The President of the Continental Can Company stated recently that when the cost savings from automation are claimed exclusively for wage increases, the result is always inflation or unemployment or both. He pointed out that the savings from automation should be distributed equitably to those responsible -- to the workers for their contribution to increased output, but also to the customers for the increased volume of their purchases and to investors for supplying more production tools. Thus the point was made that investors and workers would share in our economic progress. Everyone would benefit and, what is of prime importance, employment would increase.

During the past 40 years, the telephone industry has been through one of the largest changes as a result of automation. Prior to the early twenties calls were handled manually. With today's calling rates, there would not have been enough employable women to do this work. Manual offices were converted to dial through a regular, planned process. Unions worked with the company in making this transition. Employees were informed of all conversions, often five years in advance. Presently, the system is nearly 100 per cent mechanized and no employee has lost his job as a result of this mechanization.

Mr. Joe Beirne, head of the Communication Workers of America, told a congressional committee a couple of years ago that "Unions must not routinely oppose all change, but must demonstrate a willingness to work toward solutions of such problems created by such changes to reap the maximum benefit for all concerned." Mr. Beirne went on to say that he thinks "management will find a very receptive attitude on the part of most labor leaders where there is a real willingness to work together towards the solution."

One of the most publicized industrial activities in recent years has been the formation of the Armour Automation Committee which has attempted to solve the problem of automation in the meat packing industry. In its formation, it was recognized that this kind of action offered the opportunity for private parties to reach solutions without resorting to governmental help. The Committee was organized to counteract the thinking expressed in an editorial in the New York Times, that labor bargaining cannot meet the complexities of automation.

The Committee explored issues central to the solution of the problem, such as labor mobility and retraining. It realizes that the problem cannot be solved in a simple administrative stroke and that no two situations are similar. Retraining is necessary. Transfers can be helpful. Early pensions may be desirable. A lot of things must be used -- literally bits and pieces.

The Committee idea came out of Armour's 1959 negotiations. Six plants, involving some 14,000 people, have been closed since the Committee's formation. The Committee studied the experience of the displaced workers and evolved a plan providing for transfer or termination pay. In the early stages they found that one deterrent was this promise of termination pay. Employees were afraid to transfer to a new location and lose this opportunity for a considerable amount of money. Later, it was provided that an employee could be returned or transferred to another location on a trial basis. After four years of operation, the plan really proved its workability at the time of the Sioux City, Iowa, plant shutdown in 1963. Among the findings of the Committee, perhaps the most important is that there will be jobs for those who are willing to accept retraining. On the other hand, the Committee has determined that there is a marked immobility in the class of people that were employed in the packing industry.

No one can say how far or how fast we are going, nor can we foresee all the social and economic consequences of automation. Perhaps it may be a platitude to reiterate the oft-stated truism that there is a mutuality of interest; or, to be more specific, union and management objectives are one and the same. Our task should not be to slow the speed of automation but to encourage it wherever and whenever it will help to reach the goal of increased productivity. There is no measurable limit on the material demands of our growing world population, or on the desire of man for betterment of his condition. It has been said that the needs of man are limited, but his wants are infinite. Let us then reach out to the infinite -- set ourselves no small, timid goals. If we have the will, if we both have the vision, automation can provide the way to an upland of prosperity such as even this richest nation on earth has never reached. And somewhere soon along the road, management and union representatives will discover that this child of twentieth-century science is neither man-eater nor miracle worker, but a mighty servant of mankind.

SUMMARY

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It is difficult indeed to recap in a few minutes the comprehensive and thorough presentations of this day. I will reiterate a few of the poignant comments which Governor Hughes and the panelists made.

The Governor challenged the State of Iowa to promote a genuine spirit of cooperation. He sketched the problems our 1965 legislature, formed this year from many areas of the Iowa economy -- farm people, working people, businessmen -- has encountered in working out acceptable programs. In the specific area of labor-management cooperation, he named as one of the major concerns the development of a more realistic vocational education program. With the surge of industrial development, Iowa industry seeks trained and skilled workers. To date, many job classifications are not filled because of lack of trained personnel.

After the Governor's stirring keynote address, two specific problems were discussed. In the first panel the Civil Rights Act of 1964 was analyzed.

Following Professor Bonfield's lucid explanation of the law, the labor and management implementation of the bill was discussed. The labor union's philosophy toward equal opportunity was presented and their role in promoting the passage of the Civil Rights Bill was reviewed.

Mr. Wittenborn then outlined such specific steps in the recruitment of Negro personnel as: placing ads in Negro newspapers, working with the technical manpower committee of the Urban League, recruiting at Negro colleges. He then stressed the point that the attitude of top management and the policies concerning equal employment opportunities must be communicated downward.

During the afternoon panel the problem of union-management cooperation in the age of dynamic technological change was examined.

Professor Harold Davey reviewed the two historical precedents for union-management cooperation: (1) war-time emergencies, and (2) desperation moves to save job opportunities. Stressing the economic community of interest between employer and employee, he advocated a return to union-management cooperation in the face of technological change and outlined the operational steps to be taken.

Mr. Edris Owens stated the labor movement's position regarding automation. With advancing technological change, there will be many serious problems. The union will support a policy and program for advancing our country through automation if it puts the human being first.

Mr. Braden pointed out that economic progress in the United States would not have been possible without our constantly improving technology. Improvement in technology serves as a red flag to many and fear of change emerges. It is management's responsibility to keep unions informed of their plans. He concluded that the management and union representatives will discover that the child of twentieth-century science is neither man-eater nor miracle worker, but a mighty servant of mankind.

With these few comments, I have attempted to focus upon the theme of the conference: labor-management cooperation during the social and technological revolution of the sixties.

On behalf of the College of Business Administration, I wish to thank Governor Hughes, Dean Boyd, and representatives of labor and management who served on our panel for their outstanding contributions to the conference. My thanks also go to the Bureau of Labor and Management for sponsoring this timely conference.

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