LOCAL 201, UE-CIO:
A CASE STUDY OF A LOCAL INDUSTRIAL UNION

by

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CHAPTER I

INTRODUCTION
1. The Problem

This thesis is primarily a study of Local 201 of the United Electrical, Radio, and Machine Workers of America,\(^1\) CIO, covering the period up through July, 1945. Local 201 is an industrial union accepting as members employees of the Lynn, Massachusetts, plants of the General Electric Company,\(^2\) the leading manufacturer of electrical equipment in the United States. Founded as the Electrical Industry Employees Union (unaffiliated) in 1933, Local 201 won a representation election conducted by the National Labor Relations Board in March, 1934, and it has now carried on industrial relations with GE for over ten years without any authorized work stoppages. During that time there have been only minor unauthorized stoppages.

Because Local 201 was able to organize GE employees and establish its collective bargaining position without a strike, because General Electric and the UE peacefully negotiated an agreement in 1937 when many other corporations and unions were engaged in bitter and violent struggles, and because the Company and the Union have been able to cooperate in working out contracts and grievances from year to year, Local 201 has been described as a "good"

---

1. This name is often abbreviated because of its length, as follows: UE, UE-CIO, UER & MWA.
2. Sometimes abbreviated as General Electric or GE. See Chapter II for a discussion of this company and the electrical manufacturing industry.
union. Industrial relations in Lynn have been pointed to as a model case worthy of study.

The original intention in making this investigation was to study the whole picture of collective bargaining at the Lynn GE plants and the reasons for the "good" relationship there. When it proved impossible to carry out the initial plan, the view shifted to focus on Local 201. Some of the questions which then arose are mentioned in the following paragraphs.

Considering General Electric's all-inclusive and rather progressive personnel policies, why did the Lynn employees establish this bona-fide independent union? How did they organize it, and what were their aims? What has been the history of this Local and the national organization which it helped to establish?

How does Local 201 function, and what activities do its members carry on? What are its policies, particularly as illustrated in the negotiating of contracts and the adjustment of grievances; and how do they compare with those of the national UE?

---

1. The principal personnel programs in effect at GE in 1933 were the following: Plan of Representation, Pension Plan, Mutual Benefit Plan, Relief and Loan Plan, Group Insurance, Savings Plan, Suggestion System, Unemployment Insurance Plan, and various clubs, associations, etc. Phillip D. Reed and Charles E. Wilson, Two Decades of General Electric Leadership, A Review of Some Achievements of General Electric from 1922 to 1940 under the Administration of Owen D. Young and Gerard Swope (Schenectady: General Electric Co., 1940), pp. 21-23.
What problems, past and present, have been and are being faced by union leadership as of July, 1945; and what progress has been made in solving them?

What effects has this local union had on its members, on the city of Lynn, and on the General Electric Company? Do the employees of GE find any of their needs better satisfied because of Local 201 and its activities? Have any changes occurred in Lynn because of this union organization? What are the reactions of Company officials to union policy on such matters as wages, contract negotiations, grievance adjustments, and so on?

All these questions, and many more besides, could enter into the evaluation of this Local. Unfortunately, certain matters could not be included, for one reason or another; some of these will be mentioned in Chapter VIII as suggestions for further research.

2. Significance of the Problem

The investigation of this local union, though perhaps interesting in itself, would hardly be worth undertaking if it had no general significance or implications for the problems of unionism as a whole. Since the early days of the New Deal, and especially during the present war, union membership has reached peaks never before attained in this country. As shown in the graph on the next page, there are now more than 14 million members claimed by organized labor groups.
FIGURE 1
MEMBERSHIP IN AMERICAN TRADE UNIONS, 1900-1945

Many unions, both old and new, have enrolled hundreds of thousands of new members during the past few years, and have established collective bargaining relations with hundreds of firms. What effects have these unions on the firms with which they deal, on the workers who become members, and on the towns and cities in which they function? What problems do these unions face; and how do they attempt to solve them? It is hoped that the conclusions reached in this study of one local union will have some application to the general problems of industrial relations.

In addition to the general significance of the inquiry, there are further reasons for the choice of Local 201, UER & MWA, as the subject for investigation. For one thing, Local 201 is a large industrial union, with over 19,000 dues-paying members in recent months, and an organization of this size is likely to offer a greater variety of activities and problems for study than a smaller union.

It is one of the largest local unions in the Commonwealth of Massachusetts, and the largest local in the UE. It has more members than any other organized group in the city of Lynn. Because of its leading position, the role of Local 201 in relation to city, state, and UE politics is worthy of attention.

The UER & MWA, with about 479,000 dues-paying members in April, 1945, is the third largest international union affiliated with the Congress of Industrial Organizations.
Books have been written about the CIO, the Auto Workers, and the Steelworkers; but relatively little has yet been published about the UE. It merits some consideration, since its no-strike record has been cited with approval by the editors of the *Stars and Stripes*¹ and the *Milwaukee Journal*,² and even on the floor of Congress by a member of the old Dies Committee.³

The wide use of modern industrial-relations techniques by the General Electric Company gives still further reasons for the study of Local 201. From the decade of collective-bargaining experience at the GE plants in Lynn, it should be possible to draw some conclusions as to desirable practices in the use of such management "tools" as job evaluation, employee rating, motion and time study, wage-incentive systems, and so on.

3. Methods of Procedure

Over a period of approximately two years considerable time was spent on the research work for this paper. Visits were made to the Union Hall, both to search the union files

for material and to interview union members and officers. Still other calls were made for the purpose of attending meetings of every group connected with the Local, such as the membership, the Council (i.e., shop stewards), the Executive Board, the many committees—regular bodies such as the Activities, Education, Legislative, Salary, and Veterans' Committees—and temporary groups such as the Mutual Benefit, Relief and Loan, and Special Investigating Committees.

Company policy made it impossible to attend the meetings at which Company and Union representatives discussed and adjusted grievance cases. Direct observation of the way in which the parties approached the problems involved and attempted to reach an understanding would have been very helpful in evaluating their attitudes and methods. As it was, the grievance files of the Union, supplemented by discussion with Union leaders, were the only available sources of information on these matters. Attempts have been made to allow for the fact that these sources give the picture principally from the Union's point of view.

Complete files of the weekly Local 201 newspaper\(^1\) were consulted, together with selected issues of the

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\(^1\) Electrical Union News, first published May 4, 1934. Complete bound files are available at the Local 201 Union Hall, 248 South Common St., West Lynn, Mass. Alfred Coulthard, Business Agent, has been the editor of the paper since its beginning.
national union newspaper,\textsuperscript{1} and almost all the other publications of the UE. The \textit{New York Times Index} and the standard periodical indexes were searched, as well as the card catalog files of the Massachusetts Institute of Technology and Harvard libraries and the Boston Public Library.

\section*{4. Previous Research in the Field}

The only previous studies of Local 201 have been made by members of the MIT Industrial Relations Section. Professors W.R. Maclaurin, Douglas McGregor, and Douglass V. Brown made a careful and exhaustive analysis of seniority and layoff policy\textsuperscript{2} during the 1937-1938 recession.

Two papers\textsuperscript{3} written for the MIT graduate seminar in labor relations also proved helpful.

\begin{enumerate}
\item John T. Wheeler, "Local 201, UER & MWA" (unpublished MS on file in the Industrial Relations Library, MIT; 1943).
\end{enumerate}
Some previous theses have been written on the UER & MWA, and Milton Derber has described collective bargaining relations at four important electrical companies under contract with the UE. However, the considerable resources of the MIT Industrial Relations Library failed to disclose any comparable study of the structure and functioning of a local union.

5. Organization of the Thesis

In Chapter II, the characteristics of the General Electric Company and the electrical manufacturing industry are analyzed. This background is very important, for the problems of a local labor union are strongly affected by the characteristics of the industry in which it functions and by the position of the company with which it deals. Other companies in the industry are also important, because of the effects which may follow from their sales, production, and labor policies.

Chapter III describes the history of Local 201 and the UER & MWA, and summarizes the results of their collective bargaining with the General Electric Company.

1. Complete list available from Dr. Nathan Spero, Research Director, UE National Office.
Chapter IV considers the structure and functioning of the Union, including the following: negotiation of contracts; grievance procedure; membership, General Council, and Executive Board meetings; social and educational activities; other committee activities; the Electrical Union News.

Chapters V and VI describe the policies of Local 201 and the UE, as illustrated by declarations of policy in union publications, and as actually worked out in contracts and grievance cases. Chapter V deals with wage policies, including job evaluation, merit rating, time study, and incentive systems. Chapter VI describes other policies on such matters as these: Union status and security; seniority; technological change; walk-outs and strikes.

Chapter VII summarizes the material presented in earlier chapters, draws some conclusions as to the effects of Local 201 and the UE on GE employees, the city of Lynn, and the General Electric Company, and suggests some problems for further study.
CHAPTER II

GENERAL ELECTRIC AND THE ELECTRICAL MANUFACTURING INDUSTRY
1. Introduction

Organization and Scope of the Chapter.--This chapter presents an analysis of the important features of the General Electric Company and the electrical manufacturing industry insofar as they have some bearing on this study of Local 201. Briefly, GE's outstanding characteristics are its leading position in the industry, and its relatively high and stable earning power. These features, which have permitted GE to be somewhat more generous and progressive in its employee-relations policies, are described in Section 2 of this chapter. It would probably have been more difficult for Local 201 and the UER & MWA to negotiate so many contractual improvements with a firm in a more precarious competitive position.

GE's leadership and profitability can be explained in terms of its early entry into the field, its formerly close relationship to a large group of public utilities, and its long-continued possession of technical know-how and strategic patents, particularly in incandescent lighting. Section 3 summarizes GE's history and describes competitive conditions in these major fields of electrical manufacturing: the central-station industry, incandescent lamps, appliances, and radio manufacturing.

However, GE's leadership does not serve completely to insulate its employees from economic conditions. As
explained in Section 4, electrical manufacturing production generally fluctuates considerably more than does all industrial production, and, as a result, electrical workers are severely affected by economic recessions.

Section 5 comments on possible post-war changes in competitive conditions and the level of production in the industry.

**Defining the Industry.**—A very practical definition of the electrical manufacturing industry, because of the data available under the classification, is that used by the Bureau of the Census for the "Electrical Machinery Industry."¹ For the purposes of this study of a labor union, however, a still more valuable definition is one, such as that of the National Electrical Manufacturers Association, which includes all the following major groups of products: (1) appliances; (2) household refrigeration; (3) electrical material; (4) industrial apparatus; (5) transmission and distribution equipment; (6) insulated wire and cable.²

A matter of concern for the union in any particular industry is the nature of competition existing between plants manufacturing a given product. Once a labor group has organized the employees of a leading company, for instance, it must seek also to win contracts with firms

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¹ See Exhibit 3 in the statistical appendix for a full statement of this definition.
² See Exhibit 10 in the statistical appendix for a brief description of each of these product groups, for which NEMA publishes annual production data.
manufacturing competing products. If it fails in this task, union members working for the leading company may find their conditions of employment threatened by the competition of non-union firms. This study, then, will generally use a broad definition of "electrical manufacturing," to include all firms producing any or all of the products listed above, and also those manufacturing radio, phonograph, and communications equipment.

Defining the "industry" in this manner merely gives some indication of what firms should be included in a complete description of the industry. "Electrical manufacturing" actually is only a convenient major heading covering a complex group of related industries in which there is some overlapping of firms, products, and techniques from one field to another, but in which there may be very different economic conditions.

Broad as the industry definition suggested may be, however, it will not be extended still further here to correspond with the now almost all-inclusive jurisdictional claims of the UER & MWA. Since becoming the United Electrical, Radio, and Machine Workers of America, the union has extended its organizing efforts to those who may be considered "machine workers" by almost any stretch of the term. For instance, the UE has won contracts with such "non-electrical" firms as the Universal Camera Corporation (motion picture and still camera equipment, binoculars,
and other optical equipment), Colt's Patent Fire Arms Manufacturing Company (military and sporting guns), and the Singer Sewing Machine Company.

2. General Electric's Predominance

Relative Importance.--GE has long been the leading domestic manufacturer of most types of electrical equipment. Even though it may have been surpassed by other firms in the production of particular products, its over-all position has remained essentially unchallenged from the time of its formation to the present. "Like the chemical business," the editors of Fortune have said, "electrical manufacturing has not failed to reward the company that got in it early and applied due enterprise to staying in." 1

In the analysis of the 200 largest non-financial corporations (as of the end of 1937) made by Securities and Exchange Commission experts for the Temporary National Economic Committee, General Electric is listed as the largest of the purely electrical manufacturing firms, with assets of about $423 million. Westinghouse, with total assets of over $227 million, was slightly more than half its size. These two firms were the only ones listed under the classification of "Electrical machinery and equipment." The Radio Corporation of America, with

assets of about $89 million, was the largest in its field of "Radio." Allis Chalmers and General Motors, both of which manufacture some electrical products, were also on the "200" list, but in other classifications.¹

If data were available, a good way to measure GE's "dominance" would be to draw up time series showing the proportion of the market supplied by it in various products which it manufactures. Except for incandescent lamps, adequate figures do not seem to be readily accessible. Estimates can, however, be made of the proportion of all "electrical machinery" sold by General Electric by comparing its net sales billed with the Census of Manufactures series for the value of products of the Electrical Machinery Industry. Such estimates for both GE and Westinghouse are plotted in Figure 2 on the next page. The


Although the leader in its own field, GE is considerably smaller than other giant non-financial corporations. Ranked according to total assets as of about Dec. 31, 1937, GE was only 47th among the "200." At the top were such firms as American Telephone and Telegraph (total assets about $3,859,000,000), Standard Oil of New Jersey ($2,060,000,000), Pennsylvania Railroad ($2,011,000,000), and United States Steel ($1,918,000,000). If the comparison is limited to industrial firms (omitting railroads and public utilities), GE ranked 13th according to total assets in 1935, while Westinghouse ranked 30th.--Ibid., p. 348; National Resources Committee, Structure of the American Economy (Washington: U.S. Government Printing Office, 1939), p. 274.
FIGURE 2
GENERAL ELECTRIC AND WESTINGHOUSE, SHARES OF THE MARKET, 1904-1939

Points plotted: Every 5 years to 1919, every 2 years thereafter.
Source: Exhibits 1, 2, and 3 in the statistical appendix.

FIGURE 3
GENERAL ELECTRIC AND WESTINGHOUSE, NET SALES BILLED, 1901-1944

Source: Exhibit 2, statistical appendix.
principal difficulty in the use of these figures is that the Census classification does not correspond precisely with the goods manufactured by GE.

It may be seen from Figure 2 that GE rather consistently enjoys a volume of business about double that of its nearest competitor, Westinghouse. The average share of the market over the whole period for GE was 20.4 per cent,1 while the figure for Westinghouse was 11.2 per cent. There seems to be no significant secular change in the proportion of the business done by these two firms during the 15-year period 1925-1939, although there is a definite decline as compared with 1904-1921. The reason for this probably lies in the development of new applications of electricity and the faster growth of firms which have specialized in those lines of electrical manufacturing.

1. General Electric has published a chart showing its "Per Cent of Available Business." (Annual Report, 1939, p. 8.) No explanation is given of the method of computing these data, but they probably represent GE net sales divided by total manufacturers' sales of the products made by GE. Figures estimated from GE's graph are shown in Exhibit 1 in the statistical appendix. When the GE and Census-based series are compared, it is found that GE's own estimate averages about 18 per cent higher and fluctuates less than that derived from the Census series. Over the period 1924-1939, the GE series varies only from 20.9 to 23.2 per cent, a range of 2.3 per cent, while the other fluctuates from 17.3 to 22.2 per cent, a range of 4.9 per cent. Neither series indicates any significant change over the 15-year interval.
Profitability.--GE's earnings have been relatively high and stable. Even during the decade 1931-1940, as shown in Figure 4, General Electric's net income averaged 13.3 per cent of sales and never fell below 9.8 per cent. General Electric has not always been the most profitable electrical manufacturing firm, but its earning power has been consistently much higher than that of its nearest competitor, Westinghouse, and the average for all corporations in the field. There are companies which have sometimes shown higher ratios of operating income to sales, or earnings on invested capital, but few have done so consistently well.¹ Inspection of the graphs in Figures 4 and 5 on the next page shows how stable and high have been General Electric's "earnings on sales" (net income after taxes divided by net sales billed)

¹ See Standard & Poor's Industry Surveys, Electrical Products, Part 2--Basic Industry and Company Analysis (New York: Standard & Poor's Corp., Feb. 9, 1945), pp. El-12 to 13 for a comparison of financial data for eight electrical manufacturing corporations. For instance, in 1943, GE earned 15.5 per cent on invested capital, while other corporations earned as follows: McGraw Electric, 19.9 per cent; Zenith Radio, 18.7 per cent; Cutler Hammer, 27.9 per cent; Square D, 26.9 per cent. But in 1932, GE earned 4.1 per cent on invested capital while nearly all the others fell into deficits. Of those mentioned in the comparison, only Maytag stayed in the black with earnings of 1.3 per cent.
FIGURE 4
GENERAL ELECTRIC AND WESTINGHOUSE, EARNINGS ON SALES, 1901-1944

Source: Exhibit 1, statistical appendix.

FIGURE 5
EARNINGS ON INCOME, CERTAIN GROUPS OF CORPORATIONS, 1931-1940

Source: Exhibits 4, 5, and 6 in the statistical appendix.
compared to those of Westinghouse and other manufacturing corporations.  

3. Competitive Conditions

This section analyzes in some detail competitive conditions in four fields of electrical manufacturing in which General Electric has played an important role: central-station equipment and incandescent lamps, cases of monopolistic competition; and appliances and radio, cases where competition has been reasonably effective.

It would be interesting if an analysis could be made of the competitive position of the Lynn plants alone, apart from the rest of the GE organization, but sufficiently

1. The time series in Figures 4 and 5 are not precisely comparable, for "earnings on income" is defined as net taxable income divided by gross income, including income from sources other than sales. However, it is likely that, if comparable data on gross and net income for federal income-tax purposes were available for GE and Westinghouse, their "earnings on income" would be still higher than their "earnings on sales," for two reasons: (1) taxes would not have been deducted from net income; (2) net income as reported to tax authorities is often higher than that published in financial reports. The fact that income other than sales would be included in gross income is believed to be insufficient to offset the two reasons just mentioned.

2. The principal products of the River Works are motors, turbines, reduction-gear sets for ship propulsion, and arc-welder sets. The West Lynn Works is the leading manufacturer of watt-hour meters in this country, having made 40 to 50 per cent of the country's pre-war production. It also makes many other types of electrical measuring instruments.
detailed information is not available. Also, because many industrial-relations policies are settled by negotiations at top-management level, and are affected by competitive conditions in all GE products, full consideration should be given to the entire organization and its position in the industry.

The Central-Station Industry.--The "central-station industry" includes the manufacturing of electrical equipment to be used in the generation and distribution of electric power.

The General Electric and Westinghouse organizations emerged early as the leaders in this field of electrical manufacturing. A chart summarizing their early history is presented in Figure 6 on the next page. A time scale runs vertically from top to bottom, with the years numbered at the left. The name of each company is placed in the year in which it was formed. Reorganizations are shown by arrows pointed at the names of the new firms. Combinations are shown by arrows pointing and ending at lines descending from the names of the absorbing firms.

George Westinghouse began manufacturing generators, lamps, and other electrical equipment while working for the Union Switch and Signal Company. He incorporated the Westinghouse Electric Company in 1886, which two years later absorbed the United States Electric Lighting Company
and the Consolidated Electric Light Company, the latter by buying a majority of its stock from Thomson-Houston. In 1889, the pioneer Chartiers Improvement Company was taken over, and the companies were reorganized as the Westinghouse Electric and Manufacturing Company.

The two main lines of development in the GE "family tree" were the Thomson-Houston and Edison interests, which amalgamated in 1892. Professor Elihu Thomson and Edwin J. Houston formed the American Electric Company in 1880. Charles A. Coffin, of Lynn, who had become interested in electrical manufacturing after seeing a demonstration of electric lighting, organized the Thomson-Houston Electric Company in 1883 to take over the American Company, and moved its manufacturing operations to Lynn.¹ This company held valuable patents in arc lighting and other developments, and acquired others with the absorption of other electric companies. By 1890, Thomson-Houston was supreme in arc lighting, and it had also done much important work in AC generators and transformers.

The Edison Electric Light Company was originally formed as a research and development organization. After the success of Edison's carbonized-filament experiments, a number of other Edison companies were organized to manufacture particular products. In 1889, Edison and

his associates sold out their manufacturing interests to a financial syndicate headed by Henry Villard of New York.\textsuperscript{1} Villard, who had ordered the first Edison installation of incandescent lighting for his \textit{S.S. Columbia}, became President of the new Edison General Electric Company. This company, which held the Edison patents, was dominant in incandescent lighting, although it was meeting some competition from the Westinghouse AC system. However, according to one analyst, it was slipping back in its commercial position and needed new life. "Accordingly," he has written, "it proposed consolidation with one of its chief rivals, the Thomson-Houston Electric Company. There were advantages to each concern in such a consolidation; and, as a result, the General Electric Company was formed on April 15, 1892.\ldots\textsuperscript{2} Charles A. Coffin of Thomson-Houston became GE's first President.

Thus, by 1892, most of this country's manufacturing of lamps and heavy electrical equipment was concentrated in the hands of the two large rivals, GE and Westinghouse. Other producers were of relatively minor importance in most fields. However, the problem of conflicting patents (particularly in electric lighting and alternating current)

\textsuperscript{1} Arthur A. Bright, Jr., "Technological Change in the Electric Lamp Industry" (unpublished MS on file in the Industrial Relations Section, MIT; 1945), Chapter III. \textsuperscript{2} Ibid.
remained, since both GE and Westinghouse held title to patents issued to a number of different experimenters who had been working on similar developments at the same time.

This patent problem, which might have caused great difficulty and expense if litigated, was settled by a 15-year cross-licensing agreement signed in 1896. GE and Westinghouse each agreed to admit the validity of the other's patents, to accept licenses under them, and of course to grant licenses under its own patents to the other firm. Terms were included governing the exchange of royalty payments.\(^1\) The position of each of the companies as against other competitors was greatly strengthened by this agreement, since a united front was thus established on patent matters. When the agreement expired in 1911, however, it was not renewed, probably as a result of the incandescent-lamp anti-trust suit of that year.

The relationship between General Electric and the public-utility operating companies is worth considering. To create a market for their products, the early electrical manufacturers not only had to produce and sell their equipment, but also had to aid in financing the purchase. Sometimes it was necessary to accept stocks or bonds of the electric-power companies as part payment. Electric Bond

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and Share was established by General Electric in 1905 to solve the particularly pressing problem of marketing the common stock of these companies.

Several holding companies were formed in which substantial minority blocs of stock were held by Electric Bond and Share, among them American Gas and Electric, American Power and Light, National Power and Light, and others. Electric Bond and Share acted as financial agent for the holding companies, and usually exercised financial and operating supervision over their subsidiaries.

Efforts were made in the Senate to order an inquiry into this spread of GE's interests, but before any resolution was passed the directors of General Electric voted on December 30, 1924, to remove GE from the utility business. As to the reason for this, Hammond has stated that Owen D. Young and Gerard Swope, respectively Chairman and President of GE from 1922-1940, objected to General Electric's engaging in both electrical manufacturing and utility operation, and that because of the growing unpopularity of the utilities they resolved to take GE out of that business entirely. "'We can't carry water on both shoulders,' Swope argued. 'It is wrong to own our customers.'"¹

About a month later the Senate adopted a resolution ordering the Federal Trade Commission to investigate and

¹. Hammond, Men and Volts, p. 388
report to the Senate on the extent to which General Electric dominated the electric-power industry.\textsuperscript{1} A thorough study of public-utility holding-company systems and electrical manufacturing companies was made over the next three years before the two-volume report\textsuperscript{2} was completed and submitted to the Senate.

On the question of whether GE still dominated Electric Bond and Share, the Federal Trade Commission concluded that the management of Electric Bond and Share was probably practically independent.\textsuperscript{3} At the time the study was completed, about three years after General Electric turned over Electric Bond and Share to the GE stockholders, it was felt that the only large financial interest in any power company held by GE was a large minority interest in the Mohawk-Hudson Power Corporation.

As to competitive conditions in the supply of electrical equipment, the Federal Trade Commission found in its 1925-1927 investigation that, according to the many small manufacturers interviewed, GE and Westinghouse

\begin{footnotes}
\item[1.] Senate Resolution No. 329, 68th Cong., 2nd Sess., Feb. 9, 1925.
\item[3.] FTC, "Control of Power Companies," p. xx.
\end{footnotes}
dominated the field largely because of their financial resources, country-wide distribution and service organizations, and control of many of the largest wholesalers. The small companies found it particularly difficult to meet the competition of the two leaders on lump-sum bids (i.e., stating a single price for the whole installation specified by the power company), quantity discounts, and shipping motors "on consignment."¹

Although power companies appeared in general to buy their equipment from the lowest bidder (providing specifications were met), some manufacturers stated that prior to 1925 they were unable to sell to power companies controlled by Electric Bond and Share. Officials of that company stated that its policy had been to purchase GE equipment only if GE's prices and terms were at least as favorable as those of other bidders,² but a comparison of generators installed over the period 1905-1925 gave the following results:

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2. Ibid, p. xvii.
TABLE 1

PERCENTAGES OF GE GENERATORS TO TOTAL IN USE IN 1925,
CLASSIFIED BY GROUPS OF COMPANIES, 1905-1925a

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Companies supervised</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>by E.B. &amp; S:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. During supervision:</td>
<td>94.8</td>
<td>97.3</td>
<td>95.7</td>
<td>91.4</td>
</tr>
<tr>
<td>b. Before supervision:</td>
<td>78.4</td>
<td>74.7</td>
<td>72.8</td>
<td>63.5</td>
</tr>
<tr>
<td>2. Other private companies:</td>
<td>75.8</td>
<td>63.0</td>
<td>64.7</td>
<td>60.9</td>
</tr>
<tr>
<td>3. Municipals:</td>
<td>43.5</td>
<td>35.6</td>
<td>37.3</td>
<td>43.9</td>
</tr>
</tbody>
</table>

This table should be read as follows: e.g., of the generators installed in companies being supervised by Electric Bond and Share during the period 1905-1909 and still in use in 1925, 94.8% were installed by GE.

Plainly, despite the testimony of Electric Bond and Share officials to the contrary, operating companies controlled by them threw a considerably greater proportion of their business to GE after their affiliation with Electric Bond and Share than before. Evidently the financial relationship between General Electric and the power companies aided GE considerably by giving it a rather sheltered market for its central-station equipment. And, despite the formal separation, General Electric and the utilities have continued to cooperate; one recent example was in the type of promotion to be given to fluorescent lighting.¹

At the time of the 1925-1927 study, the Federal Trade Commission felt that competitive conditions might be changed somewhat by a new long-line firm which was formed in 1925. This new firm was the American Brown Boveri Electric Corporation, which was expected to produce electrical equipment of all kinds under licenses from the Swiss firm, Brown, Boveri and Co. (Ltd.).\(^1\) Only six years later, however, Allis-Chalmers took over the electrical manufacturing business of American Brown Boveri (which was also operating the properties of the New York Shipbuilding Corporation) and also obtained rights to the patents of the Swiss firm.\(^2\) This strengthened the position of Allis-Chalmers, and now, as *Fortune* says, "... short of lamps and toasters there is little in the electrical line that the company cannot supply. . . ."\(^3\)

The Electrical Department has provided 50 per cent or more of the company's industrial business since 1904 and has been consistently profitable, but its total industrial sales of $36.6 million in 1938 were "... minuscule beside the $100,000,000 capital-goods sales of Westinghouse, and approximately $150,000,000 for General Electric."\(^4\)

Federal Trade Commission proceedings in 1936-1937 indicate that all is not cut-throat competition among the

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4. Ibid., p. 58.
manufacturers of generation and distribution equipment. On December 29, 1936, the Federal Trade Commission issued a cease and desist order against the National Electrical Manufacturers Association, General Electric, Okonite, Habirshaw Cable and Wire, and other manufacturers of copper power cable and rubber-covered building wire, charging that the defendants had held meetings at which they fixed prices, terms, and conditions of sale for these commodities. The parties were also charged with having adopted discriminatory delivered-price systems, in which there were one or more price zones, depending on the particular product. Okonite, General Electric, and Habirshaw were named as furnishing "the leadership" in the uniform price arrangement, and NEMA, as NRA Code Authority, was said to have used the Code provisions to support the agreements. The decision was issued against the defendant companies and against certain officers of NEMA, including W. J. Donald, managing director, ordering them to desist from fixing prices and other charges directly or indirectly, and to cease insisting on delivered-price systems.¹

Less than a year later, the FTC issued an order against General Electric, Westinghouse, Allis-Chalmers,

¹ National Electrical Manufacturers Association et al., 24 FTC 306 (1936). See also TNEC Hearings, Part 5-A, p. 2319, for a brief summary.
and the Elliott Company, manufacturers of turbine generators. The Commission charged them with having agreed to fix and maintain uniform delivered prices and performance guarantees, and stated that this deprived the public of price, service, and other advantages which it otherwise would have received. The defendants had submitted identical bids for turbine generators and for the numerous "extras" required in installation. The defendant companies waived hearings, agreed that the practices mentioned could be considered "unfair practices" within the meaning of Section 5 of the Federal Trade Commission Act, and consented to the FTC's issuing any cease and desist order aimed at the practices mentioned. Accordingly, they were ordered to cease submitting uniform bids, and to desist from maintaining uniform delivered prices and uniform performance guarantees where unrelated to true performance.¹

The production of generation and distribution equipment remained essentially under oligopolistic control up to the beginning of the present war, and there seems to be little likelihood of any essential change. According to Kottke, 99-100 per cent of the large steam-turbine and hydro-electric generators (i.e., over 150 kw.) under construction in July, 1941, or completed during the

¹ General Electric Co. et al., 24 FTC 881 (1937). See also TNEC Hearings, Part 5-A, p. 2321, for a brief summary.
previous year, were produced by the three leading firms, General Electric, Westinghouse, and Allis-Chalmers. The orders were divided among the firms as shown by the table below.

TABLE 2
PERCENTAGE OF LARGE GENERATORS UNDER CONSTRUCTION IN 1940-1941 PRODUCED BY EACH OF THE THREE LEADING FIRMS

<table>
<thead>
<tr>
<th>Produced by</th>
<th>Steam-Turbine Generators</th>
<th>Hydro-Electric Generators</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Electric</td>
<td>53</td>
<td>50</td>
</tr>
<tr>
<td>Westinghouse</td>
<td>38</td>
<td>32</td>
</tr>
<tr>
<td>Allis-Chalmers</td>
<td>9</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>99</strong></td>
</tr>
</tbody>
</table>


While the concentration is not so high in other items of generation and distribution equipment, the same pattern of oligopolistic dominance prevails—a few large firms far ahead of the field, with some smaller firms each receiving a small fraction of the orders. The principal reason for this continued concentration appears to be the reputation and the technical know-how resulting from the long experience and the expensive research work of the leading firms. The cost of entry into this field appears to be high.
Incandescent Lamps.\textsuperscript{1}--The original Edison carbon-filament patent was the starting point in a history of industrial control which has lasted down to the present time. It furnishes an interesting "monopoly" case involving the leading firms in the electrical manufacturing industry, with side-lights appearing on financial relationships and cartel agreements with leading electrical producers in other countries of the world.

In establishing its control over the incandescent-lamp industry, General Electric was aided greatly by its cross-licensing agreement of 1896, which made it easier to persuade the small producers to accept licenses under GE's lamp patents. By about 1904, GE had absorbed many competing producers.\textsuperscript{2} At this time, GE and Westinghouse jointly controlled over 90 per cent of the domestic incandescent-lamp industry.

GE's monopoly control has been continued by its own technological developments and by the purchase of other patent rights. As a result, GE has been able to maintain until now a restrictive licensing system guaranteeing to it the "lion's share" of the market. This control was

\textsuperscript{1} Based in large part on A.A. Bright, Jr., "Technological Change in the Electric-Lamp Industry" (unpublished MS on file in the Industrial Relations Section, MIT; 1945).
not disturbed by the anti-trust suits of 1911 and 1926, although GE's licensing agreements were modified somewhat after the latter decision. The resultant market structure remained essentially unchanged up to the beginning of the present war.

In the field of large incandescent lamps, Westinghouse, with a quota of about 34 per cent of GE sales, was the only A licensee with the right to use the "Mazda" trademark, to make all types of electric lamps, and to export where GE itself might. The three B licensees were not permitted to make other types of lamps, were not permitted to export, could not use the special trademark, and had quotas of only about 2 to 9 per cent of GE's sales. For both B and A licensees, the royalties on sales above the quota were high enough, 20 and 30 per cent respectively, to furnish an effective limitation on output. General Electric was the only firm able to supply itself with all production requirements such as glass, bases, wires and welds, gases, and machinery.

The unlicensed "independent" producers have been forced by consumer preference to follow the product leadership of the GE group. Where they can, they devise some unpatented alternative which will accomplish the same end as the GE development, but this has not always been possible. Because of this difficulty in keeping up with technological change, and because of the difficulty of obtaining satisfactory machinery and supplies, the independents have usually found it difficult to compete effectively.

As to international factors in the electric-lamp industry, General Electric has established foreign subsidiaries, made substantial investments in other foreign firms, and reached patent agreements with these and with other foreign producers. The net result of these arrangements has been a rather effectively cartelized industry in which international trade appears to be greatly restricted.

The most recent lamp cartel, the Convention for the Development and Progress of the Incandescent Electric Lamp Industry, was formed in 1924.¹ According to Fortune,²

this cartel was the outcome of discussions among N.V. Philips Gloeilampenfabrieken of the Netherlands, Osram of Germany, and General Electric. Prior to the present war, it included all of the most important lamp producers of the world. Needing a central administrative agency, the cartel established the Phoebus Company at Geneva to act as an intermediary for the exchange of patent licenses and information on production techniques. Convention members were partners in this organization, and met once a year to determine policies. General Electric, however, was not a member -- "GE and its subsidiary, International General Electric, remained outside of Phoebus, but had with it what a consular report of the time called a 'distinct personal bond.'"¹

By means of geographical restrictions in patent licenses, the lamp producers divided the principal markets of the world. GE, for instance, granted foreign manufacturers exclusive rights to its patents in certain countries and agreed not to compete within those areas, receiving in return exclusive rights in this country under the patents held by the foreign producers. As a result of this restrictive cross-licensing, international trade in electric lamps was greatly impeded. Wendell Berge has recently

¹. Ibid., p. 200.
written of this cartel, "One might as well urge that a railway wreck promotes transportation as to urge that a cartel agreement promotes trade."  

Tariffs have also helped to "insulate" the United States market for lamps from foreign competition. Tariffs on incandescent lamps and unwired glass bulbs have been at ad valorem rates of 20 to 30 per cent under the Acts of 1913, 1922, and 1930.²

During the 1920's, lamp imports were principally carbon-filament lamps from Japan and Germany. During the 1930's, however, a more pressing problem confronted American lamp producers in the form of much greater quantities of metal-filament lamps from Japan.³ These imports were largely made possible by the expiration of the early tungsten-filament patents, and the devaluation of the yen in 1931. The value of lamp imports, however, has been less than two per cent of domestic production even during the 1930's. And, as shown in Figure 7 on the next page, imports of all electrical equipment have remained at an extremely low level compared to exports over the last two decades. Imports make up a still

3. Ibid., p. 95.
FIGURE 7
FOREIGN TRADE IN ELECTRICAL EQUIPMENT, 1923-1941

Source: Exhibit 8, statistical appendix.

FIGURE 8
THE ELECTRICAL MANUFACTURING INDUSTRY, 1899-1939

Source: Exhibit 3, statistical appendix.
tinier proportion of total production in the United States.¹

To meet the Japanese competition in incandescent lamps, the GE group brought out a 10-cent "Type D" lamp, but the Japanese lamps, of relatively low quality, could be sold for even less. This Type D lamp was also a move against the unlicensed independents, who were increasing their share of the market during the 1930's. As shown in the table on the next page, the independents had become a serious problem for General Electric by 1941.

¹. Little evidence appears as to the effect of cartel agreements and financial relationships on international trade in electrical equipment other than lamps, although Kottke has commented briefly on international market agreements in radio, motion-picture sound equipment, and telegraph apparatus.—Electrical Technology and the Public Interest, p. 106.

In January, 1945, however, the Department of Justice filed an anti-trust suit against GE accusing it "... of conspiring with six companies in Britain, France, Belgium, Italy, Germany, and Japan, to divide the world into marketing areas [and] to eliminate competition... [in]... generators, transformers, switch gear, motors, refrigerators, vacuum cleaners, toasters, and other electrical equipment." GE has denied the illegality of these international agreements, but the case has not yet been tried.—Newsweek, Jan. 29, 1945, p. 62.

TABLE 3
SHARES OF THE INCANDESCENT-LAMP MARKET,
in terms of units sold

<table>
<thead>
<tr>
<th>Year</th>
<th>GE and Westinghouse</th>
<th>B Licensees</th>
<th>Independents</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1929</td>
<td>84.3%</td>
<td>12.3%</td>
<td>1.8%</td>
<td>1.6%</td>
</tr>
<tr>
<td>1931</td>
<td>78.0</td>
<td>12.7</td>
<td>3.5</td>
<td>5.8</td>
</tr>
<tr>
<td>1933</td>
<td>77.2</td>
<td>11.1</td>
<td>5.1</td>
<td>6.6</td>
</tr>
<tr>
<td>1935</td>
<td>77.6</td>
<td>8.1</td>
<td>8.4</td>
<td>5.9</td>
</tr>
<tr>
<td>1937</td>
<td>78.3</td>
<td>8.3</td>
<td>8.8</td>
<td>4.6</td>
</tr>
<tr>
<td>1939</td>
<td>77.9</td>
<td>9.2</td>
<td>11.1</td>
<td>2.0</td>
</tr>
<tr>
<td>1941</td>
<td>76.1</td>
<td>9.2</td>
<td>14.2</td>
<td>9.5</td>
</tr>
</tbody>
</table>

a. Source: Bright, "Technological Change in the Electric-Lamp Industry," Chap. V.

As to prices of incandescent lamps, GE has followed a policy of secular rather than cyclical price adjustment. The price trend has been gradually downward, while lamp efficiency has continually increased. The consumer has undoubtedly benefited greatly from GE research and development; it is a moot point whether the public might have had still more rapid price reduction and technological improvement if a more competitive situation had existed in the industry.

Profits in lamp making have been high for the leading concern. In the period 1935 to 1939, General Electric's annual net income from the production and sale of incandescent lamps alone ranged from $16 million to $21

million. This was a rate of return of about 64 to 88 per cent on costs and about 33 to 47 per cent on net worth.\footnote{U.S. v. General Electric et al., Civil Action No. 1364 in the District Court of the United States for the District of New Jersey, Complaint (Jan. 27, 1941), pp. 154-155.} GE's attorneys have stated that these figures are "admitted to be approximately correct."\footnote{Ibid., Answer of Defendant General Electric Company, p. 62.}

Thus, it seems that more than half of General Electric's total net income during those years came from the operation of the lamp department alone. Apparently, a very important reason for the level and stability of GE's earning power is to be found in its long-continued control of the incandescent-lamp field. With the recent expiration of GE's last strategic incandescent-lamp patent, and with the settlement of certain anti-trust suits pending against General Electric, it is possible that important changes may take place in the electric-lamp industry and in GE's position in electrical manufacturing in the post-war period.\footnote{See Section 5 of this Chapter for further discussion.}

There have been two recent settlements of anti-trust suits in the incandescent-lamp industry without any apparent effect on competitive conditions in the industry. One action in connection with glass bulbs was settled in 1941 by a plea of \textit{nolo contendere} and the imposition of...
fines Business Week reported:

Admitting no guilt but refusing to defend themselves against charges of criminally conspiring to prevent importation of electrical light bulb jackets into the United States from Holland, the General Electric Company, Corning Glass Works, the Netherlands firm of N.V. Philips Gloeilampenfabrieken, and six of their officials, agreed to pay fines totalling $47,000, imposed by the U.S. District Court for the Southern District of New York.¹

The other action concerned price-cuts made by General Electric, which announced a reduction in list prices from $.15 to $.10 for lamps of 40, 50, and 60 watts as of September 1, 1942. A month later, the Jewel Incandescent Lamp Company, on behalf of itself and 10 other unlicensed producers, claimed that these reductions were made on what had been their most profitable lines in order to drive them out of business and establish a monopoly. Jewel petitioned that an injunction be issued restraining GE and Westinghouse from selling at the lower price, but it was denied in both the District and Supreme Courts.²

Appliances.—In the appliances branch of the electrical manufacturing industry, even though there seems to be an increasing amount of concentration in the production of certain articles, there has been considerably more effective competition than in those fields discussed above. In general, there has been a rather rapid reduction in the prices

of these articles during the early periods of their commercial expansion, accompanied by continuing improvements in quality which have reduced "real" prices to the consumer even after quoted prices tended to become stabilized. In many instances, the role of mass distributors seems to have been very important in encouraging further price reductions.

Taking refrigerators as an example, the number of manufacturers of electric refrigerators is reported to have declined considerably from the time of their public introduction in the 1920's until in 1937 there were only about 25 producers of domestic refrigerators with a capacity of from 6 to 10 cubic feet. In this size range, the four largest producers manufactured 76.8 per cent of total output in 1937.¹

Despite this increasing concentration, the average life expectancy of an electric refrigerator increased from about six years in 1920 to about fifteen years in 1939, current consumption fell off considerably, and the price of the typical unit sold fell from $600 in 1920 to $169 in 1939.

¹ Clair Wilcox, Competition and Monopoly in American Industry, TNEC Monograph No. 21 (Washington: U.S. Government Printing Office, 1940), p. 51. It is estimated that in 1939 the four major producers of domestic refrigerators were General Electric (accounting for about 20.3 per cent of total U.S. sales), Frigidaire (17.7 per cent), Sears (14.8 per cent), and Westinghouse (10.1 per cent), with Kelvinator (7.2 per cent), Norge (5.6 per cent) and others trailing. "Refrigerator Price War," Fortune, Vol. 21, No. 5 (May, 1940), p. 104.
Since 1930, Sears Roebuck seems to have played a leading role in encouraging price declines. It entered the market in about that year with its "Coldspot" brand, and soon was selling its six-foot model for about $40 less than comparable other makes. It could afford to do this, apparently, because of its more efficient marketing system. Other manufacturers have typically given a high margin to the distributor and retailers, but Sears did not need such a margin.

During the 1930's the prices on comparable models of almost all makes except the Coldspot were nearly identical. In 1940 Kelvinator slashed its prices considerably in an attempt to offset its declining share of the market, but other manufacturers followed Kelvinator's lead. Sears was still able to sell at an even lower price.

Thus, in this branch of electrical manufacturing, in which there seem to be no important patents or other factors making possible any market control, the consumer has benefited considerably from price declines and technological changes. A considerable share of the credit, however, must be given to the mass distributor, Sears, which was not content to accept the traditional pricing policy of the industry.

In other household appliances, a similar situation appears to have prevailed. In 1937, the largest four of
32 producers accounted for 53 per cent of the output of washing machines, while the leading four among 29 produced 69.6 per cent of standard vacuum cleaners. In each case, there have been marked improvements in quality and reductions in price, and in each the mass distributors have furnished vigorous competition for other producers.¹ Despite this rather effective competition, in 1940 earnings on income (net taxable income divided by gross taxable income) in the manufacturing of household electrical appliances were just about equal to average earnings in all electrical manufacturing.²

Radio Manufacturing.³—In the field of radio, too, competition has been keen, and consumers have received continually better sets at lower prices, even though the industry has been subject to a certain amount of control from the Radio Corporation of America (RCA) patent pool.

Prior to World War I, the radio industry was in an early experimental stage. There were many small communications and manufacturing companies, but they found it difficult to exist profitably without government aid. None of the companies which were important in communications or electrical manufacturing chose to enter radio

1. Wilcox, Competition and Monopoly, p. 52.
2. See Exhibit 7, statistical appendix.
3. Based in large part on W.R. Maclaurin's forthcoming monograph, "Technological Change in the Radio Industry." (MS on file in the Industrial Relations Section, MIT; 1945.)
manufacturing in its early stages, although they did follow
developments and made some substantial technical contribu-
tions. Owen D. Young has stated in explaining this,
"... the wise capitalist keeps out of exploiting new
inventions and comes in only when the public is ready for
mass demand."¹

The Radio Corporation of America was incorporated
as a GE subsidiary in 1919,² and in the same year, inter-
national agreements were worked out with the dominant
British, French, and German radio manufacturers which
gave each company the exclusive rights within its own
territory to the patent rights of the others. The various
companies agreed not to export radio apparatus to each
other's territories. RCA made a similar agreement with
Philips of the Netherlands in 1925.

In 1920, cross-licensing agreements were reached by
RCA and General Electric with American Telephone and
Telegraph, Western Electric, Westinghouse, and United
Fruit Company. Each of these companies had been experi-
menting in the field, and held rights to some important
patents. The result of the agreements was that RCA won
access to practically all the radio patents of any

¹. Gleason L. Archer, History of Radio to 1926, (American
². For a fuller discussion see Maclaurin, "Technological
   Change in the Radio Industry," Chap. III.
importance at that time. AT & T, Western Electric, and United Fruit each received certain rights for the use of the patents in the pool for their own purposes, but RCA was left in control of them for radio broadcasting and reception other than in message communication for a toll, and in set manufacturing for these purposes. In the manufacture of radio sets, RCA acted as the selling agency for GE and Westinghouse radios, with the sales being divided between those two companies in a three to two ratio.¹

During the 1920's, many new producers entered the field, at first mainly as unlicensed firms. Turnover was rapid, and the mortality rate was exceptionally high. Of some 1,070 firms which entered the business in the period 1923-1934, only 110 remained in operation in 1934.² These firms were usually small, with little financial backing, and they tended to specialize in the manufacture of particular parts or in the assembly of complete sets. Even in recent years, radio-set manufacturing has been typically a matter of assembling parts and tubes manufactured by other companies.

After 1927, when RCA began to license its competitors instead of fighting them, its licensing policy was still

² Maclaurin, op. cit.
restrictive. Licenses were at first limited to firms whose annual royalties would amount to at least $100,000. The royalty rate was 7 1/2 per cent of the selling price of the whole set, and the licensees were required to buy all their tubes from RCA. Later, however, the fee was cut to 5 per cent, and the minimum royalty was reduced to $10,000. In 1929, as the result of a suit by independent tube manufacturers, who alleged that the license restrictions on tube purchases were in violation of the Clayton Act, an injunction was issued eliminating that clause from RCA's license contracts.

The Department of Justice filed an anti-trust suit against the members of the RCA patent pool in 1930, charging that they had illegally dominated the field and exacted burdensome royalty payments. In 1932, a consent decree was entered in which General Electric and Westinghouse were ordered to dispose of their stock in RCA and to remove their representatives from its Board of Directors. Also, the exclusive cross-licensing of patents was enjoined.

3. Wilcox, op. cit.
Since 1932 there seems to have been vigorous competition in the industry, resulting in improved sets at lower prices. As shown in Figure 5 on p. 21, profits in radio manufacturing have been considerably lower than the average for all electrical manufacturing.  

As Kottke says, "Whether it was because the substantial influence of GE and Westinghouse was removed or for some other reason, since the termination of this suit dissatisfaction with RCA's policies in licensing smaller companies has all but disappeared."  

The minimum annual royalty is now $5,000 for broadcast receiving sets at a rate of 2\(\frac{1}{4}\) to 3\(\frac{1}{4}\) per cent of the selling price for sales in this country, depending on the nature of the apparatus.

In recent pre-war years, the three leading radio manufacturers have been Philco, RCA, and Zenith. Philco grew rather slowly until it moved into radio manufacturing in 1930. By pioneering in low-priced table models and building up volume with auto radios, while yet continuing to sell many high-priced sets, it has managed to lead the industry for 12 years.

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1. Cf. Exhibit 7 in the statistical appendix.
2. Kottke, Electrical Technology and the Public Interest, p. 91.
3. Ibid., p. 92.
RCA's set-manufacturing division seems to have been less profitable; Fortune estimated in 1938 that it had made nominal profits for the last two years after five years of deficits. The reason for this seems to be, Fortune has said, that RCA is a "ponderous slow-moving organization." Its set division was a mere selling agency for General Electric and Westinghouse until 1930. RCA's royalty income, however, was estimated as about $5 million in 1937.¹

Zenith, which bought one of the first manufacturing licenses granted by RCA in 1927, is one of the few companies which have survived from the beginnings of the radio-manufacturing industry in the 1920's. For a long time it was not particularly large, but more recently it has passed even RCA, to claim second place in the set-manufacturing industry in 1941. It has led in the promotion of portables and foot-controlled auto radios, and has now also begun to manufacture low-priced hearing aids.²

Regarding the business of manufacturing radios in recent years, Fortune has stated:

Radio sets are essentially much alike. They are based on the same patents, and their performance is largely a function of cost. Nevertheless, radio manufacturing is singularly and genuinely competitive and hence highly precarious. What makes one company more successful than another is its ability to sense changes in public taste, to innovate, to alter and improve its designs swiftly.\(^1\)

There has been relatively free entry since about 1930, and many new producers have entered the field during the war. It is likely that competition may be even more vigorous after the present war.

4. Economic Fluctuations

Figure 8 on page 41 above shows how rapidly the electrical manufacturing industry expanded until 1929, after which it contracted sharply in the Great Depression. As Figure 9 on page 55 shows, production in the industry did not recover to the 1929 level until the war boom following 1940 sent the indexes upward again.

Figure 9 compares production and employment in electrical manufacturing to certain related factors. The index for electrical production clearly fluctuates more widely than does the Federal Reserve Board index for all industrial production. This is not surprising, considering that most electrical products are consumers' or producers' durable goods, the purchase of which is easily postponable.

\(^1\) Ibid., p. 41.
FIGURE 9
THE ELECTRICAL MANUFACTURING INDUSTRY AND RELATED FACTORS, 1925-1944
Index (1925=100)

Points plotted: Every 2 years to 1933, annually thereafter.
Source: Exhibit 9, statistical appendix.

FIGURE 10
MANUFACTURERS' SALES IN MAJOR BRANCHES OF ELECTRICAL MANUFACTURING, 1925-1944

Points plotted: Every 2 years to 1933, annually thereafter.
Source: Exhibit 11, statistical appendix.
The "acceleration principle" appears clearly in the relationship between the curve showing the sales of electricity by public utilities and that showing the production of electrical goods. Of course, the comparison should more properly be made using only products bought mainly by the utilities, such as the curve showing sales of transmission and distribution equipment in Figure 10, but the nature of the comparison is essentially the same. A given change in the sales of electricity tends to cause a proportionately much greater change in the sales of electrical goods used in generating and distributing that electricity.

The series on orders for electrical goods, available only since 1934, closely parallels the electrical manufacturing production curve until 1939, when the rapid filing of war contracts caused a constantly increasing backlog of unfilled orders. Employment in electrical manufacturing has fluctuated less than production, as is typical of manufacturing industries. In depressions, some of the decline in production is met by a reduction in hours and a slowing of the work tempo; in periods of high activity, hours are lengthened and the work tempo increased.

Turning to a comparison of the economic fluctuations of various lines of electrical manufacturing shown in
Figure 10, it appears that the production of nearly all electrical goods is subject to wide cyclical variations.

The production of incandescent lamps is a rather special case. Almost unique among electrical products in its economic characteristics, the electric lamp is a low-priced article for which only relatively poor substitutes are available, and the purchase of which is hardly postponable at all. Accordingly, lamp production declines much less than that of other electrical products during depression periods.

The problems of lamp-manufacturing workers are not simple, however, for during the period 1920-1931 there was an almost continual, rather rapid decline in employment in electric-lamp assembly plants. Employment dropped from about 17,000 in 1920 to about 5,800 in 1931 despite an upward trend in production during the period; the explanation lies in increased mechanization and improved labor productivity.1

Other electrical products sometimes furnish exceptions to the rule of wide cyclical fluctuations during certain early periods of their commercial expansion. For instance, domestic refrigeration was still a rather new development during the early 1930's, and it shows a smaller proportionate drop in sales from 1929 to 1931 than any other product group plotted on Figure 10.

This was true also of the sales of washing machines, which by the fall of 1933 were exceeding the 1929 rate by a substantial margin. However, such products soon reach "maturity," when the first rapid price decline slows and the market begins to become so "saturated" that the first relatively easy sales to high-income families are no longer possible. Then production must be geared to the more difficult sales which can be made to families on lower income-levels, and such replacement sales as can be made to earlier buyers. In both cases, however, the purchases are easily postponable, and cyclical fluctuations are likely to become severe again. In the 1937-1938 recession, for example, there were abrupt declines in the proportions indicated of the numbers of the following products sold: electric refrigerators, 46 per cent;

washing machines, 30 per cent; vacuum cleaners, 24 per cent; and electric ranges, 38 per cent.\(^1\)

The recent rapid decline in sales of appliances and domestic refrigerators shown in Figure 10 is of course due to war conditions.

5. Post-War

Level of Activity.—Although many recent occurrences indicate that there may be far-reaching changes in the organization of the electrical manufacturing industry after the close of the war, the level of activity is likely to be reasonably high if over-all economic factors are favorable. The reconversion problems of electrical manufacturers will not generally be serious, since many of them have been making principally products quite similar to their peacetime output. The manufacturers expect business at higher levels than in pre-war years, but there will almost certainly be a considerable contraction as compared to present production and employment once any post-war "boomlet" is past.\(^2\)

1. Ibid., p. 117. For an enlightening analysis of prices, sales, and market saturation in these four products see ibid., Chapter IV, "The Electrical Equipment Industries -- An Illustrative Case."

2. "Electrical Manufacturers Look Ahead," an Editorial Staff Report, Electrical World, Vol. 121, No. 22 (May 27, 1944), pp. 67-82. The Committee for Economic Development has estimated that the production of "electrical machinery" will be 56 per cent higher in the first full post-war year than in 1939, as compared with 42 per cent for all manufacturing industry.—New York Times, Aug. 20, 1945, p. 13.
Among the areas in which there is likely to be a large expansion as compared to pre-war rates of production are industrial electronics, the radio-manufacturing fields of frequency modulation (FM) and television, fluorescent lighting, and refrigeration.

Of all these fields, probably the greatest wartime strides have been made in the "hush-hush" research on electronics. Electronic tubes are today performing jobs hardly dreamed of ten years ago, and many new applications will certainly be made with the return of peace. Electronic devices can function in industry with precise action and speed, characteristics which make it possible to control power and processes, inspect parts, and to perform other operations with greater efficiency. Electronics has already been used for counting, color measuring, detection of gas and foreign materials, grading, measurement, and for many other tasks.¹

Frequency modulation and television broadcasting were just entering the stages of early commercial promotion when World War II brought a halt to production of such receiving sets for the public. Intensive research has continued, however, and recent reports make it appear that wartime developments applicable to these

products will make possible greatly expanded production and employment in radio manufacturing, even apart from the great backlog of consumer demand for tubes and standard receiving sets which have worn out during the war.

In refrigeration too there is both a backlog on old standard products and some relatively new applications which may make possible some sustained expansion as compared to before the war. One of these developments is the freezing and storing of quick-frozen foods. Many persons have expressed the desire to own a "deep-freeze" food locker in which they could freeze products bought and prepared by themselves, and others would like frozen-food storage facilities better than those furnished by ordinary domestic refrigerators. Even the latter appliances, however, are likely to have improved frozen-food compartments when they are again available for purchase. Another application of "refrigeration" is in air conditioning. Many refrigerator manufacturers have experimented with small air-conditioning units, and Philco sold some even before the war.

Fluorescent lamps were first introduced commercially only in 1938. Due partly to their low operating cost, and partly to the pleasant quality of fluorescent lighting, their popularity has increased rapidly ever since then. An
interesting attempt to forecast the net economic effect of fluorescent lighting in the post-war period has been made by Bright of the MIT staff. After comparing the direct and indirect economic contributions of fluorescent lamps and fixtures in manufacturing and marketing with the losses due to the displacement of incandescent lamps and fixtures, he has estimated that in "V-year plus 3" fluorescent lighting may cause a net increase in employment of as much as 95,000 and a net increase in national income of as much as $213 million.¹

**Competitive Conditions.**—Considerable post-war change is possible in the electrical manufacturing market, particularly with regard to the electric-lamp and the radio-manufacturing fields.

In the lamp industry, General Electric's last strategic incandescent-lamp patent (the Pipkin patent on the inside-frosted lamp) expired in 1945, and GE's control of the field is now being challenged, particularly by anti-trust suits involving GE's patent policies in relation to both fluorescent and incandescent lighting.

Sylvania, General Electric's most important B licensee in large incandescent lamps, has long been seeking a way to expand beyond the limitations imposed by its incandescent-lamp quota. It made early experiments in fluorescent lighting during the 1930's, and as a result succeeded in obtaining enough patents so that it felt able to refuse a B license from General Electric for the manufacture of fluorescent lamps. Patent infringement litigation ensued which has not yet been completely settled.\(^1\) GE, however, has won "the first round" in one District Court decision.

The Department of Justice filed suit in 1941 against General Electric, Westinghouse, the five B licensees, Philips, Corning, and others, alleging that the patent licensing-agreements and other actions had illegally restrained both domestic and international trade in incandescent lamps. The quota licensing system and agency distribution technique, although upheld by the Supreme Court in 1926, were alleged to be illegal in conjunction with the other acts.\(^2\) Trial of the suit,

however, was postponed indefinitely at the request of the Secretaries of War and of the Navy. Eleven independent lamp manufacturers asked that they be permitted to intervene in the incandescent-lamp case, but this request was denied.¹

In 1942 the government filed another complaint against General Electric, Westinghouse, and eight other defendants, alleging violation of the anti-trust laws in their actions in the fluorescent lighting field.² This suit has also been postponed.

Five unlicensed electric-lamp manufacturers filed suits against Corning in 1944, asking damages totalling $34,500,000. It was alleged that Corning had entered into a series of illegal agreements restricting the manufacture and importation of glass bulbs, tubing, and cane, and that these actions made Corning liable under the anti-trust laws for the amount specified.³

Finally, in early 1945, it was reported that suit had been filed by the Department of Justice, charging General Electric and its subsidiary, International General Electric, with illegal restraint of international trade in many types of electrical equipment through their cartel agreements with six foreign firms.⁴

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It is impossible to predict the outcome of these many suits, of course, but this litigation and the changed patent situation in incandescent lighting give some indication that General Electric's long-continued control of the electric-lamp industry may possibly become less strong after the war.

Post-war changes in competitive conditions in the radio field are also difficult to forecast. There have been many wartime developments in electronics which may change the patent situation in the industry. The role of Philips, the famous Netherlands firm, may become quite significant in this country too. North American Philips, incorporated in 1942, has handled many war orders for electrical and electronic products. Its technical excellence and long experience are such that it may well give strong competition to established producers in many electrical manufacturing lines. Philips has also served notice that licenses on its many radio patents, previously obtainable through RCA, will have to be negotiated directly with it in the future. As Fortune says, "... when television and frequency modulation become more important, Philips, along with RCA, Philco, Farnsworth, Dumont, and others, will have a well-developed patent position to use at the bargaining table."

The effects that this bargaining may have on the patent and licensing structure of the radio industry are unpredictable, but it does appear likely that radio manufacturing will be more rather than less competitive after the war. There were only 33 manufacturers licensed by RCA in 1940; in 1945, there were 99.¹ Companies which have never made radios before are doing so now—and turning out good ones at that.

The forecaster's job is a risky one, but perhaps a brief attempt to apply these post-war predictions to General Electric would be in order. Despite the many possible changes which may affect the competitive position of GE, its long experience and great technical "know-how" have given it such a strong position that it is not likely to lose that leadership soon. What may happen is that, faced with new and vigorous competition in some fields, GE may find its earnings lower and more unstable. This is particularly true of incandescent lighting, which has been a "gold mine" for so long. Whether or not GE's patent position in fluorescent lighting will counteract this trend cannot yet be predicted. The only certainty is that the settlements of the many pending anti-trust suits will have great significance for competitive conditions in electrical manufacturing.

¹ "Commander McDonald of Zenith," Fortune, Vol. 31, No. 6 (June, 1945), p. 216.
6. Summary and Conclusions

The electrical manufacturing industry consists of a number of related fields in which both the economic characteristics and the conditions of production sometimes differ greatly.

General Electric has been the leading firm in the industry since its formation in 1892 as a merger of the Thomson-Houston and Edison interests. Its nearest full-line competitor, Westinghouse, is approximately half its size, and the two firms have shown remarkably parallel expansion since their first cross-licensing agreement in 1896. The shares of the market supplied by these two firms, however, have declined somewhat over the last 40 years as new applications of electricity have appeared and other firms have arisen to specialize in these fields.

General Electric's earning power has been high and stable as compared to its competitors and other manufacturing corporations. A particularly important reason for this has been the monopoly earnings which it has received from its control of the electric-lamp industry.

General Electric's effective control of the incandescent-lamp industry was originally based on the Edison carbon-filament and other patents, and its continued research efforts and purchase of other patent applications have given it the ability to continue that control to the
present time. Through restrictive domestic and international licensing agreements with Westinghouse and other firms, GE was guaranteed the lion's share of the lamp market in the United States and a large royalty income besides. The anti-trust suits of 1911 and 1924-1926 were ineffective in disturbing this control.

After the present war, however, the expiration of General Electric's incandescent-lamp patents, and a series of pending anti-trust suits may possibly lessen considerably GE's control of electric lighting and thus reduce its earning power.

General Electric also enjoyed an advantage for a time in its close financial relationship with a large group of public-utility operating companies. Despite the breaking of this bond in 1925, GE has continued to lead in the manufacturing of heavy electrical equipment due to its long-maintained technical leadership and financial strength. The existence of competitive restraints in this field is indicated by FTC actions concerning producers of turbine-generators and insulated wire and cable, and by Department of Justice charges in a recent anti-trust suit.

In other fields, where there are no significant patents and where technical or financial barriers do not make entry difficult, there is more vigorous competition
which has probably served to reduce GE's earnings in these lines despite its position of leadership.

In household appliances, such as refrigerators, vacuum cleaners, and washing machines, despite a certain tendency toward concentration, the trend has been toward decreasing price and increasing quality. The role of mass distributors such as Sears Roebuck seems to have been important in forcing other firms to break away from their traditional pricing policies.

In radio manufacturing, the GE-formed RCA patent pool chose after 1927 to modify its original policy of restrictive licensing, and after the consent decree of 1932 there was relatively free entry. Competition has been particularly vigorous here, and profits have been lower than in other electrical manufacturing fields. After the war, new patent developments in frequency modulation and television and the active entry of Philips into the United States market may change the competitive situation considerably.

Economic fluctuations in most electrical manufacturing lines have been rather more severe than the average for all manufacturing industry, due to the postponable nature of the demand for nearly all electrical products. They are typically durable goods, which can be made to serve without replacement through depression periods.
In the post-war period, assuming that over-all economic activity can be sufficiently well maintained, electrical manufacturing activity is likely to be considerably higher than in pre-war times. Fluorescent lighting, FM, television, industrial electronics, deep-freeze, and air conditioning are the electrical fields which seem to show the greatest promise for post-war expansion. The industry is likely to contract considerably, however, as compared to present levels of production and employment once the backlog of pent-up consumers' demand is satisfied.
CHAPTER III

HISTORY OF THE UNION
1. Introduction

This chapter sketches first the background of employee relations before 1933 at the Lynn GE plants, and then, in Section 2, relates the story of the establishment of Local 201 as an independent union in 1933-1934. Section 3 describes negotiations of a contractual nature at the Lynn plants in the period 1934-1936, covering the following matters: wages; price, rate, and system changes; profit-sharing; payment of incentive workers while on temporary day-work; night shift bonus. Section 4 explains the developments leading to the establishment of the United Electrical, Radio, and Machine Workers of America, and Section 5 summarizes the history of the relations between the UE and the General Electric Company.

GE Employee Relations in Lynn before 1933.--Prior to World War I, there seems to have been almost no union activity in the General Electric Lynn plants, nor does there seem to have been any company organization other than the ordinary line supervision (Foreman, etc.) to deal with employee relations.

During that War, however, a number of American Federation of Labor craft unions became active, and many Lynn GE workers became members. These craft unions attempted to establish collective bargaining relations with General Electric, but the Company declined to recognize the unions as official representatives of its employees.
There was a brief strike at the Lynn works in 1918, evidently the result of an A.F. of L. attempt to force recognition by the Company, but it was not successful. At about this time (probably as a result of action arising from the strike), "... a Plan of Representation was established at the two Lynn plants of the General Electric Company by the War Labor Board." ¹ Through this Plan, workers were able to elect representatives from their departments to present their grievances.

The A.F. of L. unions, linked by a Metal Trades Council, then attempted to work through and win control of the Plan, and they were able to elect some union men as Plan Representatives. However, while Management would discuss grievances with such a Representative, they took the position that they were not negotiating with him as a member or representative of any union.

In the first few years after the Armistice, most of the A.F. of L. craft unions in the Lynn works gradually became disorganized and finally disappeared altogether. The present Business Agent of Local 201 has explained this collapse in the following statement:

The fact that there were a number of locals,—meeting separately, having desires and aims distinctive as their own . . .; and the fact that after such aims and plans were drafted "outside" . . .[they]. . . had to be "handed" to a bargaining agency (the Plan of Representation) on the "inside",—very soon led to the inevitable: namely, that men and women began to wonder why they paid dues to an organization outside of the plant, while the Plan of Representation, to which they contributed no money, actually did the bargaining with the management.1

Only the Pattern Makers' League of North America (A.F. of L.), whose members constituted a cohesive and highly-skilled craft group, remained in existence. As before, the Company did not officially recognize the Pattern Makers' League as the bargaining agency for its members, but it would deal with any Representative elected by the pattern makers through the Plan machinery.

The Plan of Representation (or Works Council, as it was sometimes called) developed into a rather elaborate company union structure which insured to some degree that grievances of the workers got consideration from those in authority. In the grievance procedure, the elected Representative presented the matter first to the Foreman, and then, if necessary, the case could be appealed through intermediate departmental grievance committees up to the highest levels of local Management. There was no appeal beyond this, however, and there was no bargaining in the true sense of the word; Management was the final authority. However, its decisions were probably

tempered somewhat by the reactions of the employees.

Although some Union members have said, "The Plan was no damn good," one former supervisor took a different point of view. He stated: "Some of the foremen had to mind their P's and Q's, because it was up to them to keep the men in their departments satisfied. Any disturbance or dissatisfaction was sure to be reported to '45'[the administrative offices at the River Works], and a foreman wasn't likely to hold his job long if it kept up."\(^1\)

During the upswing of the 1920's, the Plan and the other employee relations policies of General Electric apparently served to keep its workers fairly well satisfied. GE employees had more benefits than were available in many other plants where they might have worked. There was a company-financed pension plan, and a voluntary additional pension plan. Each employee received a certain amount of free life insurance if he also subscribed for some additional insurance through the Company.\(^2\) Also, employees could join the Mutual Benefit Association, which was an employee-financed voluntary insurance group paying out-of-work and hospitalization benefits in case of accident or illness. GE aided employees in borrowing money to buy homes, and a

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1. Interview, July, 1945.
2. The free life insurance plan began in 1920. In 1925, it was made possible for employees to subscribe voluntarily for additional group life insurance, but in 1928 the subscriptions were made a condition of receiving the free insurance. See General Electric, Annual Report, 1930, p. 20; and Electrical Union News, Vol. 3, No. 7 (December 13, 1935), p. 1.
voluntary savings plan made it possible for workers to invest in bonds of the GE Employees Securities Corporation. Under the "Supplementary Compensation Plan," a bonus of 5 per cent of annual earnings was paid to employees with service of five years or more. Many recreational groups functioned then as they do now; there were glee clubs, athletic associations, and so on. Yet, despite these varied personnel programs, great dissatisfaction developed during the downswing of 1929-1933.

During the downswing, of course, many lay-offs had to be made, and those lucky enough to stay on the active payroll had to "share the unemployment" by working shorter hours and taking a week off now and then. Even the best of bargaining agencies might have been subject to criticism during such a disastrous period, and the Plan of Representation was of course particularly vulnerable from the workers' viewpoint because of its domination by Management. Many Union members have alleged that favoritism and discrimination were shown by supervision in picking those slated for lay-offs, and that the Plan of Representation was too weak to remedy the situation. With regard to wage cuts, which were a particular sore spot, some of those interviewed have stated: "The Plan had no 'say-so;' it was just a way of 'selling' Management's decisions to us after the matter was already settled!"

Amid the hardships of lay-offs and reduced incomes, discontent and frustration grew, and much of the resulting
psychological aggression seems to have been aimed at GE Management and its "creature," the Plan of Representation. In the minds of many of the Lynn workers, these two symbols took the blame for the results of the depression. There was little that they could do about the Management, but, when the chance came, they were able to show their feelings about the Plan.

2. Emergence of the Lynn Local Union, 1933-1934

With the inauguration of Franklin Delano Roosevelt as President of the United States in March, 1933, the temper of the times changed. Section 7-A of the NIRA, which "guaranteed" to workers "the right to organize and bargain collectively through representatives of their own choosing," was taken in Lynn as elsewhere as a symbol of a new era in labor relations.

Some attempts were made by the A.F. of L. to organize the GE Lynn works in the spring of 1933, but without much success. The main move came from within, backed by those who were dissatisfied with the Plan for one reason or another. Alfred Coulthard, who had just terminated his employment with General Electric, was the main leader in the organizing drive, although he was aided by many GE employees.

Mr. Coulthard came to this country in 1920 from England, where he served his apprenticeship as a pattern maker in the shipyards. General Electric hired him within a week after
his arrival, and by 1931 he was one of the few "first-class men" (i.e., in the top rate range for his craft) in his department. He was the Secretary of the Pattern Makers' Local in Lynn, and after some disagreements with his Foreman over the work-sharing policies in his department, he was given an indefinite lay-off in 1932. When he came back after six months, he found that wage rates had been cut and he decided to fight the rate cut through the Plan machinery. Before this matter could be settled, he was laid off indefinitely. Coulthard then attempted to appeal his lay-off through the Plan. In the spring of 1933, after long delays and difficulties in negotiating the case, he finally accepted a lump-sum settlement in lieu of a pension and severed his connections with the Company.¹

The independent organizing drive, led by Coulthard, began in the late spring of 1933. GE workers were receptive to the idea of an independent union, for many reasons--accumulated dissatisfaction with the Plan, the insecurity of the depression period, and the feeling that "7-A" and "F.D.R." meant "a real New Deal for the common man." Perhaps they were even influenced by the radio speeches of Father Coughlin.

At first Coulthard approached GE workers informally, and then a few small meetings were held. It was not easy going in "... those early days of the summer of 1933, when

¹. Interview, August, 1943.
the Organizer ... sat on a borrowed chair at a borrowed
table in quarters above a second-hand furniture store opposite
the River Works gate.\textsuperscript{1}

Then a big gathering was held in the Lynn Arena (the
largest hall in Lynn, seating about 1,100 people), at which
it had been planned that those interested would come into the
open and set up some form of temporary union organization.
When Coulthard arrived at the Arena on that night in June,
1933, he found that a crowd of about 1,200 had packed the
hall. He had some difficulty in calling the meeting to
order and in organizing the group to transact business, and
he was often corrected on technical points of parliamentary
procedure by a dignified gentleman in the front row.

This man, Gail Smith, had been a minister in his
younger years, and had gone to work for GE "when economic
circumstances forced me to find something that would let me
pay the grocery bills more regularly."\textsuperscript{2} That night at the
Arena, Smith was chosen by the crowd to be temporary chair-
man of the embryo union, although he had not previously taken
an active part. The group also elected Alfred Coulthard to
be temporary business agent.

There was some discussion at that meeting on the problem
of how the union should be formed, and those present decided
that a committee should be appointed to investigate and report

\textsuperscript{1} Electrical Union News, Vol. 7, No. 46 (Sept. 26, 1940) p. 2.
\textsuperscript{2} Interview, July, 1943.
back to the group on the various ways in which the union might be organized.

At later meetings, the men heard reports from the committee outlining the principal methods of organization available from the A.F. of L. at that time: organizing into craft locals, or into a single federal local for the whole GE Lynn organization. Speeches were made to the group by Frank Fenton, Director of Organization for the A.F. of L., and by representatives from the International Association of Machinists (A.F. of L.), the International Brotherhood of Electrical Workers (A.F. of L.), and the recently-organized A.F. of L. Federal Labor Union at the Westinghouse Springfield plant.

Having heard discussions of the alternatives, the group finally decided to apply for an A.F. of L. federal labor union charter, with the stipulation that it should not be possible for the members to be split off into craft locals. This point was very important to the Lynn workers, since they felt that disunity among the A.F. of L. craft groups had been an important reason for the latter's collapse after World War I. The men wanted "one big union," plant-wide, which would unite them all. The A.F. of L. representatives present at the time this decision was made did not say that such a charter could not be issued.

On September 9, 1933, Coulthard wrote Frank Morrison, Secretary of the American Federation of Labor, stating that
the members of the "Electrical Industry Protective Union" had voted at a recent meeting to apply for a federal charter. A $5 money order was enclosed for the application fee.

Shortly thereafter, a notice was received from the Boston office of the A.F. of L., stating that the charter had arrived and could be obtained there. Coulthard, Smith, and William Murphy (a former Plan Representative who had been elected temporary vice-chairman of the independent) drove to the office to receive the charter. However, on reading it, they found a statement in fine print reserving to the A.F. of L. the right to segregate craft workers into the appropriate international unions. "Needless to say," the Business Agent has later written, "this proposed fantasy and mathematical monstrosity was turned down. The federal charter, so far as we know, is still in the office of the Massachusetts State Branch of the A.F. of L.,--and will probably be used for paper doll-making by irreconcilable craft adherents."¹

After protesting to William Green, President of the A.F. of L., Coulthard received a telegram from James T. Morriarity, President of the Massachusetts State Federation of Labor. This telegram quoted a letter from Green, who invited the GE employees in Lynn to become affiliated with the A.F. of L. on the following basis: (1) miscellaneous workers to be organized into a federal labor union; (2)

machinists, firemen, engineers, and electricians to join the appropriate A.F. of L. craft unions; (3) a plant committee representing all these groups to be elected to carry on collective bargaining.¹

Smith and Coulthard then wrote Green, explaining that their group had decided to affiliate with the A.F. of L. only if they could obtain a charter on the same terms as had been given to the Westinghouse Springfield group. The Springfield union, they said, had been organized by A.F. of L. leaders during the convention of the Massachusetts State Federation of Labor, and no "strings" had been attached to the federal union charter issued in that case. Green was requested to act promptly, "lest our movement prove abortive."²

Green telegraphed on October 16, "... HOPE YOU AND YOUR ASSOCIATES WILL CONTINUE YOUR PATIENT ATTITUDE UNTIL I HAVE FULL OPPORTUNITY TO ADJUST PROBLEM. ...",³ but the patience of the Lynn workers was running out. They had already decided to go ahead with the formal organizing of an independent union. The group, guided by their leadership and past experiences, had by this time decided that an industrial union with plant-wide membership was essential if their organization was to grow and be successful. A long-range bargaining program had also been formulated, which consisted

1. Telegram of James T. Moriarity to Alfred Coulthard, received September 26, 1933.
2. Letter of Gail E. Smith and Alfred Coulthard to William Green, September 28, 1933.
3. Telegram of William Green to Alfred Coulthard, received October 16, 1933.
of these principal (and ambitious!) aims: (1) the setting up of collective bargaining machinery with local Management;
(2) cooperation with other GE workers' groups, building for the time when company-wide negotiations could take place;
(3) working with other organized workers' groups within the electrical industry, with the objective of establishing industry-wide collective bargaining through the National Electrical Manufacturers Association.\(^1\)

The Constitution of the "Electrical Industry Employees Union" (abbreviated EIEU) was adopted at a meeting held on September 18, 1933, with the following prophetic preamble:

Whereas, with the enactment of the Industrial Recovery Act, there is afforded an opportunity for both industry and workers to arrive at a common solution of their interrelated problems under the general supervision of the Industrial Recovery Administration;

Whereas the National Recovery Administration has been granted the powers of protection of the consumers' interests;

Whereas the various industries are already organized for the protection of their interests under the Industrial Recovery Act;

Therefore, be it resolved, that We, the employees of the Lynn Plants of the General Electric Company, establish within the fullest extent of the Industrial Recovery Act, a Union of an Industrial character and of our own choosing to protect our interests, to be known as the Electrical Industry Employees Union, which will cooperate within reason, with both the Electrical Industry and the Consumer, and the

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\(^1\) *Electrical Union News*, Vol. 4, No. 21 (Mar. 19, 1937), p. 1. NEMA does not yet seem to have played a significant role in industrial relations, although it does issue informative bulletins on personnel techniques such as job evaluation, etc.
Government, to further the purposes of the Industrial Recovery Act; and be it further resolved that we strengthen this Union in numbers and effectiveness to offset the loss of government support which may follow when the Industrial Recovery Act becomes null and void.

Whereas, the Electrical Industry is national in scope and jurisdiction, it will be the policy of this Union, to aid in the establishment of similar organizations of an industrial character, and of the same industry, and to seek the aid of existing Unions to that end.\(^1\)

Permanent officers were elected to begin their terms of office on November 1, the principal ones having been as follows: Gail Smith, President; William A. Murphy, Vice-President; and Alfred Coulthard, Business Agent. Dues collections began in November, and business operations of the Local started in a little office in the Security Trust Bank Building on Western Avenue in Lynn, near the West Lynn Works.

About a month later, the Union moved to the Uptown Theater Building, where office facilities were still far from elaborate. As the Business Agent has stated, "Supplemented by odd chairs, gifts from several of the early enthusiasts, ... the founders struggled along, burning the evening oil in establishing a firm foundation upon which to build. Many an application and membership dues card was written out on a window sill, for lack of a desk or a table, and for the first two or three years, the only thing new in the form of equipment, was paper."\(^2\)

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1. Constitution, Rules, and By-Laws of the Electrical Industry Employees Union (West Lynn: EIEU, 1933), inside cover.
first stenographer (who is still employed by the Union) even had to furnish her own typewriter!

Although the EIEU had now been established as an independent union, negotiations and conferences aimed at obtaining an A.F. of L. federal charter continued. The Lynn group was not opposed to the A.F. of L. as such, but it was so strong in its desire for solidarity that it refused to affiliate if that would mean even a partial division into separate craft unions. These men had seen the A.F. of L. locals disintegrate after World War I, and they felt that lack of unity and rank-and-file control were important reasons for the downfall. Accordingly, they were insistent on having "one big union" which would admit all the employees of the Lynn GE plants. Only in this way, they felt, could they build and maintain the strength necessary to bargain effectively with the gigantic General Electric Company. Without unity, they believed, the Company might be able to play off one craft union against another, and perhaps eventually break them all.

Conferences were held with the Lynn local of the IAM, and later, in October, with representatives of the national office, but no agreement could be reached. Soon thereafter, in November, a group from the EIEU, with the late Congressman William P. Connery, Jr., accompanying them as a counsellor, met in Lynn with representatives of the IAM, the IBEW, and the Lynn Central Labor Union. These A.F. of L. unions, however, were adamant in their insistence on jurisdictional rights.
In fact, according to a reliable description of the meeting, the IBEW claimed 50 per cent of the EIEU membership, and the IAM claimed about 65 per cent\(^1\). Twenty other craft unions had their claims, but they were willing to let the EIEU have what might be left over.

By December, the members of the EIEU had just about given up hope that the A.F. of L. would ever issue a federal charter of the type desired, so they decided to go ahead on their own. The officers had been instructed earlier to proceed with the establishment of union machinery for the electrical manufacturing industry; these developments, leading to the organization of the United Electrical, Radio, and Machine Workers of America, are discussed in Section 4 below.

In Lynn, the shop stewards and Executive Board had meanwhile been active in enrolling GE employees into the EIEU. The Union leaders had asked the General Electric Management in Lynn to bargain with them, but without success. The Company declined to negotiate.

More than that, it is said that the Plan of Representation, which had lapsed into almost complete disuse during the depression, was now revived by the Company in an effort to ward off the growth of the independent union. Many Union members have stated that, although the functions of the Plan had been much circumscribed during most of the 1930-1933

\(^1\) Letter of Alfred Coulthard to William Green, Dec. 15, 1933.
period, after the appearance of the EIEU the Representatives suddenly became very active, taking much time off from their benches to "talk down" the independent union.

Gail Smith has told of a meeting of the employees, held in the River Works at about this time. At this meeting, the Manager told the workers about the EIEU, and then named the leaders of the new independent organization. As he read down the list, Smith stated, one could almost hear the unspoken words, "Look out for these men, and don't be seen with them." Yet, as Smith left the building and walked the hundred yards to his building, he emptied two full books of union applications.¹

After it had become obvious that General Electric was not anxious to accept the EIEU as collective bargaining agency for its employees in Lynn, the leaders of that Union appealed to Congressman Connery and the New England Regional Labor Board for assistance. The Board (set up under the NIRA) held a hearing at which the Union and the Company presented their arguments, and later set a date for an election to choose the collective bargaining agency for all non-supervisory employees. Connery telegraphed to Coulthard that he had conferred with a "HIGH OFFICIAL OF GENERAL ELECTRIC" who said that the "ELECTION WILL BE HELD MARCH 6TH AND GENERAL

¹ Interview, July, 1943. Smith remarked also that this later gave him the opportunity to "kid" this official that the latter had made the best organizing speech in the Union's campaign!
ELECTRIC WILL RECOGNIZE REPRESENTATIVES CHOSEN BY SECRET BALLOT AT THAT ELECTION. . . . 1

Although no A.F. of L. representatives had appeared at the Labor Board hearings, just a day or two before the election a request was received from the Lynn Central Labor Union to list the A.F. of L. on the ballot. The EIEU leaders were certain that the A.F. of L. had little strength in the plants, and they raised no objections. The Company also agreed, so the ballots were reprinted.

The election, conducted by the New England Regional Labor Board, went off smoothly. The results are given in Table 4 below.

| TABLE 4 | RESULTS OF REPRESENTATION ELECTION AT THE GENERAL ELECTRIC PLANTS IN LYNN, MARCH, 1934a |
|----------------|----------------|----------------|
|                | River Works   | West Lynn      | Total  |
| Electrical Industry Employees Union | 2,123 | 651 | 2,774 |
| Plan of Representation | 1,150 | 363 | 1,513 |
| A.F. of L. | 66 | 19 | 85 |
| Blanks | 33 | 8 | 41 |
| Scattered | 9 | 0 | 9 |
| Challenged | 51 | 46 | 97 |
| Total | 3,432 | 1,087 | 4,519 |

a. Source: Files of Local 201, UER & MWA.

According to the early Union leaders, some of the local GE Management were rather surprised by the results of the

1. Telegram of William P. Connery, Jr., to Alfred Coulthard, received February 21, 1934.
election. One high Management official, it is said, had stated earlier that there would never be a union in his plant as long as he was around, and the union victory was quite a shock to him. Later, however, this Management official came to accept the union and dealt with it in good faith.¹

The results of the election were also communicated to William Green, who replied: "I ask you to hold all matters of organization in abeyance until I can give further consideration to your proposal that the American Federation of Labor proceed to organize the workers employed in the General Electric Company plants, and transmit to you a direct and definite answer."² The promised "direct and definite answer" was never received.

When collective bargaining relations with General Electric began after the election, the union leaders told one of the GE officials, "We're not here to tell you how to run your business, but we do want to show you how to help both yourself and us, by cooperating in peaceful relations and more production. If you cooperate you'll be known as the best GE manager in the country; but if you don't, and you want a fight, we'll give you a honey."³

¹. Interview with Gail Smith, July, 1943.
². Letter of William Green to Alfred Coulthard, April 11, 1934.
³. Interview with Gail Smith, July, 1943.
Grievance discussions between the Union and Management began almost immediately in Lynn. The Company, however, did not disestablish the Plan of Representation, even though the Union claimed over 90 per cent of the factory workers as members. The EIEU, of course, objected strongly to the continuance of the Plan, feeling that it had been chosen as sole collective bargaining agency for all employees in the designated unit, and it appealed to the New England Regional Labor Board in an attempt to have the matter clarified.¹

In July, 1934, the Union submitted to the Managements of both plants a draft of a proposed agreement covering, among other things, recognition of the Union, the procedure for handling grievances, and notification to the Union on methods and rate changes.² Dissatisfaction with "rate-cutting" and the continuance of the Plan was intense, as illustrated by the following statement issued after a conference with Congressman Connery:

The officers of the Union are satisfied that the hundreds of complaints upon the methods of the company, the distribution of work, and underhanded price-cutting due to methods departments, are causing thorough dissatisfaction.

Furthermore, the extreme favoritism shown to the company union representatives, by using share-holders' and bondholders' money for these men to walk around the plant, when they represent practically nobody,—while denying to Union representatives even freedom of contact for the purpose of gathering facts, is another source of great dissatisfaction. . . .

Congressman Connery stated that he would solicit the cooperation of the new National Labor Relations Board, the Labor Department, and the Code authorities, to see that these conditions were remedied, even if it necessitated the conducting of a government inquiry into the situation.\textsuperscript{1}

Management objected to many clauses in the agreement, and indicated that no agreement would be signed even if one were worked out. The GE officials rejected the proposed compulsory arbitration clause, and stated that no changes were necessary in the "Plant Rules" which had been governing grievance procedure under the Plan.\textsuperscript{2} They particularly objected to a clause which stated that the Union would negotiate with Management "all matters pertaining to wages, hours, and working conditions of the employees, and affecting all or any part of them," maintaining that they would do business with the Union only for those employees whom the Union represented.\textsuperscript{3}

The EIEU leaders requested the NLRB to arbitrate the matters at issue, not realizing that the Board had no such authority. The Board did, however, hold an informal conference on September 6, 1934, at which the difficulties were discussed by representatives of the Union and Management. Three main issues developed in this discussion: (1) Would General Electric recognize the EIEU as the exclusive bargaining representative for its employees in the Lynn plants?

\textsuperscript{1} Ibid., Vol. 1, No. 12 (July 20, 1934), p. 1.
\textsuperscript{2} Ibid., Vol. 1, No. 14 (August 3, 1934), p. 2.
\textsuperscript{3} Ibid., Vol. 2, No. 2 (November 9, 1934), p. 1.
(2) Was GE prepared to carry through negotiations aimed at reaching an agreement with the Union? (3) Was GE willing to sign any such agreement with the Union? The parties agreed to reconsider the questions at issue and attempt to work out an understanding before the hearing.¹

Nevertheless, when the hearing was held, on September 29, the disagreement had not yet been settled. The matter was thrashed out more fully there, and about a month later the New England Board issued the following recommendation:

... That the managements of the two Lynn plants continue to deal with the Electrical Industry Employees Union as the bargaining agency IN ALL Instances FOR ALL EMPLOYEES [emphasis in original], at least until such time as the Courts determine the question of majority rule or until another bargaining agency shall have been set up within the plants with the approval of the National Labor Relations Board. . . .²

The Union, naturally, took this as a great victory, and the Electrical Union News ran a huge banner headline. The Lynn GE Managements posted a bulletin in the plants reproducing the Board's decision, and stating their position as follows: "The Managements are ready to resume negotiations with the Union at any time at its request."³ The Plan was disestablished soon thereafter.

². Ibid.
³. Ibid.
3. Negotiations at the Lynn Plants, 1934-1936

Grievances.--It has already been mentioned that grievance negotiations began shortly after the representation election in March, 1934. No accurate record is available of the number of cases adjusted by stewards during 1934, but by the end of that year the Executive Board had accumulated briefs on about 15 cases which it had discussed with Management.

These cases involved many important industrial relations policies such as lay-off rules, time-study practices, job evaluation, and so on. (These and other matters are taken up more fully in Chapters V and VI, where the policies of the Union will be analyzed.) As a result of these negotiations, the Union leaders learned a great deal about Management's practices, and they were able to influence decisions and to have certain matters changed or clarified.

The agreements of a contractual nature which were reached with Management should be described more fully, even though they never took the form of a formal written contract. Although the Union officials worked hard at the task, they were never able to win a signed agreement so long as they negotiated only on a plant-wide basis. The effect was essentially the same, however, for agreements on important policy matters were incorporated by Management into the "Plant Rules," and were circulated by both the Company and the Union to their organizations.
Working Schedules.--The first agreement of this sort concerned working schedules, which, according to the Electrical Union News, had been rather irregular in some cases, particularly at the River Works. Some employees' working hours had been changed suddenly, almost without notice. Men had been sent home for lack of work, and then called back again on the same day. In some weeks, workers had been required to work extra hours to make up for time lost due to holidays. In others, production requirements forced employees to work on Saturday and Sunday, with the result that they had to take time off later because of the NRA code provisions on hours.¹

After joint conferences with both Lynn Managements, an agreement was worked out on November 22, 1934, whereby the Company undertook to reduce to a minimum the amount of emergency work done on Saturdays and Sundays, and to plan production schedules far enough in advance so that workers would usually get a week's notice of any change. River Works Management posted a bulletin to this effect on December 6, and on the same day West Lynn Management agreed to post a similar notice.²

Wages.--In 1933 and 1934, the Company had unilaterally made restorations for some of the wage cuts which had been

1. Ibid., Vol. 2, No. 7 (December 14, 1934), p. 1.
2. Ibid.
made during the recession period.\textsuperscript{1} In the spring of 1935 (acting simultaneously with local unions at other plants) the Union attempted to negotiate a 10 per cent increase in Lynn wage rates. Management used its Community Wage Survey to support its position that no increase was justified because surveys showed GE rates to be higher than the average paid in the vicinity.\textsuperscript{2} General Electric's announced policy for all plants had been to "pay wage rates equal to or higher than wage rates paid in the community industries for comparable work requiring the same skill and efficiency,"\textsuperscript{3} and the Lynn EIEU was unable to force GE to change its position.

The Union officials objected strongly to the community wage policy, arguing that the wage rates of competing electrical producers should be used instead for comparison, and stated in 1936: "While the Company dwells on the 'local community rates' argument, they further help their position by excluding the wage rates of public utilities, the navy yard, and arsenal,—but include firms of the 'shoestring' variety, regardless of their financial standing."\textsuperscript{4} Though this issue was argued many times, the Company did not drop the community wage policy until 1941, after the Union had become powerful enough to institute company-wide collective bargaining.

\textsuperscript{1} \textit{New York Times}, June 21, 1933, p. 5; March 31, 1934, p. 1.
Hours and Overtime.--In December, 1934, the Union was able to improve overtime wages by convincing Management that time and one-half should be paid for work on Saturday after 12:00 o'clock noon, as well as on Sundays and holidays.¹

Under the NRA electrical manufacturing code, which was one of the first codes to be approved, hours for "processing" workers (i.e., production, as distinct from maintenance and office workers) had been fixed at 36 hours per week. Later codes for other industries typically fixed 40 hours per week as the maximum. As a result, electrical manufacturers felt that they had been more lenient than necessary in this regard, and attempted (without success) to have their maximum hours increased. When the Schechter decision nullified the NRA, many electrical manufacturers returned to a 40-hour week, and at about the same time West Lynn Management requested the Union to permit a 40-hour work schedule for 200-300 employees for a few weeks. The matter was presented to the membership of the Union, and on July 9th they voted to remain insistent on the 36-hour week.² In response to the question of delivery dates, the Union leaders stated that if this was so imperative, the 5 per cent increase in unit labor costs should not prohibit

¹. Ibid., Vol. 2, No. 8 (December 21, 1934), p. 2.
There were certain exceptions to this; for instance, power-house attendants and guards did not receive overtime premium pay.

². Ibid., Vol. 2, No. 34 (June 21, 1935), p. 1. The "lump of labor" theory was probably important in this decision, as indicated by this statement: "You must know that if you did manage to have 40 hours for a few weeks, it will mean 4 hours less for somebody else, per week. And what is very important,--that somebody might be you!"--Ibid.
Management from meeting its production requirements.\textsuperscript{1} The 36-hour week was retained for the time being.\textsuperscript{2}

However, on October 1, 1935, the Managements of the Lynn plants proposed that overtime be paid for all work over 8 hours in one day (as before) or over 40 hours in one week.\textsuperscript{3} Management stated its position in the \textit{Electrical Union News}, where it argued that the River Works, particularly, was handicapped by the 36-hour practice because of the competition with a variety of metal-working plants where a 40-hour week without premium was the rule. However, perhaps to make the change more "palatable," Management stated that it intended to introduce a new overtime arrangement whereby time and one-half would be paid for work done from 7:00 a.m. Saturday to 7:00 a.m. Monday, thus substituting "four or five hours on Saturday morning at time and one-half rates, in place of four hours during the week at time and one-half rates."\textsuperscript{4} Management also stated:

\textsuperscript{1} With time and one-half for hours worked over 36, an increase in the work schedule from 36 to 40 hours would have required premium pay equivalent to 2 hours of straight-time pay, or 5 per cent of the straight-time payment for 40 hours. \textit{Ibid.}, Vol. 2, No. 38 (July 19, 1935), p. 1.
\textsuperscript{3} \textit{Ibid.}, Vol. 2, No. 49 (October 4, 1935), p. 1. GE is stated to have imposed the 40-hour week in all plants except Lynn and Fort Wayne at about this time.
\textsuperscript{4} \textit{Ibid.}, Vol. 2, No. 51 (October 18, 1935), p. 1. The reader is invited to work out for himself the conditions under which this "substitution" would give an equal weekly take-out, if at all.
We do not expect to have any regular schedules greater than 40 hours a week; nor do we expect to make any layoffs in order to raise the average hours of work; nor do we expect in case of a recession of business to make layoffs to maintain an average of 40 hours a week. In this respect our policy will be as in the past: to reduce hours to a reasonable minimum before making layoffs for lack of work.\(^1\)

At the same time, Union officials were reiterating their position that the need for a change in the overtime provision had not been proven, and they argued that any "step toward longer hours is unprogressive. . . . We feel that . . . to agree to Management's proposals would be cheating other workers of their right to live. . . ."\(^2\)

The point was also made that it would probably be more difficult to win a wage-rate increase if take-out was increased by longer hours.

In order to ascertain the viewpoint of the membership on the hours question, the Union leaders decided to ask for a vote on it at the time of the Councilmen's election which was soon to be held. The results of this election, held on October 29, 1935, are below.

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1. Ibid.
2. Ibid.
### TABLE 5

RESULTS OF REFERENDUM VOTE ON MANAGEMENT'S
40-HOUR WEEK PROPOSAL,
OCTOBER, 1935a

<table>
<thead>
<tr>
<th>For Management's Proposal</th>
<th>91</th>
</tr>
</thead>
<tbody>
<tr>
<td>Against Management's Proposal</td>
<td>1,372</td>
</tr>
<tr>
<td>Blank</td>
<td>35</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,498</td>
</tr>
</tbody>
</table>


Less than half the Union's membership voted, but the attitudes of those participating in the poll were clearly opposed to increasing the basic work-week from 36 to 40 hours.

Management is then said to have started a drive to "sell" the 40-hour week. According to Union leaders, Foremen dropped a word here and there, and a GE Vice-President made a speech on the matter to some of the Lynn employees. Finally, on November 22, the booklet GEQ-105 on Company policies (at all plants) was handed out. In it was announced that time and one-half would be paid for work over 8 hours in one day or 40 hours in one week.¹ A notice was posted in the Lynn works the same day, announcing that this policy would be effective the next day.

Angered by this action, the Executive Board called a hurried conference on November 22, and protested to the

Managements that no attempt had been made to negotiate with the Union on the matter. The GE officials maintained that they were under the impression that the Union had been notified, but they agreed to postpone the effective date temporarily.

The General Council of the Union met on November 25, and a special members' meeting was called for the next night. At the latter meeting, there was an hour-long discussion in which the members decided that, despite their dislike of Management's tactics in this matter, it would be best to accept the change under protest. The following resolution was passed with only "about a dozen" dissenting votes:

"Whereas the large majority of the plants within the electrical industry are already on a 40 hours basis and while we . . . reiterate our belief in the shorter work week, . . .

We at this time believe, however, that it is to our mutual interest that we accept the local General Electric management's proposals relative to the 40 hours provisions, under protest."

Price, Rate, and System Changes.—The next significant issue, judging from comments in the Electrical Union News in the period February to April, 1936, was that of time studies and rate-setting. Many complaints were published criticizing the alleged tendency of time-study men to cut allowed times to meet predetermined estimates, and these

men came in for a generous share of uncomplimentary personal comments in the columns of the paper.

The Executive Board put pressure on Management to remedy the situation, and on March 30, 1936, the following statement of policy was issued by Management:

PRICE, RATE AND SYSTEM CHANGES

(A) STANDARDS FOR EACH OPERATION TO BE SHOWN ON EACH WORK CARD

1. This is done completely at present on Piece-work, which includes two-thirds of the productive workers in the plant.

2. We would have no objection to showing the operation standards at all times on Group Incentive except for the additional cost involved in continually repeating the same information when there has been no change.

3. According to the arrangement made at the meeting on March 16th, sub-committees from the Executive Board for the West Lynn Works and for the River Works will endeavor to work out something satisfactory.

(B) ESTABLISHED STANDARDS

1. At present, particularly at the River Works, we have many standards set during the last few years without proper time study methods. These standards were set by estimate; by comparison; or by incomplete time studies. These standards should be checked and put on a firm basis.

2. Beginning April 1, 1936, any new time standards or piece-work prices set by proper time study methods will not be changed except on account of change of method or obvious error. (Subject to paragraph No. 3.)

3. But, if in any cases we believe we have good reasons for checking time standards where there has been no change of method, we will make the necessary checks, work out the adjustments, if any, and discuss such cases with the Executive Board before any adjustments are made.

4. Present standards, as fast as they are checked and adjusted, subject to paragraphs No. 1 and No. 3, by proper time study methods, will fall into the same class as new standards.
(C) CHANGE IN METHODS--ELEMENTS CHANGED
When elements are added to or taken from an operation, and the time standard for this operation has been set by proper time study methods after April 1, 1936, the time standard will be adjusted by the addition or subtraction of the proper allowance for the changed element wherever this can be determined. In fact, this is our practice at present.

(D) NOTIFICATION OF PRICE, RATE, AND SYSTEM CHANGES
To assure the continuance of our business, it is essential that designs be of the best—that methods be the most efficient possible—that output be high and that standards be correct. To secure these results the Management must be free to continue its established practice of studying operations, which may require job analysis or time study.

The Company has a firmly established and well known wage policy and has maintained it consistently. This policy is—"That it will pay wage rates equal to or higher than wage rates paid in the community industries for comparable work requiring the same degree of skill and efficiency."

Checks just completed and now published show how favorably the Lynn plants compare with the community.

In view of the Company's wage policy and the experience under it, the employees of the Lynn plants have every assurance of fair wages compared with the community.

However, to give still further assurance, provisions are made to care for changes in methods under Section B "Established Standards." If other changes are to be made which will affect the earnings of the operators, these changes and the reasons for them will be discussed with the Executive Board.

(E) COUNCILMEN AT DISPUTED TIME STUDIES
When a time standard or piece-work price has been set from time study, and the fairness of the time standard is disputed, and whenever in such a case the Foreman dealing with the Councilman, or the Executive Board dealing with the Management, has reached an arrangement to repeat the time study, the Councilman will be allowed to observe the repeated time study but only sufficiently to insure that it is being taken in accordance with the proposed arrangement.
Each case of this kind should come up separately and the agreement of the Management obtained, through the Foreman if he has made the arrangement to repeat the time study, and directly with the Management if Management and Executive Board have made the arrangement to repeat the time study.1

These rules represented a great milestone to those workers who previously had felt themselves subject to unwarranted rate-cutting. Note, however, that this agreement was not embodied in any signed contract. Management issued a statement on the matter, after discussions with the Executive Board, but still declined to go through with the formality of signing.

The Union, in winning this step, had yet been unable to win all the points it had asked for in its 1934 contract proposal, particularly that the Union be notified of all time studies and methods and rates changes, and the reasons for them.2 However, since such notification would seem to put an excessive burden on both the Management and Union organizations, the early demands appear to have been merely the over-ambitious program of the infant Union.

The Cost of Living Adjustment—The Company’s refusal to grant a general wage increase in June, 1935, did not cause the unions in Lynn and other plants to cease exerting pressure

in that direction. Evidently as a result of this continuing pressure, but again taking action without collective bargaining, Gerard Swope announced a Cost of Living Adjustment Plan for all GE plants in October, 1936.\footnote{New York Times, Oct. 6, 1936, p. 26.} The Bureau of Labor Statistics' quarterly cost of living index figure announced in July, 1936 (viz., 80), was taken as the basis for wage adjustment. For each one-point rise in the index for a given quarter, up to a maximum of ten points, a cost of living adjustment of 1 per cent was to be added to each employee's earnings for the next quarter.\footnote{Electrical Union News, Vol. 3, No. 48 (October 9, 1936), p. 1. It should be noted that a one-point rise in the index represented a 1.25 per cent increase from the base level of 80, so that this plan actually did not stabilize real wages.}

The Lynn Local objected to this unilateral action of the Company, pointing out particularly that the adjustment plan ignored the increase in the cost of living which had taken place from 1934 to 1936, and suggested that an index number of 70 should be used for the base instead of 80. The Union officials also opposed this "sliding scale" because it implied a "fodder" basis of wages, tying the workers to their given standard of living without much hope of future improvement.\footnote{Ibid., Vol. 3, No. 49 (October 16, 1936), p. 1.} Nevertheless, the cost of living adjustment plan remained in effect until it was eliminated in the company-wide contract negotiations of 1941.
Profit-Sharing.—A "Supplementary Compensation Plan," paying a bonus of 5 per cent of annual earnings to employees with five or more years of service, had been in operation at GE since about 1915, but in 1932 it was discontinued. An "Extra Compensation Plan," paying bonuses to executives and officers in departments earning more than 8 per cent of average investment was continued.\(^1\) The GE stockholders approved a "General Profit-Sharing Plan" in April, 1934, but no payment was made under this plan for 1934.\(^2\)

The first distribution under the General Profit-Sharing Plan, which amounted to $654,564, was paid out in early 1936. The Union pointed out later that this "generous gesture" amounted to less than eight-tenths of 1 per cent of GE payrolls in 1935.\(^3\)

In addition to objecting to the size of the profit-sharing payment, the Lynn Local protested in April, 1936, on the possible discrimination which might arise from one of the rules of the plan, which provided that 20 per cent of the amount to be distributed could be allotted to those who had "done outstanding work in the upbuilding of the Company's business and profits during the year and who are esteemed to be employees who will be encouraged, by such

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recognition, to still greater growth in the future.\textsuperscript{1} No change resulted, however.\textsuperscript{2}

In November, 1936, when GE announced that a profit-sharing payment amounting to approximately 6 per cent of employees' earnings for the last six months of the year would be made in December, the Union again voiced its dissatisfaction with the profit-sharing plan. Objection was raised to the exclusion of employees with less than five years of service, and it was argued that the employees would much prefer a general wage increase, even if it was only of the same amount.\textsuperscript{3} "Hourly rates speak for themselves and are understandable," the Business Agent wrote. "Other plans are seldom appreciated, either by motive or by the amount received, and cause misunderstanding."\textsuperscript{4}

Payment of Incentive Workers While on Temporary Day-Work.--A common problem in industrial relations is the manner in which workers ordinarily on an incentive basis should be paid when placed temporarily on other types of work. The usual practice in Lynn had been to pay an incentive worker placed temporarily on day-work at the rate of 85 per cent of his "anticipated earned rate" (commonly called

\textsuperscript{1} Ibid., Vol. 3, No. 24 (April 10, 1936), p. 1.
\textsuperscript{2} Except that the plan was modified effective in 1936 "at the request of employees" so that payments were made semi-annually instead of annually. General Electric, Annual Report, 1937, p. 15.
\textsuperscript{4} Ibid., Vol. 4, No. 14 (January 29, 1937), p. 4.
the "AER," and equivalent to estimated average earnings. This sometimes resulted in dissatisfaction, particularly if a worker had adequate material on hand for his usual incentive operation and was asked to assist on some daywork job to meet production requirements in the department. If his usual job happened to be slack, or perhaps even closed down for a time, such a shift might not be objectionable. But, if a worker had a big backlog of his regular incentive work ahead, he would be loath to give it up and thereby sacrifice earnings.

From the beginning of grievance negotiations in 1934, the Lynn Local discussed this matter with Management in many cases. Eventually the River Works Management agreed to draw up a plan which would meet the Union's objections. Two months were spent by Management in studying and classifying sample grievance cases on this matter, and a proposal was drafted and submitted to the Executive Board. The Board discussed the proposal with the General Council, which accepted it after Management had agreed to accept an amendment. This agreement, which clarified the situation and gave immediate benefits to many incentive workers, is quoted in full below:
PAYMENT OF INCENTIVE WORKERS WHEN ON A
TEMPORARY DAY WORK BASIS
RIVER WORKS

NO. 1--TEMPORARY DAY WORK INCIDENTAL TO THE
INCENTIVE JOB

In most Piece Work and Group Incentive Groups there
is a certain amount of work which must be done on a
Day Work basis due to small quantities and inability
to set accurate standards or special prices in advance.
This type of Day Work should be distributed as evenly
as possible among the different operators in the group.

**Basis**

Piece Workers--85% of Estimated Average Earnings--
job value.

Group Incentive--85% of Group Incentive Estimated
Average Earnings.

NO. 2--TEMPORARY DAY WORK IN THE EMPLOYEE'S OWN GROUP
OR IN ANOTHER GROUP IF OTHERWISE EMPLOYEE WOULD LOSE
TIME OR EARNINGS DUE TO LACK OF INCENTIVE WORK

**Basis**

For Employee Experienced on the Day Work Job:
Piece Work--85% of Estimated Average Earnings of Group
in which he does the Day Work. Group Incentive--85%
of Group Incentive Estimated Average Earnings of the
occupation in which he does the Day Work.

For Employee Inexperienced on the Day Work Job--
Piece Work--75% of Estimated Average Earnings of Group
in which he does the Day Work. Group Incentive--75%
of Group Incentive Estimated Average Earnings of the
occupation in which he does the Day Work.

NO. 3--TEMPORARY DAY WORK IN THE EMPLOYEE'S OWN OR
ANOTHER GROUP TO MEET PRODUCTION REQUIREMENTS ALTHOUGH
THERE IS SUFFICIENT INCENTIVE WORK ON THE EMPLOYEE'S
REGULAR JOB

**Basis**

Piece Work and Group Incentive--100% of Estimated
Average Earnings of his own Group, but not above his
Actual Average Earnings.

NO. 4--TEMPORARY DAY WORK IN THE EMPLOYEE'S OWN OR
ANOTHER GROUP WHEN THE EMPLOYEE IS SELECTED ON ACCOUNT
OF SKILL AND EXPERIENCE FOR A JOB OF CONSIDERABLE
DURATION, WHETHER PRODUCTION OR DEVELOPMENT WORK

**Basis**

Piece Work and Group Incentive--Between 100% of
Estimated Average Earnings and Actual Average Earnings.
This rate requires Day Work Special Rate. Slip to be
approved by General Superintendant's office in advance.
NO. 5--CONDITION WHERE THE EMPLOYEE WORKS REGULARLY
PART TIME ON PIECE WORK AND PART TIME ON A RECOGNIZED
DAY WORK OCCUPATION

Basis
That part of the time which is on a regular Day Work
occupation will be paid at the Day Work rate of that
occupation, and this rate will have no direct relation
to the Estimated Average Earnings of the Piece Work Group
in which the operator works for the rest of his time.1

Night Shift Bonus.--Prior to 1929, Lynn GE employees
on night shifts received a shift premium of 5 per cent, but
this was retracted during the depression.

In 1935, the Lynn Local attempted to win a 10 per cent
shift premium for all shifts other than the regular day shift,
but local Management replied that this was a matter governed
by over-all Company policy which they could not alter. While
the Union was obliged to agree that this was the case, it
argued that the shift premium should be one of the first
policies to be restored when business and profits improved.

A year later, the Union pointed out to Management that
economic conditions had improved considerably, and also
mentioned that Westinghouse was then paying a shift premium.2

Local Management did not enter into negotiations on the
matter, but not long thereafter (probably at least partly as
the result of employee pressure at Lynn and other plants)
a company-wide change in policy was announced as follows:

1. Manual for Councillors (West Lynn: Local 201, UER & MWA,
1942), pp. 7-8; also in Electrical Union News, Vol. 4,
No. 3 (November 13, 1936), p. 1.
Effective January 1, 1937, a 5 per cent bonus will be paid on the wages or salaries of all employees working on scheduled night shifts for which overtime allowance is not paid. The bonus will be paid for work performed from 6:00 p.m. up to the end of the last night shift.¹

While this was a step forward, the Union members felt that the 5 per cent bonus should be paid for the whole of any shift extending beyond the normal working day.² The General Council expressed "considerable dissatisfaction" at its next meeting, and voted to petition the Company to change its policy.³ The Business Agent wrote a letter to Gerard Swope, President of GE, explaining the dissatisfaction, and requested that the bonus be paid for the whole of any night shift, "a condition that would be similar to the system of payment which was effective in the year 1929."⁴ No action ensued, however, until after the company-wide collective bargaining negotiations of 1937, discussed below in Section 5.

1. Ibid., Vol. 4, No. 9 (December 24, 1936), p. 1.
2. Ibid.
4. Development of the UER & MWA

The leaders of the Lynn Electrical Industry Employees Union, which formally began operations in November, 1933, did not wait long before attempting to bring about cooperation with other local unions in the electrical manufacturing industry. The first opportunity came at the NRA hearings in Washington on January 4, 1934, when all interested parties were permitted to submit proposed revisions for the electrical manufacturing code. Delegates from many independent electrical unions were there, as well as some from the National Radio and Allied Trades Council (headed by James B. Carey), which already was serving to unify some of the A.F. of L. federal locals in the industry. Discussions were held at that time among the various groups on the desirability of forming a single national organization. Although nothing definite emerged, both groups were hopeful that a national industrial charter might be secured from the A.F. of L., and unity worked out on that basis.\(^1\) But, although the federal locals, particularly, tried for two years to win such a charter, their efforts never succeeded.

The National Electrical Industry Employees Union, 1934.--

The independent unions held a conference at Schenectady on February 3-4, 1934, at which it was decided to make a

definite drive to establish a federation linking all the locals in the industry. The name agreed on was that which the Lynn Local had previously chosen for itself, the Electrical Industry Employees Union, and Alfred Coulthard was chosen to be Acting General Secretary-Treasurer.

Minutes of the meeting were sent to all known federal and independent unions in the electrical industry, with a letter asking that delegates be sent to the next Schenectady conference to be held in March. It was explained that a single organization of all electrical unions, speaking for all the workers in the industry, was essential if labor was to show a united front. It was stressed that "... our aims are not antagonistic toward the A.F. of L., but rather of a cooperative nature. ... The extent of the machinery ... will depend wholly upon the collective wishes of its affiliates."¹

The conference was held on March 24, 1934, and a tentative constitution stressing local autonomy was discussed. Other conferences took place throughout the year, at which delegates from the independent unions and the federal locals discussed the problem of how best to establish the desired national industrial union. The most appropriate method seemed to be for the federal locals to petition for a national charter within the

¹ Letter of Alfred Coulthard, February 15, 1934.
A.F. of L., with the independents affiliating after the issue of the charter. However, on instructions from William Green, the federal locals were forced to stop cooperating openly with the independents through the EIEU.\(^1\) After this, for a period of over a year, the independents and most of the federal locals maintained formally separate organizations, although their delegates frequently met together.

The national Electrical Industry Employees Union continued to unite the independent unions at the GE plants in Schenectady and Lynn and the A.F. of L. federal locals at the Westinghouse plants in East Springfield and Chicopee Falls, Mass., and the organization was "supported" by about nine other federal unions.\(^2\) The EIEU served as a means for exchanging information and deciding on common policies. Schenectady served as its headquarters, although there was no functioning central office organization as such.

One instance of common action was a wage conference of electrical unions held at Schenectady on April 27-28, 1935. The delegates reported on average earnings and wage payment systems at their various companies, and "heard each other tell of their respective manager's oft-repeated phrase,--'We pay the highest wages in the industry!' (amid laughter)."\(^3\) After discussion, the delegates decided to

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recommend to their respective bodies the following program for negotiations with management: (1) a wage increase of at least 10 per cent; (2) a night shift premium of 10 per cent; (3) vacations with pay, if not receiving them already.¹ Judging from the reports of the next wage conference, about six weeks later, no success was met by any of the unions in wage negotiations.²

The Electrical and Radio Workers Union and the Federation of Metal and Allied Unions, 1935.—Meanwhile, a group of independent locals in a number of metal-working plants, particularly in the area near New York City, had also formed a loose organization, the National Council of Metal and Allied Unions, one of the important leaders of which was James Matles.³ Cooperative relations had been established between the EIEU and the Council, and plans laid to hold an Amalgamation Convention of Metal and Allied Unions in New York over the 1935 Memorial Day weekend.

At this convention, delegates representing about 25,000 members formed the Federation of Metal and Allied Unions, the objectives of which were to establish "national unions in the different sections of the metal and allied industries, based upon a recognition of the autonomy of each Union, ... [and] ..."

² "Minutes of Conference of Radio and Electrical Workers," Schenectady, June 8-9, 1935 (3 pp., typed).
to aid and assist each other in the struggle for an ever higher standard of living.\textsuperscript{1}

Affiliated with the Federation, and established at the same convention, were the Electrical and Radio Workers Union\textsuperscript{2} and the Machine, Tool, and Foundry Workers Union.\textsuperscript{3}

At a meeting of delegates from independent electrical and radio unions at the amalgamation convention, Alfred Coulthard outlined the history of the Electrical Industry Employees Union, and suggested a program for the establishment of a national industrial union.\textsuperscript{4} The tentative constitution presented for discussion was accepted by the delegates, who also voted to set up the Electrical and Radio Workers Union as a provisional national organization.

William Turnbull of Schenectady, who had been president of the national EIEU, continued as president of the new body.

The members of the Lynn Local approved the constitutions of the Electrical and Radio Workers Union and the

\begin{flushleft}
\textsuperscript{1} Article II, "Proposed Constitution," National Convention News (New York: National Federation of Metal & Allied Unions, May 31–June 2, 1935), p. 4. (1 printed sheet, folded tabloid size to give 4 pp.; in files of Local 201.) The "Declaration of Principles" stated: "Our federation shall labor for the amalgamation of its affiliated locals and national unions with the respective unions of the American Federation of Labor, on conditions that will best serve the interests of the given local or national union."—National Convention News, p. 1.

\textsuperscript{2} About eight local unions were affiliated, including those at the GE plants in Lynn, Schenectady, and Bridgeport; the RCA plant in Camden, N.J.; and the Westinghouse plant at Pittsburgh.

\textsuperscript{3} About 23 local unions were affiliated with the MT & FWU.

\textsuperscript{4} "Minutes of Industrial Conference, Electrical and Radio Industry," May 31–June 2, 1935, (3 pp., typed, in Local 201 files).\end{flushleft}
Federation of Metal and Allied Unions at meetings in June, 1935. In August, the Lynn EIEU became Local 104 of the E & RWU, paying a per capita tax of 10 cents a month to the latter body.

The E & RWU thus became in the middle of 1935 a functioning national union with a central office in Schenectady, and plans were laid for organizing campaigns and contract negotiations. However, the independents realized that the A.F. of L. was the main stream of the organized labor movement in the country, and they continued their attempts to affiliate with it.

The Matles-led Machine, Tool, and Foundry Workers Union, in fact, did affiliate briefly with the A.F. of L. Carl Bersing and James Matles of the MT & FWU conferred in Washington in about December, 1935, with officials of the A.F. of L. Metal Trades Department, when the possibility of amalgamation with the International Association of Machinists was discussed. Many concessions were granted by the IAM, including these: free transfer of all members, autonomy and the election of officers, election of a Grand Lodge member, and low dues of $.90 to $1.75 per month. After six months of negotiations this offer was accepted, and all locals of

1. Letter of Alfred Coulthard to Weldon Caie, General Secretary of the E & RWU, June 12, 1935.
the Federation of Metal and Allied Unions except the E & RWU affiliated with the IAM in about February, 1936. Matles was elected Grand Lodge representative, and held the post until he resigned to join the UE in June, 1937.

The Electrical and Radio Workers Union received a similar offer from the IAM at about the same time, but it was not accepted because of doubts in the minds of E & RWU officials as to how the offer might work out. They were particularly concerned about the position of the International Brotherhood of Electrical Workers and its jurisdictional claims over their members.

The National Radio and Allied Trades.--Just prior to the 1935 A.F. of L. Convention in Atlantic City, E & RWU representatives met there with the delegation from the National Radio and Allied Trades (the federal locals, led by James B. Carey) to outline the conditions under which the independents would be willing to become part of the A.F. of L. The most important points were these: (1) a national industrial charter; (2) right of the membership to elect all officers; (3) autonomy of local unions to run their own affairs. According to a report in the Electrical Union

3. Letter of National Executive Board of the E & RWU to James B. Carey, President of the National Council of Radio and Allied Trades, August 13, 1935.
News, "both . . . groups were unanimous that one union, of a vertical or industrial character, is their goal,—and will work cooperatively to that end."¹

The plea of the radio workers to the 1935 A.F. of L. Convention for an industrial charter was only one of the many skirmishes in the battle for industrial unionism which was fought there. The story of that battle between the Lewis-led faction and the craft unionists is well known, and will not be repeated here. The National Radio and Allied Trades, of course, did not win an industrial charter; the matter was turned over to the Executive Council for decision.²

The NR & AT convened in Pittsburgh in December, 1935, and decided to make one last attempt to obtain an industrial charter.³ At that time, the possibility of affiliating with the International Brotherhood of Electrical Workers as a separate industrial division of Class B members, as suggested by Daniel W. Tracy (IBEW President), was discussed, but the proposal was rejected by the convention. The group voted to convene for reconsideration two weeks after the forthcoming Miami meeting of the A.F. of L. Executive Council.⁴

James B. Carey, NR & AT President, appeared before the Executive Council on January 17, 1936, to argue the case for an industrial charter. But, far from granting the desired charter, the Council voted to give jurisdiction over the federal locals to the IBEW, "on the ground that the charter of the latter union covers the radio employees."  

The NR & AT met again in Washington on February 8-10, 1936. Carey reported on the decision of the A.F. of L. Executive Council, and added that he had called on President Green in Washington with a representative of the independent unions to discuss the situation. When Green was told that the IAM had made an offer to the independents, he exclaimed, "I don't believe it," and immediately telephoned President Wharton of the IAM to confirm the story. After phoning, Green told his visitors that the IAM had no right to make such an offer, since it was not constitutional. 

In reporting to the NR & AT Convention, its officers recommended that Class B membership in the IBEW be rejected, for these reasons: (1) the radio locals would have no national council as a means of cooperation; (2) locals could be split

up or merged by order of the IBEW national office; (3) Class B locals would have only one vote per local at conventions (ordinary locals had one vote per 100 members); (4) IBEW policies were designed for craft workers, not for mass production workers. The officers also recommended that the convention form an industrial union, which would then apply to the A.F. of L. for a national charter. The recommendations of the NR & AT officers were approved by the convention.

The United Electrical and Radio Workers of America. Representatives of sixteen NR & AT locals were at the Washington convention held in February, 1936, and "fraternal delegates" (non-voting) representing eight locals of the E & RWU were also present. Tentative plans for amalgamation were drawn up there, and a joint committee was appointed to work out the plans for a constitutional convention in March.

A brief, broad program was also drawn up, with the following main points: (1) name of the organization to be the "United Electrical and Radio Workers of America;" (2) a central office with two full-time officials to be established; (3) four full-time organizers to be hired; (4)

jurisdiction to be:

employees of radio, and parts of radio, electric motors, generators and employees of any manufacturer whose product (as above) is used in producing such products; and employees of manufacturers engaged in producing other products in the same or adjacent factories or employees of a corporation where the labor policy will affect the members of any local in the territory prescribed in the charter issued.¹

To handle the detailed arrangements for the March constitutional convention, the joint committee broke up into four sub-committees, each with one representative of the NR & AT and one from the E & RWU, as follows: (1) executive; (2) finance; (3) organization; (4) constitution.

Members of the Lynn Local welcomed this new step. On March 3, 1936, they endorsed the amalgamation program and elected delegates to the convention, which had been scheduled to be held on March 21-22 in Buffalo, N.Y.²

Fifty-odd delegates from about 20 locals met there, having "braved blizzards, snowstorms, and floods to reach the convention. . ."³ At that time, Alfred Coulthard has stated, "The Constitution that I wrote in my parlor at home, was adopted without the change of so much as a semi-colon."⁴ James B. Carey, nominated by Matthew Campbell of the Westinghouse Springfield local as "the man who has done more than

⁴. Interview, September, 1944.
anyone else towards achieving the goal we have now reached, was unanimously elected President of the UE & RWA. Julius Emspak, of the Schenectady EIEU, was elected General Secretary-Treasurer.

The UE group was still anxious to affiliate with the A.F. of L., for the latter was recognized as the main organized-labor body in the country. In fact, Article II, "Object," of the UE Constitution accepted at Buffalo stated:

"It shall be the object of the United Electrical and Radio Workers of America to make application to the American Federation of Labor for a National or International Charter that will grant full industrial autonomy, as soon as deemed possible, and use every legitimate means to accomplish this end."

The A.F. of L.'s revocation of the charter of Federal Local No. 18529, made up of GE employees at Fort Wayne, Ind., for participating in the Buffalo convention might have given the UE officials some doubts, but an attempt was made to arrange a conference with Green to discuss the matter of an industrial charter. This attempt was unsuccessful, but John Brophy, Director of the recently established Committee for Industrial Organization, promised the support of that organization in winning a charter at the November convention of the A.F. of L. Further assistance from the CIO came with the promise of John L. Lewis to supply two organizers to aid the UE in its drive

to unionize the electrical manufacturing industry.\(^1\)

A number of organizing drives were started by the UE organization and its affiliated local unions, which had been encouraged greatly by the significant step taken at the Buffalo convention. At last the independents and the federal unions had been united into a national industrial organization of their own; they had reached the goal toward which they had been working for almost three years. Now members were signed up in renewed organizing drives, new locals were established, and in some cases efforts were redoubled to capture or oust company unions which were still persisting.

After the A.F. of L. Executive Council had voted in August, 1936, to suspend ten of the CIO unions, John L. Lewis announced that there would be no change in policy. The UE & RWA and the Industrial Union of Marine & Shipbuilding Workers of America were the first two non-A.F. of L. unions admitted to the CIO at about this time, but per capita payments to the CIO did not begin until about June, 1937.\(^2\)

Following the acceptance of the UE constitution by the participating locals, the second convention of the organization was held at Fort Wayne, Indiana, in September, 1936. By this time, the organization had grown from a

\(^2\) Levinson, Labor on the March, pp. 129-130.
membership of about 15,000 in March to about 21,000 in September. The growth of the UER & MWA and the Lynn EIEU, which had become Local 201 of the UE, is shown in the graphs on the next page.

Besides carrying on the normal business of approving constitutional amendments, passing resolutions, and electing officers, the delegates to the Fort Wayne Convention recommended that a national committee covering all General Electric and Westinghouse locals be set up to act as a clearing house for collective bargaining problems confronting these groups on a national scale.¹ This resulted in the establishment of the General Electric Locals Conference Board in January, 1937, the functioning of which is described in Chapter IV. The progress of company-wide collective bargaining relations with General Electric is summarized in Section 5 of the present chapter.

¹ "Proceedings of First Annual Convention, UE & RWA," Fort Wayne, Sept. 4-7, 1936 (76 pp., mimeo.), p. 49. Note: The proceedings of the 1936 and 1937 conventions were mimeographed; all subsequent proceedings have been printed. The numbering of the proceedings was changed in 1939, so that the series now runs as follows:
"Constitutional;" March, 1936; Buffalo, N.Y.
"First Annual;" September, 1936; Fort Wayne, Ind.
"Third Annual;" September, 1938; St. Louis, Mo.
"Fifth;" September, 1939; Springfield, Mass.
"Sixth National;" September, 1940; Cleveland, Ohio.
"Seventh International;" September, 1941; Camden, N.J.
"Eighth International;" September, 1942; Cleveland, Ohio.
"Ninth International;" September, 1943; New York, N.Y.
"Tenth;" September, 1944; New York, N.Y.
By the time of the September, 1937, convention in Philadelphia, the UE had become an "international" union with some locals in Canada. Also, James Matles, who had been a Grand Lodge representative with the IAM for about a year, had left the A.F. of L. to affiliate with the UE, bringing with him locals with about 15,000 members. Matles was appointed to the newly-created office of Organizational Director of the UE, and he has been reelected each year since then.

Because of the affiliation of the machinists, the name of the UE was changed to the United Electrical, Radio, and Machine Workers of America at the 1937 convention. Also, the jurisdiction of the organization was redefined as follows:

... employees of any manufacturer of electrical machinery and products, instruments, tools and dies, light and meter machinery, equipment; and employees of all electric light and power utilities.

Since that time, the UE has continued to expand rapidly until at present it has become the principal representative of the electrical workers of nearly all the leading firms in the industry except Western Electric, where an organizational

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2. "Proceedings of the Second Annual Convention, UE & RWA," Philadelphia, Pa., September 3-6, 1937; Saturday afternoon session, September 4 (17 pp., mimeo.), p. 4. The "object" of obtaining an A.F. of L. charter was deleted from the Constitution at this time.—*Ibid.*
battle is now going on between the UE, the IBEW, the IAM, and various independents.

5. Relations with General Electric

This section summarizes first the organizational gains of the UE in the General Electric Company, and then the major gains won by the Union in its company-wide collective bargaining with the Company from 1937 to 1945. The functioning of the General Electric Locals Conference Board, the agency through which the UE plans and carries on these negotiations, is not described here, as it is treated in detail in Chapter IV.

Organizational Gains.—The organizing campaign and the establishment of bargaining relations at the Lynn plants have already been described. The Fort Wayne local, founded as an A.F. of L. federal union, was also established early and had a history of negotiations similar to that of Local 201.

The Schenectady local, although established in 1933, did not achieve a strong bargaining status until after an NLRB certification in December, 1936. Prior to that time, Management had discussed grievance cases with the EIEU (Local 301 of the UE after March, 1936), but the Workers' Council remained in existence as the main form of employee representation. There was a sit-down strike of about a
week's duration in the wire and cable department in June, 1936, but the Union was not able to capitalize on this action to strengthen its organization. On September 17, 1936, the New York Times reported that Leo Jandreau of Local 301 had announced the filing of charges with the NLRB, alleging that GE had violated the Wagner Act by "dominating and subsidizing" its workers' organization. Two months later, however, the results of an NLRB representation election were announced: about 95 per cent of the eligible employees had participated; Local 301 received 5,111 votes, and the Workers' Council received 4,033.\(^1\) Concerning the results of the election, Gerard Swope commented: "The employees have spoken and the results went along very well indeed."\(^2\) After the election, Local 301 quickly established a firm organization.

1. New York Times, December 16, 1936, p. 23. The unfair labor practices charges had evidently been dropped by this time.
2. Ibid. Mrs. Elinore M. Herrick, director of the New York NLRB, stated in her report on the election: "This election is of particular significance in the field of industrial relations because it is the first election of such magnitude held by the board with the consent of the employer. The General Electric Company maintained an attitude of neutrality toward the workers' groups throughout the course of our negotiations, and not only made it unnecessary for the board to hold a hearing and enter into litigation of any nature, but went far beyond in extending every cooperation to the government agency established under the Wagner Labor Relations Act. I cannot too highly commend the attitude and actions of the General Electric Company in this connection. . . ."—Ibid., December 17, 1936, p. 51.
From a dues-paying membership of only 650 in September, 1936, it grew to have over 8,000 (out of about 11,000 production workers) in September, 1937.¹

Some difficulties have been met by UE locals at other GE plants. In Pittsfield, it was once charged that the independent union president was shadowed, that men attending the union meetings were questioned, and that spies were sent to the meetings.² The early organizational drive collapsed, and not until 1939 did a UE local establish relations there.³

At the plant in New Kensington, Pa., there was a nine-weeks' strike in 1936, resulting from a disagreement over a wage increase. The Business Agent of Local 201 criticized both parties to the dispute for their attitudes, stating:

. . . we should recognize that the wheels of democratically conducted negotiations do not move as fast as we oft-times wish. The two distinct points of view, that of employer and employee, make it necessary that a tolerant approach be made on any grievance by the employees' representatives,—coupled with a tolerant reception on the part of a management . . .⁴

The Bridgeport plant, where GE radios and other household appliances are manufactured, was made the target of the first UE organizing drive after its establishment as a national union in March, 1936,⁵ but it was not until June, 1937, that an

³ Ibid., Vol. 6, No. 34 (June 22, 1939), p. 1. Local 254, UE, won a representation poll there in June, 1940.—Ibid., June 6, 1940.
NLRB representation election was held and a UE local certified there.¹

The UE field representatives continued to sign up GE workers in other plants, and by 1940, according to the UE, the contract covered all major GE plants. There remained to be organized only about two dozen scattered small plants and shops.² In 1944, the UE has estimated, 70 per cent of all GE employees, including salaried workers, were covered by the agreement.³

The UE has endeavored to include in its bargaining units all non-supervisory GE employees, differing in this respect from the usual industrial union policy of excluding office workers. Except at Lynn, where such employees were in the unit from the very beginning, the organization of salaried workers has lagged considerably compared to production workers. Within the last few years, however, intensive organizing efforts have resulted in UE certifications for salaried units at many GE plants.⁴

² Proceedings of the Sixth Annual Convention, UER & MWA, Cleveland, Sept. 2-6, 1940, p. 13.
³ Victory, Peace, and Jobs, Report of UE-CIO Officers for 1943-44; published also as appendix to Proceedings of Tenth Convention, UER & MWA, New York, Sept. 25-29, 1944. For a full list of units included in the 1945 UE-GE agreement, see Art. I, Appendix E, below.
⁴ The UE now represents salaried workers at the following GE plants: Lynn, Pittsfield, Erie, Bloomfield, Bridgeport, Pittsburgh, Trenton, Philadelphia, and Fort Wayne. Organizing circular of GE Salaried Local 240, UE (Bridgeport), May 29, 1945; UE News, Vol. 7, No. 36 (Sept. 8, 1945), p. 3.
1937 Negotiations.--The first meeting of GE locals to plan company-wide negotiations took place at Schenectady on January 16-17, 1937.¹ A 10-point program of recommendations for changes in company policy was drafted, of which the following were most important: (1) a 10-cent wage increase; (2) 10 per cent night shift premiums; (3) a wage policy based on comparison with other firms in the industry, instead of on the community wage surveys.²

An informal conference with GE Vice-President William R. Burrows was held on March 15, 1937, at which time Carey, Coulthard, and E.G. Bunting (Business Agent at Fort Wayne) discussed with him the problems of establishing company-wide collective bargaining.³

The major results of the 1937 negotiations may be summarized as follows: (1) Wages were increased by company action after the union demands had been formulated, but before negotiations had begun. The Union objected strongly to these tactics, but accepted the increases under protest. (2) A night shift premium of 5 per cent was won for the whole of the second shift. The premium previously had been paid only after 6:00 p.m. (3) The profit-sharing plan was

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¹ Delegates were present from the following plants: Lynn; Bridgeport; Ashland, Mass. (Telechron, a GE subsidiary); Schenectady; New Kensington; Cleveland; and Fort Wayne.
modified to include employees with service of one to five years, on a sliding scale of participation. (4) Vacation rules were changed to provide one week's vacation for those with one year's service. (5) The Company agreed to permit employees to withdraw deposits made under the (voluntary) additional pension plan. (6) A contract was worked out for the recognition of the UE by the Company and the establishment of collective bargaining machinery, but it was rejected by the UE membership as unsatisfactory, because not enough of the "10 points" were won.1

1938 Negotiations.--The principal results of the 1938 contract negotiations were as follows: (1) The first company-wide collective bargaining agreement was accepted by both sides and became effective on April 1, 1938.2 (2) General Electric's policies on wages, hours, and working conditions for shop employees, as embodied in the booklet GEQ-105A, were embodied in the contract and thus became formally subject to negotiation for the first time. (3) GE agreed not to give financial aid to any labor organization. (4) The Company agreed to notify the Union before notifying members of its own organization on matters negotiated between the

2. For a brief summary of the agreement, and a description of the negotiations, see New York Times, Feb. 21, 1938, p. 11; Cf. Ibid., April 1, 1938, p. 6.
Union and the Company. On other decisions affecting industrial relations, GE agreed to notify the Union as soon as it notified its own organization. (5) The Union was permitted to use the Company bulletin boards. (6) The contract also provided for recognition of the Union, and forbade discrimination or coercion by either party. (7) The Company refused to include a clause permitting Union dues collections within the plant during lunch hour. (This clause had been part of the 1937 agreement.)

Later in the year, the Union made additional proposals to the Company, with these results: (1) All employees on the payroll as of July 15 were allowed to receive their vacation allowances, regardless of subsequent lay-offs. (2) The Company agreed to extend the "continuity of service" of employees beyond the usual limits so that they would not suffer because of the 1938 lay-offs. The restoration of service for certain specific employees was also agreed on. (3) Employees were permitted to borrow from the Additional Pension Fund. (4) The Union's request for an expanded program of machinery repair and maintenance to offset unemployment was rejected by the Company as financially impossible, as was also a request to improve the pension plan.

1939 Negotiations.--The main changes in the 1939 contract were these: (1) GE's vacation policies, as stated in the booklet GEQ-75B, were embodied in the contract and thus became formally subject to negotiation. (2) Before extending the practice of annual vacation shut-downs, the Company agreed to discuss the matter with the local union involved. (3) The vacation plan was modified to give a pro rata allowance to employees who had worked more than six months since their last vacation and then were laid off for lack of work. Previously such employees had received nothing. (4) The Company assented to the Union's request for information on employees laid off and rehired, agreeing to give lists stating the name, service, dependents, occupation, and ability rating of each. (5) It was provided that employees were to receive their merit rating (a rating of an employee's ability by his Foreman) each time it was made out. (6) The Contract stated that Union subcommittees could investigate a job where it was agreed that this would be helpful in settling a grievance. (7) Company-wide wage adjustments were made subject to negotiation. This did not affect the wage adjustments based on community surveys within any given plant, however. (8) The Company agreed not to decrease definitely established piece rates without one week's notice to the employee and his representative. (9) Shop stewards could be given seniority preference in lay-offs, on request
of the local union. (10) The group life-insurance plan was modified to provide that the Company would continue a laid-off employee's free insurance so long as he carried his additional insurance (permitted for a maximum of one year.)

1940 Negotiations.--In the 1940 contract, these changes were negotiated: (1) Employees to receive two weeks' vacation after five years' service (formerly only after 10 years' service). (2) A 10 per cent premium was provided for the third shift. (Previously there had been a 5 per cent premium for both night shifts.) (3) The Company agreed to give the Union lists of new hires and transfers.

These Union demands were rejected: (1) pension improvement; (2) voluntary check-off; (3) payment to hourly-rated workers for legal holidays.

Later in the year, the following matters were agreed on: (1) Payments for those workers attending military training camps were improved. Previously, employees with over one year's service had received the difference between their normal earnings and military pay for a period of two weeks. The Company now agreed to give this "make-up pay" for three weeks to all those with over one year's service, and to married men with less than one year's service. Single men

1. Ibid., Vol. 6, No. 43 (Sept. 7, 1939), p. 1.
3. Ibid., Vol. 7, No. 31 (May 31, 1940), p. 3.
with less than one year's service were to receive only one-half of the difference between their normal earnings and military pay.\(^1\) (2) Men drafted for military service were to receive their pro rata vacation allowance regardless of when they were inducted.\(^2\)

**1941 Negotiations.** The Company made the following proposals, none of which was accepted by the Union: (1) time studies permissible at any time in any plant; (2) any job may be placed on an incentive basis; (3) productivity may be checked on any job by any measuring device; (4) incentive rates over one year old may be revised where management has made any improvements.\(^3\)

The Company refused at first to grant the requests of the Union for a 10-cent wage increase and the removal of the community wage survey clause. Later, however, these changes were agreed on: (1) 10-cent wage increase, effective April 7, 1941; (2) 10 per cent premium for both night shifts; (3) double time for Sundays and holidays (previously time and one-half); (4) the cost of living bonus discontinued as such, but the amount added to basic rates; (5) community wage survey clause deleted from contract.\(^4\)

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2. Ibid., Vol. 8, No. 6 (Dec. 5, 1940), p. 1.
4. Ibid., Vol. 8, No. 27 (May 1, 1941), p. 1.
1942 Negotiations.--The following matters were agreed on during the contract negotiations: (1) maintenance of membership, with resignations permitted on 60 days' written notice; (2) grievances to get a written reply if requested; (3) one week's notice of disciplinary lay-offs to be given; (4) a wage increase of $.055, effective as of April 8, 1942; (5) men drafted or volunteering for military service to be given one month's pay and one year's leave of absence; to be permitted to continue company insurance, and to retain and buy additional GE Employees Securities Corporation bonds.2

The features of an "All-Out War Production Plan" were also discussed, including the establishment of labor-management production committees and an incentive plan for indirect labor. However, after having given the impression to the Union that it was willing to install such an incentive plan generally, the Company refused to extend this so-called "Pull-Out Plan". This reversal, coupled with the disagreements over the wage increase, gave rise to rather serious dissatisfaction among many Union members.3

Later in 1942, the Company agreed that women placed on men's jobs would receive men's rates of pay for equal

work,\textsuperscript{1} and an agreement was reached on allowable absences for the computation of overtime under Executive Order 9240.\textsuperscript{2}

\textbf{1943 Negotiations}.--The major contractual changes agreed on between the parties were the following: (1) a maintenance of membership clause with only an annual 10-day escape period; (2) compulsory check-off for union members (cost paid by the local union); (3) established piece rates to be changed only where there is change in method, and adjustment limited to those parts of the job which are changed; (4) employees transferred due to lack of work to other jobs on which they are not qualified, to receive at least 10 to 15 cents more than newly-hired inexperienced employees on the same jobs; (5) arbitration on matters covered by the contract to be compulsory on request of either party.\textsuperscript{3}

\textbf{1944 Negotiations}.--These principal changes in the contract were negotiated: (1) salaried units specifically included in the contract; (2) payment for time spent at the dispensary, "call-in pay" of four hours, and "reporting time" of two hours provided for; (3) step rates and automatic progression schedule for hourly-rated workers; (4) one day's additional vacation for each year's additional

\textsuperscript{1} \textit{Ibid.}, Vol. 9, No. 44 (Aug. 28, 1942), p. 1.
\textsuperscript{3} \textit{Ibid.}, Vol. 10, No. 29 (May 14, 1943), p. 1.
service from one to five years; (5) vacation pay of 48 hours in plants with a six-day working schedule.¹

1945 Negotiations.--The principal matters modified in the 1945 contract were these: (1) step rates and progression schedule established for salary workers; (2) length of service made the major factor in lay-offs; (3) lost time for union officials to be borne partly by the company.² Many matters remained unsettled in negotiations, and were sent to the War Labor Board for settlement.

Over this period of eight years, negotiations were conducted without strikes or lock-outs. Unsettled grievances have caused unauthorized stoppages of brief duration, but in Lynn, at least, the Executive Board has refused to handle such cases until the men involved resumed work.

2. Ibid., Vol. 12, No. 32 (June 1, 1945), pp. 5-8.
6. Summary and Conclusions

During the severe depression of the early 1930's, workers at the Lynn GE plants became dissatisfied with the company-controlled Plan of Representation. After the enactment of the famous Section 7-A of the NIRA, a union organizing drive was instituted among these workers. A number of meetings were held, following which the group decided to affiliate with the A.F. of L. as a federal local. However, the federal charter proved unacceptable to the Lynn workers because it maintained the jurisdictional claims of the craft unions, and they voted in September, 1934, to establish an independent organization.

The leaders of this Electrical Industry Employees Union almost immediately began their efforts to accomplish these main aims: (1) establishment of collective bargaining relations in Lynn; (2) cooperation with other GE workers' groups to establish company-wide collective bargaining; (3) cooperation with other electrical unions to establish a union of all electrical workers, so that some day industry-wide collective bargaining might take place.

Grievance negotiations were established in Lynn after the EIEU had won a representation election in March, 1934, but it was not until after a Labor Board ruling in November of that year that the Company accepted the organization as the sole collective bargaining agency and disestablished the Plan of Representation. Agreements were then negotiated
covering these matters: (1) hours and overtime; (2) price, rate, and system changes; (3) incentive workers on temporary day-work. These did not take the form of signed contracts, however, and in many instances the workers found themselves unable to negotiate unilateral actions which were matters of "company policy." This made it clear that a union powerful enough to carry on company-wide negotiations was essential.

Cooperation among a number of independent electrical unions was begun in February, 1934, when they established a loose federation which was also called the Electrical Industry Employees Union. Some A.F. of L. federal locals which had participated were instructed by William Green to cease such activity, but some cooperation continued on matters of common interest, particularly on wage policy. In 1935, the independents established the Electrical and Radio Workers Union.

The National Radio and Allied Trades had been established under the leadership of James Carey in 1933 to unify the A.F. of L. federal locals in the electrical industry. For over two years it continued its unsuccessful efforts to win an industrial charter covering the electrical and radio workers. When, in January, 1936, the A.F. of L. Executive Council ruled that these federal locals were to be turned over to the IBEW, the NR & AT group voted to join with the independents of the E & RWU to set up a new industrial union.
The United Electrical and Radio Workers of America was established at an amalgamation convention held at Buffalo in March, 1936. In 1937, a group of IAM locals, which had cooperated with the E & RWU while both groups were still independent, voted to secede and affiliate with the UE. The jurisdiction of the Union was then extended and the name changed to the United Electrical, Radio, and Machine Workers of America. The growth of the organization has been rapid, and it has now established collective bargaining relations with nearly all leading firms in the industry except Western Electric.

The General Electric Locals Conference Board of the UE was established in January, 1937, to carry on company-wide collective bargaining with GE. Many gains, too numerous to mention in this summary, have been negotiated by the UE for its members. The 1945 UE-GE contract, for instance, covers in detail many problems of industrial relations and provides great improvements for GE employees as compared to conditions of a decade ago.

Generally speaking, independent unionism has developed in GE plants without the violent struggles which have marred the industrial relations history of so many large companies. Although some strikes have occurred, at most plants the leadership of both the Union and the Company was intelligent and farsighted enough so that collective bargaining was established with the minimum of friction.
Despite the criticisms which have been levelled at GE's company unions, these nevertheless served as organizations in which workers' representatives and company officials became accustomed to working out cooperative adjustments of their problems. In many instances, at Lynn and at other GE works, men who had been company union representatives became shop stewards and leaders of the independent unions after 1933.

For another thing, GE's employee relations policy has generally been rather progressive. Its sheltered and profitable position in the industry have made it able to give greater financial concessions to employees than many other firms could. During the 1920's, a wide range of personnel programs were instituted at GE. Although this may be considered merely "paternalistic," the Company showed after 1933 that its policy was not inflexible. In most cases, GE Management saw "the trend of the times," and met the new unionism with a cooperative attitude instead of with violence. This is in sharp contrast to the picture in other large industries such as "little steel," autos, and rubber.¹

¹. William R. Burrows, then GE Vice-President in charge of industrial relations, made the following comment during the 1937 negotiations: "We have been ahead of General Motors for three years. As a matter of company policy, we have met with representatives of the employees. It costs General Motors a $100,000,000 strike to start doing the things we've been doing right along."—New York Times, April 13, 1937, p. 14.
On the Union side, much depends on the outlook of union members and leaders. In Lynn, GE was fortunate to have been faced with a Union led by such men as Alfred Coulthard and Gail Smith. While these men were deeply concerned with the workers' welfare and anxious to win as many improvements as possible, the early leaders of Local 201 had a philosophy of "gradualism." They worked for continued improvements, but were willing to take somewhat longer to accomplish their ends rather than to risk destroying good collective bargaining relationships through rash actions.
CHAPTER IV

STRUCTURE AND FUNCTIONING OF THE UNION
1. Introduction

This chapter analyzes in some detail the organizational structure and activities of Local 201. Section 2 describes the principal Union leaders and their responsibilities; Section 3, the General Council (i.e., the shop stewards) and the membership meetings; Section 4, the grievance procedure; Section 5, the negotiation of company-wide agreements through the GE Locals Conference Board; Sections 6 and 7, the political activities and policies of Local 201 and its educational activities; Section 8, the varied functions of the Activities Committee; Section 9, certain temporary committees set up for special purposes and the recently established Veterans' Committee; Section 10, the Electrical Union News; Section 11, the financial procedures of the Union; Sections 12 and 13, judicial procedure and Union elections; and Section 14, the relationship of Local 201 to the District and National UE organizations. Section 15 presents a summary and some conclusions drawn from the material in the chapter.

2. Union Officials

The Executive Board.--At present, the Executive Board of Local 201 consists specifically of five regular members and one alternate elected by the Councilmen of each of the two main plants (River Works and West Lynn Works), plus one member elected by the Councilmen of the Everett supercharger
plant (under the River Works administration), a total of 13 members.¹

The main function of the Board is the discussion and adjustment of grievance cases, although it also makes recommendations to the Council and membership on all matters affecting the welfare of the Union. For instance, the agenda for the Executive Board meeting of June 27, 1945, consisted of six pages of double-spaced typing. Five of these pages contained nothing but a list of 113 cases which had to be analyzed to make certain that the grievances were justified and adequately prepared for discussion with Management.

Although the grievance procedure is described in detail in Section 5 below, the reasons for the Board's role in that procedure and in other Union functions may well be mentioned here. When Local 201 was being founded, the members decided that they desired the most democratic procedure possible; they wanted no "one-man control."² Accordingly, the Constitution provided: "The government of all committees, councils, and boards of this Union shall be vested in the members of this Union to which all matters

¹ See Sec. 13 below for eligibility requirements and election procedure.

² The President, Vice-President, Recording Secretary, and Business Agent (or a member of his staff) also attend the Board meetings, and are loosely considered part of the full Board. Only Board members may vote at the meetings, however, except that the President (or Vice-President, if presiding) may vote to break a tie.

2. Interview with Alfred Coulthard, September, 1944.
of general importance shall be referred, and whose decision is final. ¹ Some powers have been delegated by the members to the General Council and to the Executive Board, which is considered a sub-committee of the Council. However, nearly all the actions of these two bodies are subject to review by the membership—a power which is still retained and exercised.

The members also voted that authority for the discussion of grievances with local Management should be vested in the full Executive Board, rather than in any smaller group. The Business Agent serves only as advisor to the Board, and is subject to its decisions. The Plant Executive Boards (each consisting of the five members from the particular plant, plus the President or Vice-President from that plant) can negotiate individual cases with the plant Managements, but only after the full Board has heard reports on the cases and decided what action to take. Any settlement must be approved by the full Board, and, even then, a dissatisfied complainant may appeal to the General Council.

On matters involving "... fundamental conditions of employment, such as Wages, Salaries, and Hours ...," the "Plant Rules" provide: "The Executive Board shall have power of recommendation only .... The General Council shall be the board of authority ..., pending ratification of the membership ...." ²

¹ Local 201, Constitution, Rules, and By-Laws, Art. 2.
The Board's power to recommend actions to the Council and the membership is an important one, and on many matters approval comes almost automatically. However, when an important issue arises, or one on which there is some division of opinion, the Board members sometimes find it necessary to exert great efforts\(^1\) to convince the Councillors and members of Local 201 that the Board's recommendations should be accepted; and they do not always succeed.

union Officers.\(^2\)--Except for the Business Agent and Assistant Business Agent, the elected officers of Local 201 have no regular salaries, but are compensated for time lost from work due to Union activities. They usually attend membership, Council, and Executive Board meetings, except for the Treasurer, Guard, and Guide, who do not attend Board meetings because they have no part in its proceedings.

The President presides at all regular meetings of the Union, countersigns checks issued by the Union, and appoints all committees other than those considered to be regular subcommittees of the Council. The Vice-President assists the President, and in the event of his absence assumes his duties. It has been a Union tradition that if the President

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1. Only vocal, never physical, efforts have been observed at the many meetings attended during the course of this study.
2. Executive Board members, Councillors, the Business Agent, and the Assistant Business Agent, also technically considered "officers" of the Union, are discussed elsewhere in this chapter.
is a River Works employee, the Vice-President is a West Lynn worker, and vice versa. The two plants have generally "taken turns" at holding the two offices.

The Recording Secretary keeps minutes of all Union meetings, with the Assistant Recording Secretary performing that function if the former is absent.

The Treasurer is responsible for the custody and records of the General Fund of the Union, which includes the bulk of the Union's liquid assets. He signs checks drawn on this Fund for expenditures authorized by the Council or membership.

The Guard's function is theoretically that of a sergeant-at-arms, who maintains order at the Council and membership meetings, and the Guide's task is to greet and escort important visitors at Union meetings. Apparently, however, these posts have become sinecures, and have not been important in recent years.

While some of these officers have important duties to perform, it seems quite evident that they are limited in their activities by the effective power of review held by the General Council and the membership. Certain officers, depending on their inclinations and ability, may play a leading role in making suggestions on Union activities and policies; but, before such suggestions

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1. See Sec. 11 below for a description of the financial affairs of Local 201.
Fig. 15—Local 201 officials, 1943-1944 term (left to right): Hugh Joyce, Vice-President; Timothy Reardon, President; Alfred Coulthard, Business Agent; Edward Larson, Assistant Business Agent; Fred Sharpe, Recording Secretary.

Fig. 16—Alfred Coulthard, Business Agent of Local 201.
can be effective, the program must be "sold" to the shop stewards and the members. Rank-and-file control appears to be quite effective, particularly on important issues. And even on minor matters and technicalities, the members have sometimes voiced loud and bitter criticism. While such critics are sometimes poorly-informed or irresponsible, in other cases their comments have brought careful answers from the Union leaders involved.

**The Business Agent's Staff.**—The Business Agent and Assistant Business Agent are both elected full-time officers of the Union, chosen at the same time as the other officials just discussed. In accordance with Local 201's guiding principle of rank-and-file control, the Business Agent and Assistant Business Agent are considered as employees and agents of the Union, subject to the instructions of the Executive Board, Council, and membership. They may attend all Union meetings, and as Union members have the right to vote at membership meetings; they may not vote at Council and Board meetings.

The **Business Agent and Financial Secretary** is generally responsible for the business of the Union and the keeping of records, although an Office Manager and
secretarial staff now actually handle the work.¹ As Financial Secretary, he is responsible for the collection of dues, custody of the Working Fund, and reports on the financial condition of the Union. The present Business Agent, because of his long experience, has recently functioned largely as a "trouble-shooter," advising the Board on particularly difficult grievances, preparing cases for presentation to top GE management or for arbitration, serving on the Negotiations Committee of the GE Locals Conference Board, and so on. He has also served as Editor of the Electrical Union News since its founding.

In 1943, the membership for the first time elected an Assistant Business Agent and Financial Secretary to aid the Business Agent in the performance of his duties.² Fred Kelley, who had left an accounting post in the War Department to join Local 201 as Office Manager in 1937, won the election to this position.³ Soon thereafter, however, he was inducted into the Navy, and the members voted that the duties of

¹ The office staff members are full-time employees of the Union, hired by decision of the Executive Board. They may become members of the Union, and although no shop steward has ever been elected by them, their grievances receive prompt attention from the Executive Board.

³ Ibid., Vol. 11, No. 10 (Dec. 31, 1943), p. 1. At the time of this election, Kelley had just returned from a leave of absence given him while holding a Trade Union Fellowship at Harvard University.
Financial Secretary should be returned to the Business Agent for the duration of the War.¹

While the head Business Agent originally handled all grievances, the greatly increased case load of the war years made it necessary for him to delegate a large part of the responsibility for grievances to the Assistant Business Agent (on leave from the West Lynn Works) and an Assistant to the Business Agent ² (on leave from the River Works), who handle nearly all the grievance cases arising in their respective plants. Thus, the Assistant Business Agent usually attends the Executive Board meeting while West Lynn cases are being discussed, and accompanies the West Lynn Plant Board when it meets with local Management to adjust grievances; the Assistant to the Business Agent does the same with River Works cases.

There is at present one other Assistant to the Business Agent, whose main duty is to furnish advice to all members and stewards who may telephone the Union Hall or call in person for information on policies and procedures in connection with particular grievance cases.³

1. Ibid., Vol. 11, No. 11 (Jan. 7, 1944), p. 1.
2. Assistants to the Business Agent are full-time employees of the Union, appointed by the Executive Board with approval of the membership.
3. His office is sometimes called the "weeping room," because of all the "grief" brought to him there.
2. The General Council and the Membership

The shop stewards of Local 201, officially termed Councillors or Councilmen (the three terms are used interchangeably), as a group make up the General Council. Each Councillor is elected for one year by the group he represents, usually 50 to 100 employees in a particular department or section.

Stewards and the Grievance System.—Acting individually, the stewards are principally concerned with the adjustment of grievances in their sections. To do this properly, they need principally: (a) technical knowledge of the policies (both those embodied in the contract and other Company policies) affecting the employees in their section; (b) an understanding of human nature which will ease the task of discussing grievances with the Foreman.

The leaders of Local 201 have sought to furnish the Councilmen with the technical knowledge they need by distributing copies of the collective bargaining agreement and a specially prepared Manual for Councillors,¹ which explains in detail many of the problems involved in interpreting the contract and Executive Orders 9240 and 9250 of the President of the United States. The Business Agent and outside personnel have occasionally given courses which have touched upon these

¹. See Appendix D for a copy of this.
technical matters of Union and Company policy, the nature of time study, job evaluation, and so on. Also, the Councillor may always obtain advice or information on any problem of policy or procedure at the Union Hall.

In the human relations aspects of their activities, however, Councillors have not been consistently trained. Instead, it has been each steward's individual responsibility to determine as best he could how to approach his Foreman in attempts to adjust grievances.¹ Some Local 201 stewards have been able to establish good working relations with their Foremen; an effective "problem-solving" approach seems to be used by many. In other cases, however, the approach has been a belligerent one, harmful to good industrial relations. Such belligerency seems in some cases to be principally a reaction to the Foreman's attitude, and in others to be due to the steward's own inadequacy. Although insufficient evidence is available to support any definite conclusion on this matter, grievance relations might be improved by giving Councillors definite training in the human problems of grievance adjustment.

¹ The Councillor is generally expected to act as an "attorney" for his constituents, even if he may not agree with their viewpoint. "It is important that a Councilman, in presenting a case to a Foreman on behalf of an operator or group of operators, give the complainant's slant to the case—regardless of his own individual opinion."—Electrical Union News, Vol. 6, No. 35 (June 29, 1939), p. 1.
General Council Meetings.—To transact its business, the Council meets twice a month—once alone, and once in combination with the Union membership. Only Councillors (including Board members, of course) may vote at Council meetings, except that the President or Vice-President may vote to break a tie. The agendas for the two meetings, which are quite similar, generally include the following regular items: (1) minutes of previous meeting; (2) financial reports of Local 201 and the UER & MWA; (3) reports of the Activities, Legislative, Education, and Veterans' Committees. (Recommendations made by these committees are acted on at the same time that their reports are considered.) In addition, there may be reports presented by any special committees in existence at the time, and by Local 201 delegates to any recent meeting of a union organization (e.g., State CIO, District UE, and National UE conventions; GE Locals Conference Board).

Among the functions of the General Council are the election of the Executive Board; certain regular committees, such as the Auditing and Editing Boards and Legislative, Constitution, Election, and Education Committees; and any other committees which the stewards may consider necessary for some special purpose. Also, the Council regularly hears appeals on grievance cases which members feel require further action,

1. Except during June, July, and August, when only combined Council-membership meetings are held.
and makes recommendations to the membership on matters affecting the welfare of the Union.

As a body, the shop stewards are the most active of the Union members. In many cases they appear to have been chosen as Councillors because of their interest in Union affairs and their willingness to take on the responsibility required. Participating actively in Union meetings, the stewards serve as delegates representing the interests of their less active "constituents." As such, the Councillors play a very important role in the functioning of Local 201. "They're the fire of the organization, the backbone of it, . . . a continuous Gallup poll of what the members are thinking," the Business Agent has said. ¹ Each of the stewards is elected by a particular group of workers, and is familiar with their attitudes. There is no constitutional requirement that a Councillor vote only as desired by the employees in his section, but it appears from observation of many Council meetings that stewards frequently cite the opinions and problems of the workers they represent in debates on the desirability of some proposal. Although in some instances this seems to have caused an excessively "narrow" viewpoint, it appears that the interplay of the opinions of many stewards

¹. Interview, September, 1943. Also, "... the very foundation of Industrial Democracy lies in the hands of the shop stewards."--Electrical Union News, Vol. 10, No. 10 (Dec. 31, 1942), p. 2.
from different groups generally leads to a workable democratic solution in the Council's decisions.

The Council meetings are typically quite orderly, and are conducted in accordance with regular parliamentary procedure. At times, of course, the discussion becomes heated, but "personal" comments are usually avoided.

One unusual situation has arisen during the war in connection with "split meetings." Prior to the war, there were very few Lynn GE employees on night shifts; and all Union meetings were held during the evening. Since 1941, however, employment on the night shifts has expanded considerably; and, early in 1943, the membership voted to hold morning meetings in addition to the regular evening meetings. The parliamentary problems of coordinating the two meetings were solved by treating the morning and evening sessions as two halves of a single meeting, each with the same order of business. All measures are considered at both sessions, and the total vote is tabulated to determine whether each has been passed or defeated. Motions made at the morning meeting are ruled to have precedence at night, and must be acted on before new motions may be presented on any given matter. Minor procedural problems sometimes develop, but are settled without any great difficulty.

1. Depending on the attitudes of those present, technicalities of procedure are sometimes strictly adhered to, and sometimes ignored. However, apparently because of a desire to give full opportunity for discussion, the "previous question" is only rarely moved, and then is usually rejected by the Chairman or the group.
Fig. 17—Hugh McManus, President (1944–1946), Addressing General Council Meeting.

Fig. 18—Robert Goodwin, Assistant Recording Secretary (1944–1946), Reading Minutes at Council-Membership Meeting.
During the period of observation, Council meetings\(^1\) have had relatively much better attendance than membership meetings.\(^2\) At most Council meetings, 100-150 Councilmen out of 400-500 have been present, while it has been rare that even 200 out of 19,000-20,000 members have attended. On some occasions, particularly during the summer, there have been so few present at both types of meetings that they have been cancelled for want of a quorum.

**Membership Meetings.**--It has already been mentioned that the members of Local 201 meet once a month at a combined Council-membership meeting. All members (including the Business Agent and his staff) may vote. The agendas of these meetings are usually very similar to the Council meetings described above. There are, however, these principal differences: (1) grievance appeals now go only to the Council; (2) final decisions on nearly all other matters are made by the members; (3) expenditures of over $15.00 (other than salaries and normal office expense) can be made only with the approval of the membership at a "special-called meeting."\(^3\)

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1. Quorum required, 21 Councillors.
2. Quorum required, 50 members.
3. "A special-called meeting is one that has been advertised in the two local newspapers, or in the official news organ of the Union, at least THREE days before the date specified for the meeting, except in a case of labor trouble, designating the purpose for which it is called. Regular business may be transacted at a special-called meeting. The General Council can authorize a special-called meeting; or in the case of an emergency (which shall be determined by the President) by the Executive Board."—Local 201, Constitution, Rules, and By-Laws, Art. 2.
As suggested above, attendance of Local 201 members at meetings has long been a matter of concern for Union leaders. Even in the early history of the organization, there was no auditorium in Lynn large enough to hold all the members, and the situation has become progressively worse since then. But, worse than that, the halls which are available rarely are filled! The number of members present at a meeting has been almost never over 150 during the two years of this study, and quite typically only 75-100 have been present. The Education Committee has recently sought to improve attendance by showing sound motion pictures (usually War Department films issued for factory audiences) before members' meetings, but this attempt did not appear to be very successful.

The Everett Plants.—The integration of Local 201 members employed at the Everett Foundry and Everett Supercharger plants (both under the GE River Works administration) into the activities of the Union has been a serious problem, and one for which no completely satisfactory solution has yet been found.

Because of the distance (about ten miles) and very poor public transportation between Everett and Lynn, it has been nearly impossible for most Everett GE workers to attend the regular meetings of Local 201 or to take any active part in its other functions. Prior to the war, there were few such employees, and little was done to encourage their participation.
During the war, the establishment of the Everett Supercharger plant and the great expansion of GE employment there caused the members of Local 201 to vote that a small store be rented as a "union hall" where the Everett GE workers and shop stewards could meet.\(^1\) While this was an improvement, the arrangements remained imperfect. According to statements of Everett UE members, their meetings have been irregular, and rarely attended by Local 201 officials. As a result, they have felt that their interests have not been properly considered.\(^2\)

Although there is a member from Everett Supercharger on the Executive Board of Local 201, and although Lynn leaders have stated that Everett grievances receive as careful and as prompt consideration as other cases,\(^3\) the Everett members nevertheless seem dissatisfied. Some have even suggested that the best solution would be a separate UE local for the Everett plants,\(^4\) although Local 201 leaders are of the opinion that the Everett membership is too small to support a properly functioning union.\(^5\)

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2. Interviews with Everett members of Local 201 and observation of Everett meeting, March, 1945.
3. Interviews with Edward Larson, Assistant Business Agent, and others, April, 1945.
4. Interview with Bernard Aldenberg, former Executive Board member from Everett, April, 1945.
5. Interviews with Edward Larson and others, April, 1945.
4. Grievance Adjustment

Local Grievance Procedure.--Discussions between the shop steward and the Foreman (the operator may or may not be present) are the first stage at which Local 201 participates in the grievance procedure. There are some cases which are first negotiated at this level, as well as those which a worker has previously attempted to adjust with his Foreman. All cases, however, must go through the Councillor-Foreman step; none are permitted to go directly to higher levels of negotiation.

If the steward's first attempt to work out a settlement with his Foreman is unsuccessful, it is common practice for him to phone the Union Hall for advice on policy or procedure. (Through agreement of the Union and Management, it has been made possible for stewards to dial the Hall directly on the intra-plant communications system.) Based on the counsel of the Business Agent's staff, the steward may either go back to the Foreman with a new approach or drop the case.

Although the Councillor is generally supposed to deal only with his immediate Foreman in negotiating grievances, sending all unsettled cases to the Executive Board, the

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1. Based on interviews with Union officials and direct observation of some steps in the procedure.
2. Although some recent court decisions have indicated that a union may lawfully insist that grievances be adjusted only through the union if it has been designated as sole collective bargaining agency, Local 201 has not found this to be desirable. If all grievances were so adjusted, it would place a heavy load on the Councillors and would involve even greater expenses for the Union than at present in paying for stewards' lost time.
Foreman sometimes suggests that an attempt be made to adjust the matter by going to the General Foreman or, even higher, to the Superintendent before submitting the case to the slower Board machinery.

On the night shifts, because the Union office cannot be called, Chief Stewards are used to advise the Councillors.¹ The Chief Steward does not actually negotiate grievances, but merely gives information on policy or advice on procedure. He sometimes goes to the Foreman or higher supervisors with the Councillor to see if a satisfactory settlement can be obtained, but the shop steward does the actual negotiating.

Both the Councillor and the Foreman must write up reports on each case handled, since without written summaries of the "facts" and issues any discussion of the case at the Executive Board-Management level would be impossible. These reports are also used as a basis for lost-time payments to Councillors, who until recently were paid entirely by the Union for all time spent in adjusting grievance cases. As to the reasons for this policy, Alfred Coulthard has stated:

¹. One Chief Steward is elected by all Councilmen on the same shift in the same department —Local 201 "Rules Re. Chief Stewards," May 29, 1942 )1 p., typed). See also Electrical Union News, Vol. 9, No. 33 (June 12, 1942), p. 1.
The Union members wanted it that way. They wanted the independence that comes of paying your own way. If the Company pays for lost time, then they begin to want to tell you how to spend your time; you lose your independence. A lot of the old-timers think the feeling of independence is cheap at the price, since you then aren't under obligation to the Company for anything.¹

In the 1945 contract negotiations, GE agreed to pay the first one and one-half hours per week of each Councillor's time lost negotiating grievances at the Foreman level, and the first eight hours per week of each Board member's time lost at the local Management level. It has been estimated that this will save Local 201 over $1,000 per month.²

If an acceptable adjustment has been worked out at the Councillor-Foreman level, the steward's report to the Union office is merely filed away and no further consideration is given to it. If the case has not been settled, however, the office staff must make carbon copies of the report for the information of the Business Agent's staff and the Executive Board.

Reports on all grievance cases, both new and old, are considered by the full Executive Board when it meets at the Union Hall each Wednesday and Thursday. In addition to the elected Board members, a member of the Business Agent's staff is always present to advise the Board and to record the Board's actions on each case.

1. Interview with Alfred Coulthard, June, 1945.
The Board members often argue at length over the steward's report in each new case to decide whether the facts justify bringing the matter to the attention of Management. If the grievance appears unjustified, the Board generally votes to drop the case. If insufficient information is available, the case is tabled while the Councilor is requested to supply additional facts. If the information is adequate and the grievance seems justified, the Board votes to take the case into local Management. On each case which is to be taken in to Management, a statement of the Union's position is typed up and sent to the plant a few days before the matter is to be discussed; this permits Management to prepare its side of the case for discussion.

The actual negotiating of cases with the local GE Managements is generally handled separately in each of the main plants in Lynn. The West Lynn Board (including the Assistant Business Agent) discusses with the Management of the West Lynn Works cases arising there and in the Allerton Street plant. The River Works Board and an Assistant to the Business Agent discuss with River Works Management cases arising there and in the Everett Foundry and Supercharger plants. The West Lynn group regularly meets on Fridays; the River Works group on Tuesdays and Fridays.

Some grievances are quickly adjusted at the conferences with Management; these settlements are accepted temporarily by the Plant Board until the full Board votes acceptance after
hearing the reports at its regular meeting. On many grievances, Management will decline temporarily to give a definite answer; these cases are tabled. Sometimes the parties disagree as to the facts, or there is need for more information; at such times, "subcommittees" are frequently appointed to investigate the matter more closely.

A subcommittee usually consists of two Board members (sometimes a Board member and a Councillor) meeting with a Management representative in the department where the case arose. In the attempt to work out a settlement, the job in question may be inspected, witnesses may be called to present more information, and so on. Any settlement worked out in a subcommittee must be approved by Management and the Executive Board, of course, but such approval is almost always forthcoming.

It sometimes happens that the Executive Board in one of the Works is so overloaded with cases that it cannot clear its agenda by operating normally. At these times, the Board-Management conference may be split into two groups meeting separately and simultaneously. Any settlements, of course, must go back to the full Board for acceptance.

As implied above, a case is not always settled the first time it is discussed with Management. Reports are made weekly to the full Board on these "pending" cases so that Board members may be informed on the progress of all cases. When a case is reported as being adjusted favorably (after one or
many conferences), the full Board votes to "accept" the settlement. However, when Management refuses to grant a satisfactory ruling on a case, the Board is faced with the problem of whether to "drop" the case or fight it further.

If a case is dropped at any stage, either by the Councilor (which is rare) or the Board, the worker involved has the right to appeal the decision. He appeals first to the Executive Board for reconsideration. If the Board declines to take further action in the case, then the worker may appeal through his steward to the General Council and ask that the Board be instructed to press the case further.1

Concerning the volume of grievance cases at the Lynn GE plants and the number settled at each level, the Business Agent of Local 201 estimated in January, 1945, that about 1,200 cases were being handled each month by the Councilors. Of these, about 1,080 (90 per cent) were settled satisfactorily at the Foreman level; about 120 (10 per cent) were appealed to the Executive Board and discussed with local Management. Of the cases discussed at the Executive Board-Management level, only about 1 in 200 had been taken to New York for discussion with top Management; only about 1 in 300 had been appealed to the General Council over the

1. It was formerly possible for a worker to appeal a grievance case to the membership, but in 1944 the Union members themselves voted to limit grievance appeals to the Council, evidently because of the danger that Membership meetings could be "packed" by a dissatisfied member.— Electrical Union News, Vol. 11, No. 45 (Sept. 1, 1944), p. 2.
decision of the Executive Board to drop the case. Less than 20 cases had been appealed to the membership during the whole existence of Local 201.1

No estimates are available on proportion of favorable settlements won by the Union in cases at the Councillor-Foreman level. As to Executive Board cases, however, on December 29, 1943, "Management reported to the Executive Board the following breakdown of cases during the past year: settled in favor of Management, 139; settled in favor of Union without compromise, 180; settled by compromise, 189."2

Grievances and the GE Locals Conference Board.--If a decision is made by the Council or Board to take a case beyond the local Management-Executive Board level, Management is so notified and a report is sent by Local 201 to the UE national office stating the facts in the case. The Conference Board Coordinator of the UE3 and representatives of the local unions involved meet monthly with the GE Vice-President in charge of industrial relations to negotiate cases appealed from decisions of local GE Managements. Reports are sent back to all GE locals on the settlement of each of these grievance cases.

At the sessions with top Management, each grievance is presented by a local union official, with the Coordinator

1. Ibid., Vol. 12, No. 13 (Jan. 19, 1945), p. 5.
2. Board case #367, Local 201 grievance files.
3. See Sec. 5 for a full description of the Conference Board.
present mainly as a "watch-dog" to see that the contract is interpreted consistently.

It is the feeling of the present Coordinator that locals tend to appeal too many unjustified grievances which should have been dropped at lower levels, and that this only weakens the ability of the Union to win satisfactory adjustments in other cases. He also feels that it is particularly difficult for the Union to "win" a case at the top level because of the tendency of each side to adhere to the positions taken in earlier discussions of the case.1

Satisfactory adjustments at the top level are accepted by the local Executive Board, of course, but if Management's stand remains adamant, the Board again must decide whether to drop the case or continue. In such instances, a vote of the Council (or the members affected, if they are a large group) is sometimes taken to advise the Board, because of the expense of taking cases to arbitration.

Arbitration.—Arbitration, the final level of the grievance procedure, may be requested by either the Union or Management on matters within the contract, but the Union so far has always been the party seeking such action. The details of the arbitration proceedings are worked out by the parties in each instance, but typically they are as described below.

1. Interview with Joseph Turkowski, September, 1945.
The UE National Office obtains a list of acceptable arbitrators from the Local involved, and then attempts to reach an agreement with Management on the selection.¹ Management, of course, has its own opinions about the qualifications of arbitrators, and the choice is sometimes difficult to settle.

Once the arbitrator is chosen and the issue stated precisely by agreement between the parties (sometimes this stipulation of the arbitrable issues does not take place until the hearing), the hearing date and place are set, and the parties meet. At the hearing, briefs are submitted and oral arguments presented by each side. Sometimes the arbitrator asks for supplementary briefs to cover matters which arose at the hearing. Finally, after some deliberation, the arbitrator hands down his written opinion which makes a final settlement of the issues in the case.

Local 201 does go through a formality, even with arbitration awards, of "accepting" cases with favorable settlements and "dropping" cases with unfavorable settlements; but acceptance of arbitration awards is made mandatory by the UE-GE collective bargaining agreement.

¹. So far, Professors Paul Pigors of M.I.T. and Sumner Slichter of Harvard have been the only arbitrators used in local arbitration hearings.
The Panel Plan.--In 1943, after a large backlog of unsettled grievances had accumulated, a system of special "Panels" was tried out in an attempt to speed up the settlement of cases.¹

After Councillors had submitted their reports on unsettled cases to the Executive Board as in the normal procedure outlined above, the Board discussed the cases and referred each non-fundamental case² to the Panel having jurisdiction over the particular building in which the case arose.

There were three Panels, each consisting of two Executive Board members and a member of the Business Agent's staff, meeting with three Management representatives to negotiate the cases referred to them. The steward in each case was always notified to appear before the group to present his story, and the Foreman could be called in by Management. All adjustments worked out by the Panels had to go back to the full Board for acceptance.

Because of the regular functioning of these Panels, supplementing the ordinary Board machinery, it took less time for grievances to work their way up the agenda and be settled. One Local 201 official has said, "The Panel system was the most effective method for settling grievances that I've ever seen around here."³

2. "Fundamental" cases are those involving some alleged breach of the contract or some important point of policy.
3. Interview with Earl Riley, Assistant to the Business Agent, July, 1945.
However, the Executive Board dropped the Panel Plan after it had been in operation about eight months, since they felt that it had been too expensive, particularly because of the lost-time payments which had to be made to the Councillors who appeared before the Panels. The Business Agent has stated that the danger of conflicting interpretations resulting from the operation of three rather autonomous Panels was also a factor;¹ but another Union leader thinks a more significant point was that Board members were jealous of their prerogatives and preferred to handle cases without the assistance of Councillors.

The Panel Plan differed from the present subcommittees in these ways: (1) A different subcommittee is now appointed for each particular case on which more information is needed; panels were rather permanent, and each handled many grievances. (2) Panels included a business agent; subcommittees do not. (3) Panels always called the stewards in each case; subcommittees often do not. (4) Panels met with representatives of the industrial relations staff; subcommittees usually meet with supervision (line organization).

The Salary Committee.--Until 1944, grievances of GE salaried workers in Lynn were handled by the normal local grievance procedure described above. In 1944, however, the

¹. Interview, September, 1944.
members of Local 201 responded to pressure by salaried workers, who argued that their specialized problems required separate handling, and voted to establish a Salary Committee to handle cases involving these workers in the same way that the Executive Board processes the grievances of other workers.\(^1\) The Executive Board retained jurisdiction over "fundamental" cases involving salaried workers, however.

The Salary Committee, which began to function in October, 1944, now consists of six members (three from each plant) elected by the Councillors representing salaried workers. The Committee meets weekly at the Union Hall with an Assistant to the Business Agent, and hears reports on its cases. Grievances are adjusted at weekly conferences between each plant Management and the three Salary Committee members from the particular plant.\(^2\)

This arrangement appears to be quite practicable, giving adequate opportunity for consideration of any special problems of salaried workers, while yet maintaining solidarity of all GE employees in the Lynn plants. Some salaried workers, however, have expressed the opinion that they would be better off with a local of their own, separate from one dominated by and concerned mainly with hourly-rated workers.\(^3\)

\(^{1}\) Electrical Union News, Vol. 11, No. 30 (May 19, 1944), pp. 1-2.  
\(^{2}\) A business agent is always present, of course.  
\(^{3}\) Interview, May, 1945.
5. Contract Negotiations—the GE Locals Conference Board

It will be recalled that the aims of the Lynn GE workers, in founding an independent union in 1933, were these: (1) to establish collective bargaining in Lynn; (2) to cooperate with other GE workers' groups, with the objective of establishing company-wide collective bargaining; (3) to cooperate with all electrical workers' groups, for the purpose of eventually establishing industry-wide collective bargaining with all employers through the National Electrical Manufacturers Association.¹

The beginnings of plant-wide bargaining in Lynn have already been described in Section 3 of Chapter III, which pointed out that Local 201 found it difficult to negotiate some matters of "company policy" determined by GE's head offices in Schenectady and hence beyond the authority of local Management.


So far, UE policy does not seem to have laid significant stress on industry-wide bargaining, except that negotiations with the major companies are timed so that similar demands are often presented to all at about the same time. (Cf. UE News, passim.)

The attitude of electrical manufacturers in general toward industry-wide bargaining is unknown, but Philip D. Reed, Chairman of the GE Board of Directors, stated his views as follows in 1941: "I anticipate and look forward to a mature, consolidated, national labor organization, led by able and understanding men who will negotiate all questions pertaining to wages, hours, and conditions of work with business leaders acting in concert through associations of employers on an industry-wide basis."—New York Times, May 22, 1941, p. 14.
At the second convention of the UE, in September, 1936, a resolution was passed by the delegates recommending that a national committee of all GE locals be set up "to act as a clearing house for new problems, wage policies, etc., confronting these groups on a national scale."\(^1\)

The first meeting of delegates from UE locals functioning at GE plants took place at Schenectady in January, 1937. They drew up plans for company-wide bargaining, and formulated a 10-point program of proposals for presentation to top GE Management.\(^2\) A meeting was arranged with W.R. Burrows, Vice-President in charge of industrial relations (now retired), at which three UE leaders discussed informally with him the establishment of company-wide relations.\(^3\) The negotiation of the "10 points" was scheduled for March 29, 1937.

The operation of the Conference Board machinery, now more highly developed than in the first negotiations, is described in detail immediately below. The problems which have arisen in 1937 and subsequently are analyzed later.

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The Conference Board Machinery.¹--As it now functions, the Conference Board is composed of delegates chosen by each UE local functioning at a GE plant. (At Lynn, these delegates are chosen by action of the Executive Board.) Each local which has been certified by the NLRB, or otherwise has been formally recognized as the sole collective bargaining agency at its plant, may send three participating delegates; each local not yet under the contract may send only one.² The voting power of the locals is in proportion to their dues-paying membership, based on the per capita tax reports.

A chairman is elected at each meeting of the Board, and a representative of the General Office, (usually the Conference Board Coordinator) acts as secretary.

The Board usually meets quarterly at the UE headquarters in New York, unless a special meeting is called. It may handle both contract negotiations and grievance cases, but the latter are usually discussed only by the Coordinator and representatives of the local unions involved.

1. Based on "Procedure of the GE Locals Conference Board," adopted Jan. 13-14, 1940 (2 pp., mimeographed), and interviews with UE officials, especially Joseph Turkowski, Coordinator of the Conference Board.

2. Often one or two additional delegates are sent as "observers." The reason given by some Local 201 Board members is "training in leadership," but one gets the impression that the trip to New York is not unattractive.
Proposed changes of the UE-GE agreement must be submitted by a member local before January if they are to be negotiated for the contract of the coming year. In Local 201, suggested amendments or additions to the agreement are generally worked out by the Executive Board in response to their experiences with grievance cases under the existing contract or other dissatisfactions that indicate the need for a change. The members are not hesitant about letting the leaders know when they think changes should be made. It is not unusual that a complaint made from the floor at a membership meeting leads to an investigation and recommendations for action. Any proposed contract changes, however, must be approved by vote of the membership before they may be submitted to the UE General Office in New York.

Copies of all proposals received are then duplicated and sent out to each GE local for its information. No action is taken, though, until the Conference Board delegates meet in January to discuss the suggested changes.

From all the many clauses submitted for discussion, the delegates must choose what they consider to be the "best" set, as determined by the expressed desires of their members, and as limited by their knowledge of what the Company negotiators are likely to consider favorably, and (during the war) what the War Labor Board is likely to
approve or order. The Business Agent of Local 201 has stated: "It's easy for us to write a contract that will suit us; it's not so easy to write one that will suit us and that the Company will accept."¹ In discussing these proposals, it has been stated that one disadvantage of the Conference Board procedure is the tendency of some delegates to "play to the gallery" at the large meetings, speaking up for extravagant demands to win a share of applause.²

Discretion must be used in choosing the demands to be pressed. In addition to desiring improvements, Union leaders must be able to justify the proposals when they are discussed with GE Management. In making the choice, the existing GE contract is compared with other trade agreements, to see if General Electric is "falling behind in the parade" in any way.³ GE's competitive position must be considered, since the UE leaders believe that it would obviously be shortsighted to press for contract "gains" which would hamper GE's ability to produce at low cost and thus cause unemployment.⁴

¹ Alfred Coulthard, "Contract Negotiations." Lecture given to ESMWT class in industrial relations (conducted for Local 201 by Northeastern University), Lynn Classical High School, May 31, 1945.
² Ibid.
³ "Dozens of other contracts have one or a few things which are better, but almost none are better as a whole." —Ibid.
⁴ Ibid.
Besides using care in the choice of the proposals, the delegates must give close attention to their wording. The clauses must be so worded that they are flexible enough for the varying plant conditions, yet they must not be so ambiguous as to be unenforceable. Yet, with all the care and close attention of the delegates, poorly-worded phrases often slip through and cause later difficulty because of misinterpretations.¹

After a proposed contract has been drawn up by the Conference Board, it is sent out to the participating locals for the approval of their membership. At Local 201, the clauses are read aloud, and a vote taken on each. This may appear to be a "democratic" procedure, but the way in which the matter is handled perhaps raises some questions. When some members disapprove a particular clause, an argument like this may be used: "This contract was written up by 40 locals, all working together. It was the best job the delegates could do down there, and we can't toss over the apple cart by throwing out this clause."² The tendency is then for the apparently democratic procedure to degenerate into a perfunctory reading of the proposals and automatic acceptance of each.³

¹. A recent instance was a clause on temporary piece rates, which specified that after 75 per cent of all prices in a "department" were standard, the remainder would be made standard within six months. The meaning of "department" is still unsettled.

². Paraphrase of discussion at Local 201 Membership Meeting, January, 1945.

³. Of course, this situation would probably not occur if there were strong dissatisfaction with the contract proposals. Cf. the rejection of the 1937 agreement by the membership of the locals involved.
When the proposed contract has been approved by a majority vote of the locals (voting power being determined by dues-paying membership), it is sent to top GE Management with the required 30-day notice of intent to negotiate modifications to the existing contract.1

The Company then evidently prepares for negotiations by discussions between the industrial relations staff, which does the actual negotiating, and the Manufacturing Committee, which appears to have the final word of approval or disapproval on most matters. It seems that the Company negotiators are instructed by the Manufacturing Committee as to what their responses shall be on the various Union proposals.2

The Conference Board meets again in April, just prior to the negotiations, to develop plans and strategy for the discussions with the Company. The delegates chosen by the local unions discuss the arguments to be used on the various proposals, prepare to cite instances of dissatisfaction with certain arrangements, and so on.

After these preparations the negotiations begin, usually at the GE Building in New York. The whole Conference Board meets there to hear the first contract discussions with Management. All delegates are present at this first negotiating meeting, at which the GE Locals Conference Board

1. The existing contract automatically remains in effect until a new agreement is negotiated. On wage increases, the effective date is a matter for negotiation.
2. GE Management has declined to clarify this situation for the winter. Union leaders believe that the main locus of Management authority has now shifted to a small "Policy Committee," composed of a few high executives. The Manufacturing Committee is said to include as members all GE plant managers.
Coordinator reads through the whole contract to sound out Management's reactions. As it is read aloud, clause by clause, the Company negotiators give their position on each proposal. These first reactions are hardly real commitments; usually the Management representatives just say, "No," to each Union proposal giving reasons.¹

The reasons for beginning negotiations with these large meetings, attended by all Conference Board delegates, appear to be these: (1) to give the delegates some participation in the actual negotiations; (2) to give the delegates an opportunity to report back to the membership on Management's "unwillingness to move," so that (a) the membership may exert pressure on local Management, and (b) the membership will be more satisfied with the concessions which are finally won.

The real negotiating occurs after the Negotiating Committee of five to seven persons, previously appointed by the Conference Board Chairman, begins its discussions with Management.² This committee generally includes the Union's most expert negotiators, who have had long experience in handling this "psychological art."³ They must know

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1. Interviews with several Conference Board delegates, April, 1945.
2. "Management never gets down to brass tacks except in a small group."—Alfred Coulthard, lecture on "Contract Negotiations."
3. Sometimes representatives of particular locals, which have special problems coming up, are included. For instance, at the 1945 negotiations there was a delegate representing the salaried workers, and one representing the lamp workers.
when to drop an issue, when to press it, when to compromise. They must know the individuals present, their preferences and attitudes. They must know the Company's history, its policies, its competitive position.

So far as is known, the threat of strike or lockout has never been made explicitly in contract negotiations,[^1] although some Union members have made "strike talk" on hearing of the Company's attitude in negotiations. The Union leaders, however, feel that in negotiating with GE, "pounding on the table doesn't get you anywhere. The more there is of that, the less results there are. Threats don't do any good."[^2]

However, protest meetings and other non-strike actions by Union membership, indicating a real dissatisfaction with Management's position, do seem to have some effect. This is evidently because GE Management is farsighted enough to realize that if the demands of the Union represent deep-seated desires of its employees, the Company cannot be completely inflexible without good reason if it is to keep the workers' good-will.

One vivid instance of this, according to a reliable Union official, was the 1941 wage increase campaign. The

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[^1]: This was true in July, 1945. In December, 1945, however, GE employees voted to authorize a strike in support of their demand for a wage increase of $2 per day.

[^2]: Interviews with Alfred Coulthard, Business Agent, and Joseph Turkowski, GE Locals Conference Board Coordinator.
UE had requested a general wage increase of 10 cents per hour, but the Manufacturing Committee is said to have told the Company's negotiating staff that GE employees were really satisfied and that the wage increase was not very important. When the UE leaders heard this, they decided to demonstrate to the Company that this was a significant issue to Union members. In Lynn, a big mass meeting was scheduled for the Odd Fellows Hall, and sound trucks were used for publicity. At the time of the meeting, there was such a crowd in the street trying to get into the Hall that one of the plant managers was unable to drive through the traffic jam to meet a high GE official who was waiting for him at the plant. With other such demonstrations, the various GE managers evidently became convinced that the wage increase was a real issue among GE employees, and the full 10-cent raise was granted.

The Negotiating Committee continues meeting with the Company as long as may be necessary to reach an agreement, and the full Conference Board gathers at intervals for reports if the negotiations are extended. The Conference Board must vote to accept the contract finally worked out, which then goes to the locals for ratification.

The same comments as were made in connection with the approval of the contract proposals apply to the acceptance of the final contract. Some members appear to be extremely
interested in those phases of the agreement which affect them, but the vote of ratification seems almost automatic.  

Conference Board Problems.---Two difficulties developed at the first company-wide negotiating meeting in 1937, when the UE was to discuss its 10-point program with General Electric: (1) The Company announced wage increases just prior to the meeting. Since this had been one of the Union's proposals, the Company's action caused "strong resentment" among the UE leaders, for they felt that the Company was trying to take full credit for something which should have been announced as the result of joint negotiations. After the Union had protested, "Vice-President Burrows . . . acknowledged that the premature announcement of the GE wage increase last week had been unfortunate, and declared that it would not happen again." This pledge, so important to good industrial relations, has been lived up to explicitly since that time.

(2) The other problem was "dissatisfaction . . [with] . . the apparent lack of authority of Vice-President Burrows to settle the questions which the conference had been called

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1. Of approximately 20,000 members of Local 201, only about 150 appeared to ratify the 1945 contract. However, the contract had been published, and absence may be interpreted partly as acquiescence. If there were strong dissatisfaction with the results of negotiations, as in 1937, the ratification would probably not be so perfunctory.


3. Ibid.
to negotiate. The Union leaders expressed their feelings in a press release:

A formal expression of the dissatisfaction of the United Electrical and Radio Workers of America with the results of two days of conferences between the Union and the General Electric Company resulted in drawing a promise from W.R. Burrows, Vice-President of the General Electric Company, to recommend that the Company name a committee, fully empowered by the Company to negotiate and settle any points at issue between the Union and the Company.2

Thus, at the very beginning of company-wide bargaining, two very important issues were thrashed out. The first issue, "premature" action by the Company on Union proposals, has never again come up; the final results of negotiations are generally announced simultaneously by both parties. However, the question of authority to settle has remained a somewhat troublesome one.

Neither side has been willing to turn over final authority to the negotiating committee; instead, the right has been reserved to reject tentative agreements. The memberships of the several local unions, which must vote acceptance before the contract is signed, have retained the final word on the Union side. As for the Company, final acceptance appears to have been subject to the decision of the "Manufacturing Committee," although on certain matters the Board of Directors, President, or other high GE officials may have a voice.3

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1. Ibid.
2. Ibid.
3. A representative of the Company declined to clarify this situation for the writer, stating, "The questions you raise are highly controversial . . ."--Letter dated Sept. 8, 1945.
The issue of authority to settle has been illustrated strongly by the Union's rejection of the 1937 agreement, and by the disagreements which arose during the 1942 negotiations on the "Pull-Out Plan" (an incentive plan for indirect labor) and a general wage increase.

The 1937 UE-GE contract, principally one of recognition, was acceptable to the leaders and members of Local 201 as a "foot in the door," although they were not too pleased with it. However, at a meeting of delegates from the six participating GE locals (Schenectady, Lynn, Fort Wayne, Kensington, Cleveland, and Bridgeport) held in Schenectady in July, 1937, the contract was rejected by all locals except Lynn, evidently because of pressure from members who felt that not enough of the "10 points" had been won.1

A contributing factor in the 1937 rejection evidently was the lack of publicity on the progress of negotiations.2 In the Electrical Union News, for instance, much was made of the Union's proposals, but after that there were no specific reports on negotiations. Even when the ratification meeting was announced, the new contract was not published, so that the members of Local 201 did not know the terms of the agreement until it was read; this appears to have been true also of other locals. While Local 201 was willing to accept

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the 1937 agreement as a foundation on which to build, other UE locals did not take the same view. If the Conference Board had not agreed initially to a "no publicity" rule at Management's request, Union leaders would have been able to keep the members better informed, and the final contract would perhaps have been less disappointing.¹ Since that time, although no formal press release has been made until the conclusion of negotiations, the local union papers have published fairly informative reports, despite Management objections. Local 201 leaders feel that it is their responsibility to inform the membership on the progress of negotiations, and that this is the only practical means of doing it.²

The "Pull-Out Plan," part of a production program put forth by the UE early in 1942, was a plan whereby workers on day rates were to be paid a bonus as the output of their whole department increased.³ The Union felt that the GE negotiators had definitely promised to try out this plan in a few departments and then to install it generally. Instead, after a trial period, the Manufacturing Committee (according to Union leaders) refused to agree to its extension, feeling that there were too many defects in the arrangement. The

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¹. The membership was evidently unwise to reject the 1937 agreement, since in 1938 GE refused to go as far as it had in 1937. A clause permitting a trial of dues collections in the Lynn plants, granted in 1937, was withheld in 1938.

². Interview with Alfred Coulthard, June, 1945.

³. See Sec. 5 of Chap. V for a fuller discussion of the Pull-Out Plan.
Union felt that this refusal of GE plant managers to accept the plan was a definite breach of faith, but the Company took the position that it had promised only to try out the plan. Dissatisfaction among Union members, particularly day-workers, over this alleged "bad faith" on the part of Management has remained a sore spot, despite an arbitrator's ruling that no agreement had been reached on the general installation of the Pull-Out Plan.

Also in 1942, the UE asked for a general wage increase of 12-1/2 cents per hour, before the Administration's wartime wage stabilization policy had been clarified. During the April negotiations, the Company contended that the question should be postponed until the Little Steel case, then pending before the National War Labor Board, had been decided.¹

When conferences reconvened in June, GE proposed that a wage increase be made conditional not only on Little Steel, but also on the General Motors case (which had not gone to the NWLB until May).² Feeling that this was simply "an attempt to stall," UE leaders called on the U.S. Conciliation Service for help, and a number of inconclusive meetings were held by Dr. John R. Steelman with the Union and the Company.

². Ibid.
After coming to the conclusion that it was GE President Charles E. Wilson "who was in fact preventing a settlement of the wage issue,"¹ the national officers of the UE met with him in New York. "The only reason Mr. Wilson could give for denying us this wage rise," the Electrical Union News stated, "was, that according to him, the Government does not want him to do so."²

At a later meeting with Messrs. Burrows and Wilson, the Union reported, "The Company freely admitted that the Union was justified in feeling that the Company had made a commitment on the question of a wage increase based on the Little Steel decision . . ."³ Although an increase of 5-1/2 cents per hour was finally granted, the apparent reluctance of the Company to adhere to its original position caused great resentment on the part of the Union.

Alfred Coulthard, Business Agent of Local 201, made the following comment on the 1942 negotiations:

Too often has an agreement been made by both sides around the negotiations table, only to find that the "top" of the Company has turned thumbs down on the recommendations of the Company's own negotiators, something that had never happened before, and which means that the probability of effective negotiations is remote.⁴

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1. Ibid.
2. Ibid.
3. Ibid.
4. Ibid., p. 2.
It would appear that such difficulties could be avoided in the future by an explicit understanding that all agreements are to be reduced to writing before being considered binding. Such a requirement should serve to bar misunderstandings as to the exact nature of commitments made, and to lessen any possibility of reneging.

On the Union side, although final authority to settle is theoretically reserved to the membership of the locals, the Negotiating Committee’s recommendations actually have great weight with the full Conference Board, and also with the membership. The delegates, having heard the reports of the negotiators, generally will do everything possible to convince the members of their locals that they should follow the common course.

This arrangement seems to present a rather workable compromise. On the one hand, a fair measure of efficiency is preserved by the ability of the Negotiating Committee to reach tentative agreements and then to convince the Conference Board delegates—and through them the membership—that the agreements should be accepted. On the other hand, an essential element of democracy is retained by requiring the membership to approve the contract proposals, and the final agreement. This arrangement, however, will work effectively only if certain conditions are met: (a) The Negotiating Committee must be capable, and work within the frame of reference determined by the desires of the membership
and the instructions of the Conference Board delegates. (b) The Company must not take a completely inflexible stand in negotiations, for it probably would be very difficult for the Union leaders to "sell" a contract which contained none of the demands considered important by the membership.

6. Political Activity

For over ten years, Local 201 as an organization took no active part in political campaigns, and even avoided official endorsements of any political candidates for local, state, or national office.\(^1\) Although the members of Local 201 did occasionally take official action stating their opinions on particular pieces of legislation,\(^2\) such actions were rather sporadic. Such little political activity as there was usually took the form of passing a resolution favoring or opposing some bill, and instructing the Business

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1. "... while any officer or member of our Union may support any political candidate he or she wishes, that being a right of citizenship nobody has a legal right to disturb, we wish to make it clear that so far as our Union is concerned, neither the Executive Board, or our General Council, any Committee, or Membership Meeting has taken a vote to support any candidate for any political office during this present election [local election in Lynn], or at any previous elections, since the inception of our Union six years ago."--Statement of Executive Board, Electrical Union News, Vol. 7, No. 2 (Nov. 9, 1939), p. 2.

2. "... we have officially endorsed and supported various types of proposed legislation, both state and federal—legislation which, if enacted, would, in our collective opinion, help the workers. This has been done irrespective of the party affiliation of the sponsors of such legislation."--Statement of policy, "How We Stand Politically," Ibid., Vol. 3, No. 45 (Sept. 18, 1936), p. 1.
Agent to communicate the resolution to the legislators involved. For a long time, the Union had no consistently effective means of applying political pressure.

With the establishment of the Legislative Committee in 1939, Local 201 developed a systematic procedure for studying new legislation and recommending action to the membership; but it was not until the climactic campaign of 1944 that the Union changed its original attitude toward political candidates. Then it not only endorsed certain candidates, but also organized a vigorous campaign drive in support of the Roosevelt-Truman ticket.

The Legislative Committee.—After hearing the favorable recommendations of the Executive Board and General Council, the members of Local 201 voted in 1939 to establish a Legislative Committee, to investigate proposed social legislation "...so that the membership will be better informed as to why the Union should or should not support proposed legislation."¹ Since then, the Committee has worked conscientiously to study bills pending in the state and national legislatures.

As observed during the course of this study, the procedure of the Legislative Committee was somewhat as follows. The Committee members, particularly the more

active ones, carefully read newspapers and other publications to learn of proposed legislation. If a bill appeared to be significant, a copy or authoritative summary was obtained. The Committee discussed the pros and cons of each bill at its meetings, and drafted recommendations which were presented to the Union meetings. If the Council or membership accepted the recommendations, the Business Agent was usually directed to send a telegram or letter expressing the position of the Union. On particularly important matters, postcard campaigns have been organized, and on some occasions delegates have been sent to appear at public committee hearings.¹

The stand taken by the Legislative Committee of Local 201 has been similar to that recommended by the national CIO and UE organizations—what may be termed a "progressive" or "liberal" policy. Among the specific measures supported during the war have been those against the poll tax, those aimed at more effective rationing and price control, the federal soldiers' vote bill, and the Bretton Woods and United Nations Organization proposals; among those opposed have been the Smith-Connally Act, and the state sales tax and the "Barnes bills" in the Massachusetts legislature.

¹. Postcard campaigns were organized seeking revision of the Little Steel Formula, and opposing the "Barnes bills" (which would have required annual filing of financial statements by labor unions, and prohibited political contributions by them) in the Massachusetts legislature.
Perhaps the most vigorous legislative campaign yet organized by the Committee and the UE was a drive to enlist public support for the Bretton Woods and Dumbarton Oaks proposals. Locally, talks were given at Union meetings and articles were published in the *Electrical Union News*. As a climax, a meeting of representatives from various civic groups in Lynn was sponsored by Local 201. Mayor Frawley of Lynn presided at this meeting, which was held at the Union Hall on May 17, 1945. Professor George Halm of Tufts University advocated international monetary cooperation as proposed at Bretton Woods, and Professor John B. Rae of MIT explained the need for international political cooperation of the type suggested at Dumbarton Oaks.  

Local 201 has so far remained formally aloof from local politics in Lynn. Although M. Henry Wall, prominent Union member who is now an Assistant to the Business Agent, ran for and was elected to the City Council in 1939, the Union did not endorse him or take any active part in his campaign.  

In state politics, Local 201 and the District UE often express their views on pending bills to the legislators on Beacon Hill, but it appears that these organizations acting alone have relatively little influence.

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1. See Fig. 20 for a sample of the many articles on these topics which appeared in the *UE News* during early 1945.
3. Mr. Wall has been returned to the Council at each election since then.
Fig. 19—Sample Front Page of the UE News.

Fig. 20—UE News Clippings on Bretton Woods and Dumbarton Oaks.
However, when they work with the State CIO and sometimes with A.F. of L. groups on matters of general interest to labor, there may be significant results.¹

Local 201's policy of not endorsing political candidates remained in force until 1944, despite a suggestion by the Business Agent in 1942 "... that not only should we be interested in proposed legislation, but we should also be interested in the legislators."²

The Political Action Committee.—The national CIO-PAC was organized in about July, 1943, and during the balance of that year a series of regional meetings was held in preparation for the 1944 campaign.³ Jeremiah Linehan, then President of Local 201, participated in the first conference of CIO leaders from the eastern seaboard states at Philadelphia, at which the delegates resolved "Immediately to start mobilizing the full force of the CIO for political action ..."⁴

1. For instance, Local 201, working alone, was unable to defeat a 1945 bill affecting the GE Mutual Benefit Association; however, the Barnes bills, considered anti-labor and opposed at committee hearings by representatives from a wide range of labor groups, were not passed.
2. "'Shouldn't We Move with the Times?' asks the Prying Prowler," Ibid., Vol. 10, No. 4 (Nov. 20, 1942), p. 2.
In early 1944, the UE New England Council (District 2 of the UE), under the leadership of Paul Seymour of Lynn, laid plans for a registration drive,¹ and the Local 201 Legislative Committee was enlarged by the addition of 15 members "to better handle the coming problems of political registration in the national CIO political action campaign . . ."²

While making a study of political action problems, the Legislative Committee proposed to the membership of Local 201 that its policy on political candidates be changed, suggesting that candidates approved after study of their voting records, experience, etc., "... be recommended as proven friends of Labor for election . . .," with the proviso that such recommendation "... shall in no wise constitute an unqualified endorsement by the Membership of Local 201."³

Although this proposal met with considerable objection from some of the "old-timers" who felt that the Union should "stay out of politics," the debate was won by those who believed that under present conditions economic and political factors are so closely interrelated that unions must necessarily take some political action in order to protect the

². Ibid., Vol. 11, No. 16 (Feb. 11, 1944), p. 1.
³. Ibid., Vol. 11, No. 28 (May 5, 1944), p. 1.
economic wellbeing of their members,\(^1\) and the recommenda-
tion was accepted in May, 1944.\(^2\)

The principal candidates recommended after considera-
tion by the Legislative Committee and the membership of
Local 201 were: Franklin D. Roosevelt for President; Harry
S. Truman for Vice-President; Maurice Tobin for Governor;
Thomas J. Lane for Congress, 7th District of Mass.; John
M. Bresnahan for Congress, 6th District of Mass.;\(^3\) C.F.
Nelson Pratt for County Commissioner.\(^4\)

The Legislative Committee organized an intensive
registration and educational drive, using sound trucks
and handing out countless PAC pamphlets urging the citizens
of Lynn to register and to support the Roosevelt-Truman
ticket.\(^5\)

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1. The following quotation illustrates the viewpoint of this
group:
   "Politics, today, is also economics. There isn't any way
   of separating the two these days, even if we wished to. For
   instance, if anybody believes that a joint wage increase
   can be negotiated these days without political action, then
   he does not understand the question . . ."---Statement of
3. Bresnahan, an active member of the Legislative Committee,
   won two Democratic nominations in the primaries--for
   Secretary of State, and for Congress. He resigned the state
   nomination in the unrealized hope that he could defeat
   Congressman George Bates of Salem, considered "reactionary"
   by labor.
4. Pratt, also a member of Local 201, had previously served
   as member of the Massachusetts General Court and as County
   Commissioner.
   of endorsements.
To finance the PAC, the membership of Local 201 voted some contributions to the CIO-PAC, and instituted a campaign for voluntary contributions of $1 from each Union member.¹

In addition to working within Local 201, members of the Legislative Committee set up a unit of the National Citizens' Political Action Committee in Lynn,² which sponsored a large political rally as a climax to the political campaign of 1944. The gathering was attended by a crowd of almost 2,000, and many important candidates appeared, particularly Harry S. Truman and Maurice Tobin.³

While some may disagree as to the desirability of such political activity as was engaged in by Local 201 during the 1944 campaign, it does appear that the Legislative Committee waged an effective registration drive, and then did much to awaken public interest in the issues and candidates of the campaign.

1. Ibid., Vol. 11, No. 44 (Aug. 25, 1944), p. 2. Shop stewards served as collecting agents in this campaign. In the many Union meetings which were observed during the fall of 1944, there was no open use of social pressure to compel contributions, although this might easily have been done, for example, by "passing the hat" while a meeting was in progress.

2. Ibid., Vol. 11, No. 46 (Sept. 8, 1944), p. 2. The Lynn unit of the NC-PAC, however, was made up almost entirely of Local 201 members.

Fig. 21—Harry S. Truman, Candidate for Vice-President, Being Ushered into the Local 201 PAC Rally.

Fig. 22—(left to right) Harry S. Truman, Joseph E. Casey (Former Congressman from Massachusetts), and Alfred Coulthard at the Local 201 PAC Rally.
7. Education

Although the Education Committee was not established until 1943, Local 201 made some courses available to the members before that time. In the period 1934-1935, a series of classes on employer-employee relations, general economics, and social planning, sponsored by the Federal Emergency Relief Administration, were held in the offices of the Union.¹ After this, there was no formal program of educational activity until 1941. Since then, however, a number of courses has been offered to the members and leaders of Local 201.

Labor Relations and Public Speaking.—The combination of these two topics as alternate meetings of a single course has been presented three times; twice before the establishment of the Education Committee, and once under the supervision of that Committee. In the two earlier courses, one given in January to March of 1941, the other in the same period of the following year, the Union engaged an MIT staff member to conduct six classes on various topics in industrial relations and a Harvard professor to give six sessions on public speaking.²

². In 1941, Prof. Dwight L. Palmer of MIT and Prof. Mattis of Harvard were given the assignment. In 1942, Mattis was engaged again and James E. Barron of MIT taught the labor classes. No formal records are available on subject matter or attendance. See ibid., Vol. 8, No. 8 (Dec. 19, 1940), p. 1; No. 23 (Apr. 3, 1941), p. 13; Vol. 9, No. 13 (Jan. 23, 1942), p. 1.
In March to May of 1944, a similar course was sponsored by the Education Committee. An MIT instructor was secured to take charge of the whole course, and guest speakers were invited to discuss certain topics in the labor relations field. Much interest was shown by those who participated, and some stated that the training in public speaking had been very helpful to them as Union members and officers.

Classes for Women Union Leaders.--Two courses of this type have been given by the Business Agent and other Union leaders, one in October to November of 1942, and one in February to March of 1943. The women Councillors and Union members who attended participated in discussions which covered the history of the UE, the UE-GE contract, the handling of grievances, Union activities, and the role of women in the Union.

Councilmen's Classes.--In addition to the other courses which have been mentioned, the Business Agent has twice given courses specifically designed to inform shop stewards on the many technical problems which they must handle in the adjustment of grievances. In the class meetings, which were held

1. The writer was in charge of the course. Forty-two Union members, nearly all Councillors and Board members, signed up for the course. Of these, 32 attended seven or more of the ten classes.
2. See Electrical Union News, Vol. 11, No. 31 (May 26, 1944), p. 3.
for about half an hour before regular Council meetings, the group discussed in detail such matters as the interpretation of Executive Order No. 9240, the UE-GE contract, and the Company's personnel policies.

The first of these courses was given in the winter of 1942-1943, and the second in the following winter. The second course was much improved by the newly-issued Manual for Councillors, which contained the UE-GE contract and the text of some local agreements on procedure and policy. Two revised editions of the Manual have been published since then; the latest is included as an appendix to this thesis.

The Education Committee.--This Committee first became active in late 1943, when it laid plans for a course in public speaking and labor relations, described above, and successfully proposed to the members of Local 201 that the Union acquire sound-motion picture equipment to show educational films, and that a Union library be established.

The 16 mm. sound motion-picture projector was purchased in early 1944, and since then a varied assortment of films has been shown at Union meetings. Most of the films have been War Department releases, such as ones on the U.S.S. Hornet, blood plasma, electronic devices in warfare, and so on.

In addition, some government documentary films, comedies, sports features, and cartoons have been shown, including the CIO-PAC *Hell-Bent for Election*. While the Committee had hoped that showing these films during the half-hour before membership meetings would stimulate attendance, the results have been disappointing. Little has been done as yet to make any broader use of the many visual-education films now available.

The Local 201 Library collection was begun in the summer of 1944, with books donated by Union members, others given by publishers as "review copies," and some bought with a book-fund allowance granted to the Committee. After a bookcase had been built in the Council Room, books were loaned out to members for one week periods. There are now over 100 books in the Library, including novels, a reference encyclopedia, and such standard texts as: Barnes, *Motion and Time Study*; Slichter, *Union Policies and Industrial Management*; and Commons and Andrews, *Principles of Labor Legislation*.

Since March, 1944, the Education Committee has prepared a weekly column for the feature page of the *Electrical Union News*. This informative and usually interesting column has covered a wide range of subjects, including critical book reviews, the history of labor in Lynn, and general problems of labor unions.
One very successful project of the Committee was an ESMWT (Engineering, Science, and Management War Training) course given by the Northeastern University War Training Institute for Local 201 during the period December, 1944 to April, 1945. This project came about when some Union members were told that they could not take ESMWT courses at Northeastern unless they were high school graduates and had been approved by GE Management. Hearing of this, Truman Nelson, Chairman of the Education Committee, discussed the matter with officials of Northeastern, and as a result they agreed to sponsor a course for Local 201 without charge.2

The ESMWT course topics included job evaluation, time study, history of industrial relations in the United States, and the UE-GE contract negotiations. Those who attended the classes were again mainly Board members, officials, and Councillors, but the course material was made more widely available to the members by digests of each week's lecture, published in the Education Committee's column.3

1. Ibid., Vol. 12, No. 6 (Dec. 1, 1944), p. 6.
2. All costs of the course were paid by the federal government through its ESMWT program.
3. See ibid., December 8, 1944 to April 6, 1945.
8. The Activities Committee

Many more Union members have volunteered to participate in the social and recreational "work" of the Activities Committee than in the activities of any other Local 201 committee. Since early in Local 201's history, this committee has sponsored a number of successful dances, field days, and picnics.¹ On many of these occasions, cars, refrigerators, and - during World War II - war bonds, have been raffled off. The proceeds of these raffles were originally used mainly for charitable purposes, but in 1939-1940 they were turned toward paying for the new Union Hall bought at that time.²

¹ See, for instance, the account of the Third Annual Outing and Picnic at Canobie Lake Park, N.H., in ibid., Vol. 4, No. 41 (Aug. 6, 1937), p. 1. --"The Outing proved to be the biggest get-together attempted by our Union. The attendance was estimated at seven or eight thousand, many of whom utilized the large fleet of 107 busses."

² A Building Committee was appointed in July, 1939, to study the problem of acquiring a more suitable Union headquarters. In November, 1939, the membership voted to buy an old school building on South Common Street, West Lynn, and have it remodelled for use by the Union. An incorporated building association, with membership restricted to members of Local 201, was established to hold title to the building, and the Union now "rents" the property for $10 per year.

Remodelling the building cost about $25,000, which was loaned to the Building Association by the Union. This debt has now been paid off entirely with funds raised by the Activities Committee.

The new Union Hall was officially opened at a housewarming on September 20-21, 1940, attended by Governor Leverett Saltonstall of Massachusetts, President James B. Carey of the UE, Congressman Lawrence Connery, GE Manager Nelson M. Darling, and Lynn city officials. --Electrical Union News, passim.
Since the beginning of World War II, many new activities have been sponsored by this Committee. In January, 1942, a knitting campaign began. Classes were held, and yarn was given to all those willing to knit sweaters and helmets for Union members in the service.\(^1\) Also, leather toilet kits were given to each Local 201 member leaving for service in the armed forces.\(^2\)

Subcommittees were formed within the Activities Committee to handle particular projects. A Social Committee sponsored group trips of young women Union members to Army camps for dances.\(^3\) A Camp Show Troupe, complete with orchestra, has given performances at many Army and Navy installations.\(^4\)

A Blood Donor Committee, working cooperatively with GE Management, has arranged for the donation of over 10,000 pints of blood to the American Red Cross,\(^5\) and has found many emergency donors besides.\(^6\) The Union has also

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1. Ibid., Vol. 9, No. 9 (Dec. 26, 1941), p. 6. In 1943 it was reported that one woman had knitted 54 miles of yarn into 156 sweaters for Local 201 members.—Ibid., Vol. 10, No. 44 (Aug. 27, 1943), p. 1.

2. Ibid., Vol. 9, No. 12 (Jan. 16, 1942), p. 1. About $40,000 has been spent for these kits.

3. Ibid., Vol. 9, No. 40 (July 31, 1943), p. 3.


5. Ibid., Vol. 11, No. 28 (May 5, 1944), p. 1.
Fig. 23—The Local 201 Union Hall in Lynn.

Fig. 24—The Office Staff of Local 201.
cooperated with the Red Cross in its campaigns for funds,\(^1\) and by making the Union Hall available for use as one of five Casualty Stations in Lynn.\(^2\)

The Theater Group has produced four ambitious musical shows, written and staged by Union members: "Rhythm for Victory" in 1942,\(^3\) "This Is It" in 1943,\(^4\) "Viva Manana" in 1944,\(^5\) and "Maytime Minstrels" in 1945.\(^6\) Each has been presented for two or more performances at the Lynn English High School.

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9. Other Committees

This section describes briefly one recently established permanent committee of the Union, the Veterans' Committee, and a number of temporary special committees - the Mutual Benefit, Relief and Loan, and Special Investigating Committees.

The Veterans' Committee.--At the 1944 UE Convention, the delegates adopted a program for veterans, urging, among other things, that each UE local establish a veterans' committee "... to gear returning veterans into the life of the local union, shop, and community."¹ Local 201 made plans in this direction in late 1944,² and in January, 1945, President Hugh McManus announced the appointment of such a committee, made up of nine veterans of World Wars I and II.³

The functions of the local veterans' committees, as suggested by Lieut. Tom Neill, Executive Secretary of the UE National Veterans' Welfare Committee, are as follows: (1) To keep in touch with Union men in the service by sending them letters, Union papers, etc. (2) To meet returned veterans in the plant as soon as possible, and

explain to them the functions of the Union in the shop. (Neill also suggested that each veteran might be given a "pamphlet kit," containing perhaps a copy of the UE service-
men's booklet, *When You Come Back*, and the UE contract proposals for veterans' seniority.*) (3) To aid veterans by giving them advice on any special problems, particularly those involving "red tape." (4) To aid disabled veterans by working cooperatively with supervision to find suitable jobs for them. (5) If necessary, to advise veterans on rules and procedures, but not to negotiate grievances. This must be left to the regular grievance machinery, Neill advised, or else Management may have two negotiating committees to deal with and find itself able to play off one against the other.*

Unfortunately, the Local 201 Veterans' Committee so far has been unable to establish any cooperative relation-
ship with GE Management, and some Committee members feel

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1. The UE, in common with other unions, has objected to Hershey's interpretation of the Selective Service Act giving "super-seniority" to veterans, and has proposed that all veterans, whether newly hired or returning, be given simple seniority credit for time spent in the armed forces. Hershey's ruling, it is said, protects only a small number of servicemen--those who are returning to their former permanent positions. GE has stated that it will count time spent in the armed forces by former employees for seniority purposes.--Statement of Hugh McManus at Union meeting, April 12, 1945.

2. Talk of Tom Neill to Local 201 Veterans' Committee, Union Hall, April 12, 1945.
hampered because Company rules do not permit them to leave their department to assist veterans in other areas.\textsuperscript{1}

Although the Company has cooperated by marking the names of veterans on the lists of new employees sent to the Union, and Veterans' Committee members unofficially are permitted to receive intra-plant telephone calls to give information, no concerted effort has yet been made by the Committee to arrange a program to contact personally all employee veterans on behalf of the Union.

Committee members, it is true, have done much to aid individual veterans. For instance, they have built up a cash "kitty" through contributions of their own, and donated amounts from this fund to veterans in need. They have provided some veterans with transportation to Veterans Administration facilities, and assisted them in cutting "red tape."\textsuperscript{2} However, despite the personal concern for veterans' welfare which is evident in their discussions and actions, no clear-cut program for integrating returned servicemen into Union affairs has yet become apparent.

\begin{enumerate}
\item This rule applies to all Union officials except Chief Stewards and Board members, who may obtain permission in certain instances to visit departments other than their own.
\item Discussion at meeting of Veterans' Committee at Union Hall, April 19, 1945.
\end{enumerate}
The Special Investigating Committee.--This temporary committee was established by direction of the Executive Board in late 1944, when Local 201 leaders realized that the Union was beginning to operate with a reduced margin of financial safety, due to gradually reduced membership and dues income without corresponding decreases in Union expenditures. The Special Investigating Committee discussed the fiscal problems of the Union at several meetings, and then made these principal recommendations: (1) that the number of delegates to the GE Locals Conference Board contract and grievance discussions and the State CIO, District UE, and other conventions be reduced; (2) that the allowances to these delegates for meals and incidentals be reduced; (3) that no interruptions be permitted during Executive Board meetings; (4) that Board members should arrive promptly at meetings and grievance sessions and remain until the completion of business.¹

While recommendations (1) and (2) were accepted by the membership much as suggested by the Committee, no formal action has been taken on proposals (3) and (4),

¹. Minutes of Special Investigating Committee, December, 1944 and January, 1945.

There appears to have been an undesirable tendency among a few Board members to stretch a bit the Union rule that they are to be compensated only for time lost from work due to Union activities. Thus, Board members may appear late at Board meetings, leave early, or may not report back to the plant for work when a Board meeting is finished early in the afternoon, and yet claim from the Union payment for the full day's lost time. However, this appears to be a petty abuse, particularly since such officers are required to spend some evenings on Union business without receiving compensation for that.
which could still be very profitably applied. The Committee's suggestions were good ones, but they have not been made entirely effective.

The Ways and Means Committee.--This temporary committee was first organized in the 1944 CIO campaign to force revision of the "Little Steel Formula." Under the leadership of Earl Riley (now an Assistant to the Business Agent), the Committee sponsored a widespread effort to convince the public and Congress that increased living costs required drastic overhauling of the Little Steel Formula. Postcards, letters, and petitions were sent to legislators; and many city councils in the Great Lynn Area were persuaded to pass resolutions condemning the Formula.¹

The Committee was revived in January, 1945, to work on the CIO drive for a 17-cent increase in hourly wage rates. A Local 201 delegation visited Washington and presented to the White House Secretary a petition 500 feet long, filled with signatures. The group also exhibited to Congressmen and Senators some pay envelopes, restaurant menus, and newspaper advertisements supporting the CIO argument that real living costs had increased far more than weekly take-home pay.²

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¹ The city councils of Lynn, Everett, Cambridge, Malden, Revere, Salem, and Woburn took such action. See Electrical Union News, Vol. 11, No. 34 (June 16, 1944), p. 1. Local 201 members were on the councils in Lynn, Everett, Malden, Revere, and Woburn at that time.
The Mutual Benefit Committee.--The Mutual Benefit Associations at the Lynn GE plants are voluntary insurance groups organized under special acts of the Massachusetts legislature,\(^1\) accepting for membership employees of those plants. Dues of 20 cents per week are collected by the Association, which pays benefits on the death or disability of its members.\(^2\)

In early 1945, Local 201 members expressed some dissatisfaction with the operation of the Association, and they voted to set up a special committee to look into the matter.\(^3\) When this Committee met, on March 21, 1945, it heard testimony from those interested in the operation of the Association, including a few section chairmen (elected by the workers in a particular area to represent them in MBA affairs). Some of the points of dissatisfaction, as stated by those present, were: (1) Many GE workers were said to prefer the similar protection offered by the Blue Cross, since such protection would continue after leaving the Company, but GE has refused to permit payroll deductions for Blue Cross dues, and the Blue Cross will not admit new members on any other basis. (2) Elections of


section chairmen have not been properly advertised in advance, so that reelections have been almost automatic.

(3) The General Chairman (appointed by GE Management) has chosen to continue collecting dues, although the by-laws state:

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When the amount in the Disability, Death Benefit, and Emergency Fund reaches thirty-five thousand dollars ($35,000), the General Chairman may order the payment of dues to be discontinued until the Fund shall have been reduced to thirty thousand dollars ($30,000), when payment of weekly dues shall be resumed by the members of all Sections.¹
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The Fund was reported to contain about $165,000 at that time, and those present felt that dues should be eliminated for a time, as had been done in the past when the Fund became large.²

These matters were discussed with GE Management by the Executive Board. Although Management stated that the MBA was not a matter for collective bargaining, it was agreed that the Company would look into the matter to see if any revisions were necessary.

`Relief and Loan Committee.--The GE Employees Relief and Loan Plans at the Lynn plants are voluntary organizations, collecting dues of 5 to 10 cents a week from their members. The Company contributes a sum equal to that`

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². Meeting of Mutual Benefit Committee, Union Hall, Mar. 21, 1945.
received in dues. Of the total amount collected, 80 per cent is credited to a fund for loans and operating expenses, and 20 per cent to a fund for relief. Administration is vested in a board of six, three elected by the members and three appointed by the Company.

The Board of Administrators passes on all applications for loans and relief. Loans up to $200 may be made to members in need due to sickness or death in their family, or other emergency; and relief of up to $100 in any 12-month period may be made to employees, either current or pensioned, found to be in need.¹

Complaints on the administration of the Plan at the West Lynn Works were made at the Union meeting on January 30, 1945, and a special committee (including at least one elected Administrator) was appointed to look into the matter. After investigation, the Relief and Loan Committee reported that these were the principal points of dissatisfaction:

1. Management officials have refused to approve relief grants to employees who have, in their opinion, "... earned sufficient money in the past year."² In one particular case, it was charged, the full Board of Administrators had voted relief for an individual with full consideration for the individual's 1944 earnings, but

¹. GE Employees Relief and Loan Plan of the River Works, GEQ 122, (West Lynn: General Electric, 1936).
². Board case #4797, Local 201 grievance files.
Management had refused to approve the check, in violation of the Plan rules. (2) The Company, judging from the attitude of its representatives in Plan affairs, evidently wishes to do away with relief altogether, and to grant only loans.

Based on the findings of the Committee, the Executive Board submitted the matter to GE Management officials, who agreed to discuss it, although it was not, in their opinion, negotiable. After citing figures to show that the ratio of relief payments to loans had been much higher at West Lynn than at other GE plants, Management nevertheless agreed that the Board of Administrators would in the future be called together for discussion in any case where it was felt that a check should not be issued.
10. The Electrical Union News

The weekly journal of Local 201 first appeared on May 4, 1934. Published in tabloid size with 4 to 32 pages and distributed without charge to all Union members, the Electrical Union News has furnished a convenient and effective method of informing the membership on the news, problems, and policies of the Local. Also, in some instances, it has served as a vehicle for Union criticism of Company policies and supervisory personnel.

Editorial Staff.—Alfred Coulthard, Business Agent of Local 201 from its beginning, has been the only Editor of the News, and for many years he carried the principal burden of preparing the paper for publication. After the outbreak of the war, it became increasingly difficult for the Business Agent to perform his many duties, so in 1943 the Executive Board appointed a full time Assistant Editor from among a number of Union members who applied.¹

Also important in the operation of the journal is the Editing Board, a six-man committee elected by the General Council.² This group meets weekly and reads all items intended for publication to make certain that they comply with the policies of the Union and do not libel any individuals.

¹ Anthony Frasca, an active Councillor with considerable experience in journalism, was chosen for the position and approved by the membership, and he has continued to hold the job since.
In return for reduced publication costs, the Union has from the beginning permitted the printers, Jackson and Phillips, to sell advertising space in the *News*. While most members of Local 201 seem to feel that this is a desirable economy, others have expressed the opinion that a labor paper should not accept advertisements. Without the advertising, it has been estimated that the monthly cost of the *News* per member, now about 5 cents, would be approximately doubled.¹

*Contents.*—The front page of the paper, a sample of which is reproduced in Fig. 25 on the next page, is primarily devoted to important news of Local 201 and the national UE, although other items of general interest on labor, economic, and political news may be included. The Editor's column of personal comment, now called "Views--Re and Pre," has in recent months also appeared on page one; for over ten years, the Editor's comments were published on page two under the *nom de plume* of "The Prying Prowler."

Other editorial columns, general labor news, and a "Calendar" of coming Union events are generally printed on pages two and three. The feature page, a photograph of which appears in Fig. 26, often appears as page four.

¹. Interview with Anthony Frasca, Assistant Editor, July, 1944.
Fig. 25—Sample Front Page of the Electrical Union News.
These "Featurettes," introduced within the last two years, have included the columns written by the Education Committee and the Assistant Editor, comic strips with labor union themes, news of Local 201 members in the service, and an attempt at romantic humor in "Cornelia Advises on Love." The comic strips and Cornelia's writings are enjoyed by many members, but some have expressed the opinion that they are out of place in what should be a more "militant" union paper.¹

The balance of the paper is filled with miscellaneous short news items, and with a large number of personal gossip columns written for each of the important departments of the Lynn plants.

In general, the appearance of the paper has been conservative and typographically attractive, except for the sometimes burdensome volume of advertising. The contents, of course, are of interest primarily to the members of Local 201, but much of the News makes profitable reading for any student of labor affairs. The views found in the columns written by the Editor over the last twelve years are particularly interesting as an expression of a collective bargaining philosophy which stresses the importance of maintaining harmonious industrial relations, and striving cooperatively and gradually to improve wages, hours, and working conditions.

¹. The General President of the UE, Albert Fitzgerald, is one of those who has vigorously expressed his disapproval of "advice to the lovelorn" in a union publication.-- Meeting of Local 201, April 10, 1945.
11. Financial Affairs

The dues of Local 201 were originally 25 cents per week for men and 15 cents per week for women, but in 1942, when collections were put on a monthly basis, the figures were changed to a uniform $1.00 per month for all.\(^1\) The initiation fee has always been $2.00.\(^2\)

Union members originally paid their dues through collectors (frequently shop stewards), who received as a fee 10 per cent of their collections. After General Electric agreed to the check-off in 1943, all dues and initiation fees have been collected through the Company.\(^3\)

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2. On January 30, 1945, Local 201 members voted to admit veterans of World War II without charge.
3. UE Locals at first paid GE two cents per member per month (the estimated actual bookkeeping cost) for this service. Sheldon Drew, Office Manager of Local 201, later devised an improved records system for these collections, and the Company agreed to reduce the charge to 1.4 cents—a saving of about $1,440 per year to the Union. In 1945, the UE asked GE to perform the check-off without charge. GE refused, and the question went to the WLB as a dispute case; no decision had been issued at the time of writing.

The UE originally offered to pay the cost partly because this made it easier to win GE's consent to the check-off, and partly because many members, particularly in Local 201, wanted "the independence that comes from paying your own way." More recently, however, the membership seems to feel that "the more nickels you can squeeze out of the Company, the better."—Quotes from interview with Alfred Coulthard, September, 1944.
Dues payments are deposited in the Union's Working Fund. From this fund, for which the Financial Secretary (at present, the Business Agent) is responsible, current expenditures are made by checks signed by the Financial Secretary and the President (or Vice-President). At the end of each month, all of the Working Fund over $30,000 is transferred to the General Fund; or, if the Working Fund has suffered a deficit, it is replenished from the General Fund.

The General Fund includes the bulk of the Union's liquid assets, which take the form of war savings bonds and bank deposits. The Treasurer is responsible for this Fund; checks drawn on it are signed by him and by the President (or Vice-President).

The Auditing Committee and Financial Reports.—The Auditing Committee is a six-man group, elected by the General Council. The Constitution of Local 201 requires that these auditors "... shall, at least once every three months, examine all records of financial transactions of the Union, and present a report to the membership at the regular meeting."1

1. Local 201, Constitution, Rules, and By-Laws, p. 20.
Actually, the records are audited monthly, and complete and detailed financial reports are submitted to all meetings of the Local 201 Council and membership. These reports, which are distributed for inspection among those present, take the form of an operating statement listing: (1) the balance at the beginning of the month, (2) all income (classified by sources), (3) all expenditures (all checks and payees are listed separately, and (4) the change in the balance. The members of Local 201 who take the trouble to attend Union meetings and examine these financial reports have no reason to complain of any secrecy in the handling of Union funds.

**Analysis of Expenditures.**--To gain some insight into the distribution of Local 201's expenditures, a study has been made of the Union's financial records covering the fiscal year 1942-1943. All items of expense were classified into certain major categories, and from the totals an estimate was made of the way income from current dues was being spent.

Certain monthly expenditures per member were constant at that time: per capita taxes, cost of the

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1. This was done by the writer, with full cooperation by Union officials. All financial records were made available.
check-off, and cost of distributing dues payment cards to members. The other, variable expenditure categories were analyzed to determine what proportion of the monthly dues dollar was spent on each. The estimated distribution is listed in Table 6 below.¹

<table>
<thead>
<tr>
<th>Fixed Items:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Per capita tax to national UE</td>
<td>.35</td>
</tr>
<tr>
<td>2. Per capita tax to District 2, UE</td>
<td>.0025</td>
</tr>
<tr>
<td>3. Per capita tax to State CIO</td>
<td>.01</td>
</tr>
<tr>
<td>4. Cost of check-off</td>
<td>.02</td>
</tr>
<tr>
<td>5. Distribution of dues stamps</td>
<td>.01</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable Items:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Lost time payments</td>
<td>.183</td>
</tr>
<tr>
<td>7. Salaries</td>
<td>.147</td>
</tr>
<tr>
<td>8. Working fund</td>
<td>.113</td>
</tr>
<tr>
<td>9. Office expense</td>
<td>.071</td>
</tr>
<tr>
<td>10. Electrical Union News</td>
<td>.046</td>
</tr>
<tr>
<td>11. Organization</td>
<td>.0225</td>
</tr>
<tr>
<td>12. Elections</td>
<td>.015</td>
</tr>
<tr>
<td>13. Contributions</td>
<td>.01</td>
</tr>
</tbody>
</table>

Total: $1.00


¹ "Where Your Dues Dollar Goes," a chart drawn by the writer on the basis of these estimates, was published in the Electrical Union News (Vol. 11, No. 5 [Nov. 26, 1943], p. 1) and reprinted on dues cards and in the Manual for Councillors (1945 ed.). (See p. 1 of Appendix D for the chart, and pp. 2-3 for a brief explanation of the classification.) Some Councillors have stated that this chart has been helpful in explaining to members "just where the money goes."
12. Judicial Procedure

The Constitution of Local 201 provides that charges against any officer or member, "for conduct unbecoming a member," must be made in writing and referred to the Executive Board. The Board is required to make a "thorough investigation," and to report its findings and recommendations to the General Council. The Council may refer the matter back to the Board if the latter's recommendations are disapproved, or it may uphold the Board. If the Executive Board is upheld, the case must be referred to the members for final approval at the next regular meeting.

The Constitution of the UER & MWA provides in addition that appeals may be made to the General Executive Board of the UE, and from that body to the national convention. Neither constitution, however, makes any clear statement as to what may involve "an offense against the Constitution and By-Laws or the general good and welfare of . . . [the] . . . local union, or of the International Union," nor is there any listing of penalties which may be assessed for various offenses.

In Local 201 there seems to have been very little use of the judicial process. In the early history of

1. Local 201, Constitution, Rules, and By-Laws, p. 16.
2. UER & MWA, Constitution and By-Laws, p. 41.
3. Ibid., pp. 40-41.
the Union, a few members were expelled for continuing as officials of the Plan of Representation after the Regional Labor Relations Board had declared that General Electric was required "to deal with the Electrical Industry Employees Union as the bargaining agency in all instances for all employees."\(^1\)

Since that time, there have been no cases in which a member has been fined or expelled from Local 201. In a few instances, however, a steward or member has been requested to resign, or one who had resigned was not re-admitted. For instance, one Councillor, who had evidently falsified his lost time records and thereby increased his "earnings," was requested by the Executive Board to resign, on the grounds that a steward with such a record of dishonesty would be a poor Union representative in grievance negotiations. He refused to resign, but the Executive Board was saved the trouble of preferring charges when this Councillor was discharged a few days later for violating GE regulations.\(^2\)

In another case, a steward, who was working with an A.F. of L. group in an attempt to win control over another industry in a nearby town, was asked by the Executive Board

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2. Based on grievance case records and discussions of the matter at Union meetings.
to "think things over" and decide what would be best for the interests of Local 201. He resigned, both as a steward and as a member,\(^1\) stating that he was doing this to save Local 201 from any embarrassment which might otherwise result from his activities. When the A.F. of L. group lost the NLRB representation election a few months later, the former steward applied for reinstatement as a member of Local 201. The Executive Board, after study, referred the application to the General Council with the recommendation that it be rejected. The Council discussed this man's case at great length, and a spirited, but unsuccessful, argument was presented for him by his Councillor, who argued: (1) that the constitutional procedure for "charges" had not been complied with; (2) that what the man did outside the Union as an individual should be no concern of Local 201. Although the decision of the Council to reject the application was not written up in form permitting detailed analysis of the reasons for its action, observation of the discussion gave these impressions: (1) since this was an application,\(^2\) rather than charges leading to disciplinary measures, the Constitution had not been violated; (2) in any event, seeking to undermine a sister

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1. This was done during an "escape period" under the maintenance of membership clause in the contract.
2. See Art. 13 of the Local 201 Constitution.
CIO local should be considered "conduct unbecoming a member."\(^1\) Not discussed at the meeting, but perhaps another contributing factor in rejecting this applicant, was his participation in a Local 201 election campaign with charges of "company domination," "taxation without representation," and so on. His case was appealed to the membership, and again discussed at great length, but the Executive Board's recommendation was sustained. Upon reconsideration a few weeks later, however, the members voted to readmit the applicant.\(^2\)

Since very few "judicial" actions have taken place, and since there is full discussion of such cases by the Council and membership before decisions are made, it appears that trials and penalties have not been a weapon of political control in Local 201. Any member faced with charges has full opportunity to present his defense, and final decisions rest firmly in the hands of the membership.

\section*{13. Elections}

Local 201 officers and committees are elected by secret ballot, under the supervision of the Elections Committee. This Committee now has twelve members,

\begin{enumerate}
\item The fact that there had been some recent A.F. of L. attempts to win members in the Lynn GE plants was probably a contributing factor.
\item Based on observation of Council and Membership meetings, April to June, 1945.
\end{enumerate}
themselves chosen by the General Council.

To be eligible for election to any Local 201 office (including the General Council), one must have been a member in good standing for 12 months, and must be a citizen of the United States.\(^1\) To be eligible for election to the Executive Board, a member must be a Councillor at the time of the Board election, and have attended 60 per cent of the regular meetings (Council and membership) which he was eligible to attend.

The officials of Local 201 (including the President, Vice-President, Business Agent, Assistant Business Agent, Recording Secretary, Assistant Recording Secretary, Treasurer, Guard, and Guide) are nominated by petitions circulated among the membership.\(^2\) A primary election (usually held in September) determines which two nominees for each office appear on the final ballot. Final elections are held in October, and the term of office begins on November 1.\(^3\) The primary and final elections for these offices originally lasted one day each, and were held at Union headquarters. After a great expansion of

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1. Local 201, Constitution, Rules, and By-Laws, Art. 3.
2. Official petitions are freely available at the Union Hall, but any may be used. Only 10 signatures are required to nominate.
3. Until 1944, these officials were elected for one-year terms, but in May of that year the membership voted to extend the terms to two years, evidently because the shorter period was considered too brief to learn the duties properly and serve before being concerned about reelection.—*Electrical Union News*, Vol. 11, No. 28 (May 5, 1944), p. 1.
membership had taken place during the war, a two-day primary was used in 1944 to give a longer opportunity to vote. Also in that year, after a "long series of conferences" with local GE Management, Local 201 was permitted to hold the final elections for Union officials in the plants, and a very much larger balloting resulted.\(^1\) Voting was done during the noon hour and between shifts. The Company cooperated further by providing facilities.

Shop stewards are also nominated by petitions, which must carry the signatures of at least 10 members.\(^2\) Balloting is conducted at the Union Hall, with members choosing only among candidates from their particular sections. Many of these posts are filled without a contest; at one recent election, only 23 seats out of about 350 were contested.

Members of the Executive Board are elected by Councillors of the plants which they are to represent. Voting is done at the Union Hall for one day. Since the Councillors begin their terms of office on November 1, a primary election is held soon thereafter to choose final candidates.

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1. Ibid., Vol. 11, No. 51 (Oct 13, 1944), p. 1; Vol. 12, No. 2 (Nov. 3, 1944), p. 1. No accurate data on elections are available, but one Union leader estimated that about 40 per cent (7,000) of the membership voted at the officers' election held in the plant, whereas the normal figure previously was about 15 per cent.

2. Ibid., Vol. 12, No. 51 (Oct. 12, 1945), p. 2.
for the Board. The final election is then held as promptly as possible.¹

The "standing committees" considered subcommittees of the General Council are elected by the members of the Council.² Any interested Councillor may "nominate" himself for the committee(s) on which he wants to serve. If there are more applications than vacancies, the choice is made by secret ballot at a regular Council meeting. Committee vacancies are now filled in an approximate 3:2:1 ratio for the first, second, and third shifts respectively.³ Committee chairmen are chosen by vote of committee members.

Campaigning for the various offices has usually been based on personal experience and qualifications, rather than on factional or political issues. There appear to be many different social attitudes among Local 201 members, ranging from the extreme left to the right. Judging from comments made at Union meetings and in

¹ The number of final nominees is twice the number of vacancies.—Ibid., Vol. 12, No. 3 (Nov. 10, 1944), p. 1.

² Note: To provide some carry-over of trained Board members in November, the Constitution provides that three of them be elected in March of each year, to hold office for one year beginning April 1.—Local 201, Constitution, Rules, and By-Laws, p. 9.

³ This includes the Constitution, Election, Education, Legislative, and Wage Committees, and the Editing and Auditing Boards.—Electrical Union News, Vol. 12, No. 3 (Nov. 10, 1944), p. 1.

³ Ibid.
personal interviews, it seems probable that although there are some left-wingers of various sorts (including possibly even a few Communist Party members) who have been active in Union affairs, they have not had any significant influence on Local 201 policies.

The turnover of elected officials has been moderate, the typical term for the principal officers having been two to four years. Because all appointments are made by recommendation of the Executive Board to the membership, no single official has had sufficient power or patronage to build up a political "machine."

14. Local 201 and the District and National UE

District 2, UER & MWA.--The New England District Council of the UE was formed in 1937,¹ about a year after the establishment of the national organization, "... to secure mutual protection, harmonious action, and close cooperation among all locals within a given district."²

At first, the District Council's principal activity seems to have been the holding of occasional meetings of delegates from New England UE locals to discuss common problems, particularly organizational matters.³ In early 1938, a more close-knit organization was developed,

2. UER & MWA, Constitution and By-Laws, p. 19.
with a constitution providing for a small per capita tax, monthly meetings of a District Executive Board, and quarterly meetings of the full Council (i.e., delegates from all New England locals).\(^1\) Since that time, the District Council has developed into an active organization, the main functions of which are (1) organizing, and (2) legislative activity.

As it now operates, the Council is headed by an elected Chairman (often called a District President) who is thereby automatically a General Vice-President of the UER & MWA and a member of the General Executive Board.\(^2\) Delegates elected from all UE local unions in the district make up the Council, and votes are allocated to the locals in proportion to their membership. There is also a District Executive Board elected by the Council, which serves as a central committee coordinating District activities.

Local 201, recently the largest UE local in the area, has long had an important voice in District affairs. However, the late Matthew Campbell, of the Westinghouse Springfield plant, who was one of the leaders in the formation of the national UE, was the first District President.\(^3\) During his term of office, which lasted until his death in 1941, a Local 201 representative served as District Vice-President.

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2. UER & MWA, Constitution and By-Laws, p. 19.
Since that time, the presidency has been held by men from Local 201.¹

The organizational work within the district is directed by an International Representative, who is appointed by the General Executive Board "... with due deference given to the wishes of the membership in the district ..."² The International Representative, assisted by Field Organizers, works cooperatively with the District Council and its President to organize new shops and locals and to aid them in every way possible. Assistance is given not only to new locals, but to any local unions, particularly the smaller ones, which require assistance. A Field Organizer or the International Representative commonly guides new locals in their first contract negotiations, and in some small locals, which are unable to afford a full-time staff, a Field Organizer sometimes serves almost as a business agent in grievance discussions and contract negotiations.³

Political and legislative activity within the district are supervised and to some extent initiated by the District Council and its staff. In cooperation with the State CIO organization in Massachusetts, the District Council sends representatives to the State House to appear

¹ Albert Fitzgerald, John S. Murphy, and Paul Seymour, in that order.  
² UER & MWA, Constitution and By-Laws, p. 16.  
³ Interview with Ray Ennis, Field Organizer, March, 1945.
before committees of the legislature, and to present the CIO and UE views to state legislators whenever possible.¹

The National UE Organization.—The General Executive Board of the UE, guided by resolutions passed by delegates at the annual conventions, determines the overall policies to be followed by the organization, and does the planning necessary to put these policies into effect. This Executive Board is composed of a General President, a General Secretary—Treasurer, and a Director of Organization, each of whom is elected annually at the international UE conventions,² and twelve General Vice-Presidents, elected by the District Councils. With the aid of a large central staff, and working cooperatively with the District Councils and their staffs, the national office of the UE carries on a broad program designed to improve the welfare of UE members.

The cooperation between the district and national offices is particularly close in organizing. International Representatives and Field Organizers are employed by the national UE under the general supervision of the Director of Organization, but are most immediately in contact with the problems of the district to which they are assigned.

¹ Interview with Paul Seymour, President, UE New England District Council, November, 1944.
² See UER & MWA, Constitution and By-Laws, pp. 4-14, for a statement of the duties of the Executive Board and General Officers.
The effectiveness of UE organizing may be measured by:
(a) its rapid growth since its founding in 1936; and (b) the fact that it is now principal bargaining agent for nearly all important electrical manufacturing firms (the main exception until now having been Western Electric.)

In addition to organizing, the national UE performs many other functions. The contract and top-level grievance negotiations with leading firms operate with much aid from the coordinators, legal and research staffs employed by the UE national office, and nearly all important Labor Relations Board and War Labor Board cases involving UE locals are prepared and presented by national office representatives. (The District offices also present some NLRB and WLB cases at the regional level.)

In the political field, the UE Washington Representative and other UE staff members button-hole legislators, testify at committee hearings, and otherwise attempt to influence the national law-making and administrative machinery on behalf of the UE and CIO legislative programs. Local unions are encouraged to participate, and thus make these political efforts more effective, by occasional legislative bulletins and by articles in the weekly national journal, the UE News.

The UE News, a sample front page of which is reproduced in Fig. 19 on page 197, is a militant and well-written
newspaper, although it shows what seems to be a typical labor-paper fault of over-playing organizational victories and omitting mention of defeats. There are many other informative UE publications—books, pamphlets, and so on—such as the UE Guide for Organizers and Locals (a loose-leaf guide on NLRA and NWLB policies and procedures, local union bookkeeping, etc.), How Corporations Conceal Profits (on financial reports, their use and misuse), Guide to Time Study and Wage Incentive Systems, When You Come Back (for veterans, telling of the UE war record and veterans' policies), and many others.

As to union government, the annual conventions are the final authority of the UER & MWA, just as the membership has the last word on any decision made in Local 201. A majority vote of convention delegates can overrule the General Executive Board, which itself controls the course of action of each of the three General Officers. Without more careful observation and study of the conventions than has been possible in the research of this paper, the nature of their functioning cannot be evaluated accurately. Although the proceedings on the convention floor are published verbatim, the significant decisions and political "trading" which evidently take place in the committee rooms and elsewhere complicate the problem of description.
However, Local 201 does appear to have considerable influence in national UE affairs, because of its size, the capability of its leadership, and its historical position in the movement. Albert Fitzgerald, General President of the UE since 1941, has stated: "Probably no other local in the organization has more influence than Local 201. I know of no issue on which 201 has really made a fight that the UE hasn't gone along. Local 201 men are always in important positions on contract negotiations and at conventions."¹

¹ Interview, July 2, 1945. Fitzgerald was President of Local 201 from November, 1938 to October, 1941.
15. Summary and Conclusions

The outstanding characteristics of the structure and functioning of Local 201 appear to be (1) the essentially democratic nature of its structure, and (2) the broad range of functions which are rather effectively performed by the various units of the organization.

Relatively democratic structural relationships appear in the grievance system, contract negotiations, judicial procedure, and elections. Grievance cases are adjusted with top local Management by the Plant Executive Boards, not just by a business agent alone, and all settlements must be accepted by the full Executive Board. If a member is not satisfied with the settlement worked out in his case, he may appeal to the General Council and ask that the case be pressed further— to top GE Management, or (the final step) to arbitration. This arrangement, which makes grievance adjustments subject to review by the shop stewards, tends to assure that the Board will secure the "most satisfactory" adjustment possible in each case. This may be desirable from the point of view of some Local 201 members, since it gives their grievances a full chance to be heard. On the other hand, it also means that cases which should have been dropped may receive an undue amount of consideration from Union and Management officials and slow up further the already overburdened grievance procedure.
Grievances originally were discussed and the basis of presentation agreed upon at night meetings of the Executive Board, but since then the case load has expanded, particularly during the war, until now there are about 16 men working almost full time on grievances. This has placed a heavy financial burden on the Union, not foreseen when the structure was designed. One Local 201 leader has suggested that a Union grievance committee of three (perhaps a business agent, the President and Vice-President), plus the steward involved in the case, would be the best present compromise between democracy and efficiency; settlements would remain subject to the approval of the full Board.

In contract negotiations, proposed modifications of the UE-GE agreement are submitted annually by participating local unions to the UE national office. The GE Locals Conference Board, made up of delegates elected by the locals, draws up a proposed agreement and submits it for the approval of the various UE locals. (A majority must approve the proposals before they may be submitted to GE Management; voting power of the locals is proportional to their dues-paying membership.) After a preliminary session with all delegates present, negotiations take place between a subcommittee of the Conference Board and the GE industrial relations staff. The agreement worked out must be accepted by the Conference Board and
the participating locals before it becomes effective.

Some problems have arisen in these company-wide negotiations, notably (1) one instance of "premature" action by GE on Union demands, and (2) the location of authority to settle, particularly on the Management side. The second issue has arisen most significantly on matters where UE negotiators believed that they had reached agreements with the GE representatives, only to discover later that either other GE officials had declined to approve, or there had been misunderstanding as to the nature of the agreement. This problem, which seems to have caused considerable ill will among GE employees on at least two issues (the Pull-Out Plan and the wage increase of 1942), could perhaps be avoided by an explicit understanding that only written agreements are to be considered binding.

Industry-wide bargaining, which was one of the early aims of Local 201, as yet has not become a significant issue in the electrical manufacturing industry.

Judicial procedure in Local 201 and the UER & MWA provides that when a member is accused of conduct against the best interests of his Union, his case shall be considered by the local Executive Board, which studies the matter and makes recommendations for action to the General Council. The member may appeal an unfavorable decision to the local membership, the District Executive
Board, the General Executive Board, and finally to the annual convention. In Local 201, there have been very few instances of judicial proceedings, and only one of these was within the last ten years. In this instance, lengthy and careful consideration was given to the case by the Council and the membership; and the procedure seemed to assure a fair and democratic hearing.

Election procedure has been essentially democratic, although the apathy of a large part of the membership unfortunately makes it possible that the officers elected are not necessarily representative of the members. From observation of recent campaigns and from accounts of earlier elections in the Electrical Union News, these conclusions appear: (1) Campaigning usually is based on personal experience and ability to "do the job," rather than on factional or political issues. (2) The turnover of elected officials has been moderately high. Among the principal officers, the typical term has been two to four years. Only the Business Agent has held office since the founding of the Union, and this instance of long tenure quite definitely appears to be the result of recognized ability and leadership, rather than any element of coercion or political machinery.

In politics, Local 201 long limited itself to strictly legislative activity. Within the last few years,
with the development of the Legislative Committee to study and report on pending bills, such work has been much more carefully done. The feeling grew within the Lynn Union, particularly after the beginning of World War II, that "economics today is also politics," and that a union must take a part not only in securing desirable legislation, but also in electing good legislators and other government officials. Accordingly, in 1944, the Union's policy of abstaining from election campaigns was reversed; a number of candidates were endorsed by vote of the membership, and a local PAC unit was established which actively supported the Roosevelt-Truman ticket. From observation of this campaign, it appeared that: (1) individual contributions to the PAC were not coerced; (2) Local 201 members had ample opportunity for democratic choice of the candidates to be endorsed.

In city politics, the Union has continued to remain formally aloof, although the Local 201 Treasurer has been elected to the Lynn City Council a number of times. In state and national politics, Local 201 acting alone has had relatively little influence.

Such educational courses as have been offered seem to have been well organized and presented. However, some criticisms may be suggested: (1) More subjects could be given, covering topics other than elementary labor relations
and public speaking. (2) Greater opportunity could be
given for members to participate, instead of limiting
attendance principally to shop stewards and Board members.

The Education Committee, established only in 1943,
has so far organized two courses (one covering labor
relations and public speaking, the other an ESMWT course
in industrial relations), purchased a sound motion-picture
projector, and started a Union library. The use of educa-
tional films is a progressive step, but so far such films
have been used only in disappointing attempts to improve
attendance at Union meetings. The library was also a
desirable move, but so far it has reached only a small
number of the members. The educational program of the
Union could probably be made more effective by a really
vigorous Education Committee. Films could be used in
much better fashion, and many courses could be given by
Union members themselves.

The social program of Local 201 has been under the
direction of the Activities Committee. With live-wire
members and vigorous leadership, this committee has
promoted a remarkable variety of activities, both purely
recreational and of a more significantly social nature.
Proceeds from the many dances, picnics, musical shows,
raffles, etc., have been used to pay for the Union Hall
and, more recently, for gifts to Local 201 members in the
armed services. The Activities Committee has also directed
the Union's participation in Red Cross, Community and War
Fund, Blood Plasma, and other drives.

The Veterans' Committee, formed to integrate returning
servicemen into Union activities, has not yet done much to
attain that end. Other, temporary committees, set up to
investigate particular problems, have generally made careful
studies and submitted useful recommendations, but their
suggestions have not always been accepted.

The Electrical Union News has been an informative and
attractive union journal. Although an outside reader may
perhaps object to the sometimes excessive volume of adver-
tising and personal gossip columns, the latter, at least,
are said to be appreciated by Local 201 members.

Local 201 has been influential in the affairs of the
New England District Council and the national UE-CIO,
although this importance does not extend to the point of
dominance. The influence appears to be due to the follow-
ing factors: (1) the historical role of Local 201 in the
UE; (2) the capable leadership and good reputation of the
Lynn Local; (3) the size of the Local.
CHAPTER V

UNION WAGE POLICIES
1. Introduction

This chapter considers the wage policies of Local 201 and the increasing importance of the national UER & MWA in determining such policies. Section 2 describes the history of Union actions affecting the over-all wage level at General Electric plants; Section 3, the attitude of Local 201 on job evaluation and the intra-plant wage structure in Lynn (illustrated by grievance cases and contract proposals); Section 4, merit rating and automatic progression, which affect individual progression within rate ranges; Section 5, policies and problems in connection with wage payment systems; Section 6, miscellaneous wage and "fringe" issues. Section 7 presents a summary and some conclusions.

2. The Over-All Wage Level

In this section, the General Electric Community Wage Survey and Cost of Living Adjustment wage policies (established by unilateral company action) are described, together with Union reactions to these policies. The progress of collective bargaining concerning company-wide adjustments then is summarized. Finally, the stand of the Union on war-time wage controls and post-war wage policy is stated.

General Electric Wage Policies.--During the period when industrial relations at GE were carried on through the Plan
of Representation, the wage levels of the Lynn plants (and probably all others also) were governed by the Community Wage Survey policy of paying "wage rates equal to or higher than wage rates paid in the community for comparable work requiring the same skill and efficiency."\(^1\) Such a plan of comparison between the rates of a given company and those existing in the labor market from which it draws its employees is a common feature of modern wage-administration policy.

The leaders of Local 201, however, early became critical of the GE Community Wage Survey. In 1935, when the Lynn and other local electrical unions asked GE for wage increases, such wage surveys were given as the reason for refusing any general increase.\(^2\) The Union objected to this policy, and stated later that GE, which sampled many firms in the Greater Boston area in making its survey, was using questionable practices "by excluding the wage rates of public utilities, the navy yard, and arsenal . . [and including] . . firms of the 'shoe-string' variety, regardless of their financial standing."\(^3\) The Union also felt that the Company was declining to take any responsibility for negotiating wage

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increases, saying in effect, "We won't lead; we'll follow." 1

In many collective bargaining negotiations, Local 201 and the UE sought to eliminate the community wage policy. As early as 1936, Local 201 wished to substitute a comparison with the wage rates of other electrical producers, as indicated by the following quotation:

The Company knows, as well as we, that if community wage rates were higher than those of the competitors within the electrical industry, the local Management could not meet wages much higher than the industrial rates; yet when the conditions are reversed, as at present, they fasten themselves to this 'local' factor.

... we have argued, and will continue to contend, that inasmuch as the products manufactured in the electrical industry are manufactured in competition, at least on a national basis, and are sold in at least a national market, wages paid within the same industry are the determining factor. Local rates ... are merely incidental. 2

The UE made a similar suggestion in the 1937 company-wide contract negotiations with GE, when one of the "10 Points" provided: "We recommend that wage rates be paid equal to or higher than wage rates paid in the industry for comparable work requiring the same skill and efficiency." 3

Although GE's community wage policy, as quoted above, was so broadly stated that it did not preclude negotiations

1. Interview with Alfred Coulthard, Jan., 1945.
2. Ibid., Vol. 3, No. 32 (June 5, 1936), p. 1. It would be revealing if data on average hourly and average weekly earnings for General Electric plants could be compared with the electrical manufacturing industry as a whole. While figures on average annual earnings are published by the Company in its Annual Reports (See Fig. 27, based on Exhibit 14 in the statistical appendix, which compares such earnings for GE and Westinghouse employees), the Management has declined to make other data available.
for wage increases on other grounds, Union leaders felt that Community Wage Surveys were too frequently cited by GE to show that increases were "not required" at some particular time. The Union continued to work toward the elimination of this policy until 1941, when it was deleted from the contract.

General Electric established a Cost of Living Adjustment Plan for all plants in October, 1936, promising to add 1 per cent to each employee's earnings for each one-point rise (up to a maximum of 10 points) in the United States Bureau of Labor Statistics quarterly index of the cost of living above 80. When announced, this plan resulted in a 2 per cent increase for all employees. Adjustments in effect during various parts of the period 1936-1941 are listed in Table 7 below.

**TABLE 7**

**GENERAL ELECTRIC COST OF LIVING ADJUSTMENTS, 1936-1941**

<table>
<thead>
<tr>
<th>Period</th>
<th>Adjustment in Effect (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. '36-Apr. '37</td>
<td>2</td>
</tr>
<tr>
<td>May '37-Jly. '37</td>
<td>4</td>
</tr>
<tr>
<td>Aug. '37-May '38</td>
<td>5</td>
</tr>
<tr>
<td>June '38-Dec. '38</td>
<td>3</td>
</tr>
<tr>
<td>1939 (Avg.)</td>
<td>2.5</td>
</tr>
<tr>
<td>1940 (Avg.)</td>
<td>2.75</td>
</tr>
<tr>
<td>Jan.'41-Apr.'41</td>
<td>3</td>
</tr>
</tbody>
</table>

a. Source: General Electric, Annual Reports, 1936-1941.

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In Chapter III, it was mentioned that Local 201 leaders criticized the cost of living adjustment on these grounds: (1) GE had acted without consulting the Unions in its plants, and possibly in the hope that this plan would forestall further union wage demands. (2) The plan, by using the mid-1936 index as a basis for adjustments, ignored the 1934-1936 increases in the cost of living. (3) The plan implied a "fodder" basis of wages, tending to relate earnings principally to a given standard of living without much hope for further improvement.¹

Both the Community Survey and the Cost of Living Adjustment wage plans of GE were objected to by the UER & MWA in the company-wide negotiations of 1937-1941 described below. The UE did not wish to eliminate the wage rates of community industries or the cost of living as bases for wage increases, but wanted to have a freer hand in using other arguments for general raises, such as: (1) rates paid by other electrical manufacturers; (2) ability of GE to pay;² (3) wage trends in other industries.

The 1937 Wage Increases.--In the 1937 UE-GE contract negotiations, a general 10-cent wage increase was part of the Union's negotiating program. Not long before the

². In arguing "ability to pay," the Union uses data from the annual stockholders' reports of the Company, and also from the records of the SEC.
bargaining sessions were to begin, a number of increases ranging from 2 to 4 cents for women, and 3 to 5 cents for men, were announced by GE in Lynn, "on the basis of community wage surveys," but for day-workers only. The UE criticized this as an anti-union move, and in negotiations was able to win increases for incentive workers also.

The 1939 Contract Modification.--In the 1938 and 1939 contract negotiations, the UE did not press for wage increases. It did, however, win General Electric's consent to a contract clause which made Company-wide wage adjustments explicitly subject to negotiation. The Electrical Union News reported the change as follows:

WAGE RATES:

Amendment: "Any question of a flat adjustment affecting all plants shall be subject to negotiation in accordance with the terms of this agreement. It is understood that this does not refer to community surveys."

Comment: You will recall that percentage or flat adjustments affecting all plants have been made in the past without negotiations between representatives of the employees and the Company.

The winning of this clause is an example of a long-range bargaining policy, by which the Union has sometimes requested that a Company policy be included in the contract without

change, and thus made subject to negotiations. Having achieved this "foot in the door," in succeeding years the Union seeks improvements in the policies.¹

The 1941 General Wage Increase.--In 1940, to quote the secretary of the GE Locals Conference Board --

"A number of GE Locals . . . proposed that steps be taken to obtain a general increase. After an exchange of views, it was felt that success of such a move depended on whether the UE Locals in other leading companies of the industry were prepared to proceed with a general move of a similar nature. With this in view, the General Officers shall send out a call inviting representatives from the UE Locals in the leading companies of the industry for a wage conference. . . .²

In October, 1940, the Conference Board presented to the Company a request for a general increase of 10 cents an hour for hourly-rated employees.³ The matter was discussed again on December 2, 1940, when the UE delegates submitted to GE a "twenty-nine page comprehensive brief of facts, statistics, and reasons to prove the Company's ability

¹ Alfred Coulthard, "Contract Negotiations," speech before Local 201 ESMWT class, May 31, 1945. Other examples of this policy were the inclusion of GEQ-105A (Company Policies on Wages, Hours, and Working Conditions for Shop Employees) in the 1938 agreement, and GEQ-75B (Company Policy on Vacations) in the 1939 agreement.
to pay and wage trends in electrical and other industries since 1937 . . .”¹ The General Electric representatives replied, to quote the Union’s summary, “There is no definite trend on general wage increases in the country, no big companies have made a move in an upward direction, . . . [and the] . . Company is continually making local adjustments . . . in line with the results of Community Surveys . . .”²

In January, 1941, it was reported that General Electric’s attitude was to “. . . rise or fall on the Community Survey basis.”³ The Company negotiators stated that adjustments were constantly being made where justified by the surveys, that GE was paying an average of 8 to 10 per cent over community rates, and that any upward wage trend was not strong enough to justify a general wage increase.⁴

By this time, the Union’s opposition to the Community Wage Surveys was becoming much stronger, based on the feeling that the Company was using this policy principally as a basis for resisting any general wage adjustment. All UE locals at GE plants voted that the Conference Board should attempt to “. . . remove or amend the Community Survey Clause, so that

1. Ibid., Vol. 8, No. 6 (Dec. 5, 1940), p. 1. Similar demands were evidently negotiated with other electrical firms at about the same time; see UE News, Vol. 3, (1941), passim.
4. Ibid.
wages could be effectively negotiated on a national, as well as on a local basis.\textsuperscript{1}

When the parties met again in March, 1941, the Company's attitude had not changed, and the Conference Board reported to the locals "that it stands ready to coordinate and direct protest actions" aimed at achieving "their legitimate objective" of a wage increase.\textsuperscript{2} Local 201 members held a mass meeting at Odd Fellows' Hall in Lynn, which attracted such a crowd (estimated at 3,000) that traffic was blocked in nearby streets.\textsuperscript{3} Other UE locals demonstrated the dissatisfaction of their members by similar actions, which were brought to the attention of GE officials through telegrams, press reports, and otherwise.

Evidently as a result of the demonstrated dissatisfaction of its employees, GE agreed on April 28, 1941, to grant an increase of 10 cents per hour, retroactive to April 7.\textsuperscript{4} The Community Wage Survey clause was deleted from the contract at the same time,\textsuperscript{5} and the Cost of Living Adjustment Plan was

\begin{itemize}
  \item [1.] Ibid., Vol. 8, No. 14 (Jan. 30, 1941), p. 1.
  \item [2.] Ibid., Vol. 8, No. 21 (Mar. 20, 1941), p. 1.
  \item [3.] Ibid., Vol. 8, No. 22 (Mar. 27, 1941), p. 1.
  \item [4.] Electrical Union News, Vol. 8, No. 27 (May 1, 1941), p. 1. Similar increases were won from other important electrical manufacturers at about the same time. See UE News, passim.
  \item [5.] Community surveys are said to be still used to make upward adjustments of particular job values, and sometimes to resist Union requests for similar increases.
\end{itemize}
also dropped.\footnote{1}

The \textit{1942 General Increase}.—During 1941 and early 1942, prices increased rather rapidly, and at the Conference Board meeting in late January, 1942, delegates from all locals "expressed the need for increased wages to meet the cost of living. \ldots \ldots ."\footnote{2}

In early February, the UE General Executive Board announced wage demands of 12-1/2 cents per hour for all employees of General Electric, Westinghouse, and the electrical division of General Motors, citing increased productivity of labor, ability of the companies to pay, and increased costs of living as the main reasons for these demands.\footnote{3}

The difficulties encountered by the UE in negotiating this wage-increase proposal with General Electric have already been stated in detail in Section 5 of Chapter IV above. Suffice it to say here that the Company first made any settlement contingent on the War Labor Board's decision in the Little Steel case, and later wanted to make it depend also on WLB action.

\footnote{1}{The adjustment was being paid at a rate of 3 per cent at the time, and this amount was added to the wage structure. Some persons, including both Union members and Company officials, have commented that the Union made a serious tactical error by agreeing to drop the cost of living bonus, in view of what has happened to the price level since that time. Actually, the terms of the plan limited any adjustment to a total of 10 per cent, and in any case, GE employees received the maximum increase allowable under the Little Steel Formula in the 1942 negotiations.}

\footnote{2}{\textit{Electrical Union News}, Vol. 9, No. 14 (Jan. 30, 1942), p. 1.}

\footnote{3}{\textit{Ibid.}, Vol. 9, No. 15 (Feb. 6, 1942), p. 1.}
in the General Motors dispute case involving the UE and the UAW-CIO. In August, after long and bitter arguments, GE agreed to pay the same increase as had been won shortly before from Westinghouse and approved by the WLB -- 5-1/2 cents an hour.¹

The UE and Wartime Economic Controls. -- In March, 1942, to quote the UE News, the General Executive Board of the UE "urged upon the Government a policy of home front stabilization, which would include matters of wages, prices, rationing, taxation and the like as closely related questions to be handled as one problem, the problem of the people's living. This was the first call FROM ANY SOURCE for such an approach to the economic stabilization of the home front."²

Immediately after President Roosevelt announced his Seven Point Stabilization Program in April, 1942, the UE promised to support him in this matter,³ and since then it has continued to work in behalf of an effective price-control, rationing, and subsidy program. However, as it became apparent that wage rates were being stabilized more than prices of many cost of living items, the UE and its member locals began, early in 1943, to press for modification of the wage-stabilization program.

In a letter to James F. Byrnes, then Director of Economic Stabilization, the UE proposed a national conference of industry, labor, and government for the electrical industry, to work out an agreement relating wages to prices.\footnote{1} In this letter, and in newspaper advertisements,\footnote{2} the UE offered to forego general wage-increase demands in its major spring negotiations (with General Electric, Westinghouse, and the electrical division of General Motors), subject to certain important conditions: (1) The Office of Economic Stabilization and other government agencies "shall undertake to carry out their responsibilities to halt further price rises, to effect a real rationing program, to organize food distribution properly, to enact a fair tax program, and really to stabilize our war economy."\footnote{3} (2) The companies with which the UE had contracts were to set aside during the period March 15 to August 15, 1943, special funds to cover the increase in the cost of living which had occurred between May 15, 1942, and March 15, 1943. (3) A second conference was to be called on August 15, 1943, to determine whether or not government agencies had actually halted the increase in living costs. If so, then these "cost of living funds" were to be distributed as war bonds among the employees of each firm (proportionately to their

\footnote{1}{UE News, Vol. 5, No. 31 (July 31, 1943), p. 2.}
\footnote{2}{New York Times, March 10, 1943, p. 10.}
\footnote{3}{Ibid.}
earnings), and a cost of living wage adjustment, paid in war bonds, should be continued from that time on. But, if the rise of living costs should not be halted, then a flat wage increase should be paid to enable the industry's workers "to maintain their production efficiency."1

Byrnes, in a letter dated March 29, 1943, rejected the UE's offer, pointing out that war bonds are negotiable (evidently in the sense that they may be cashed 60 days from date of issue, and thus add to disposable income), and that increases in weekly earnings had been more than ample to compensate for increases in living costs which had occurred since the enunciation of the Little Steel Formula.2

This answer did not satisfy UE leaders, who argued "that cost of living wage adjustments . . .[should] . . . be made to straighten out the deep salient that the profiteers have driven into the economic front,"3 and that changes in weekly earnings were beside the point.

2. Ibid.
3. Ibid. Cf. this statement of the General Executive Board of the UE, quoted in the New York Times (Mar. 31, 1942, p. 32): "It is true that the general standard of living, considered as a whole, must inevitably go down if we are to win the war. But within this inevitable general decline, wage demands already made on the bases of past conditions and those aimed to bring substandard wages up to a minimum efficiency must be granted."
The story of the UE's campaigns to force revision of the Little Steel Formula has already been told in connection with the discussion of the Ways and Means Committee of Local 201 (in Sec. 9 of Chapter IV, above).

3. Job Evaluation and the Intra-Plant Wage Structure

"Job evaluation" is a well-known management tool for maintaining an equitable intra-plant wage structure, and no attempt will be made here to review the fundamentals of the subject.\(^1\) General Electric has used, at least since 1932, a form of the point system of job evaluation.\(^2\)

While the General Electric job-evaluation system is an excellent one, and has been generally well administered by the Company, certain problems have arisen from time to time, and differences of opinion have appeared between the Union and the Management in the discussion of grievances and contract proposals. There have been many "inequity" cases based on comparison of job content. In other instances, the number of rates and the shape of the "wage curve" have been in dispute, and, finally, there have been

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some significant discussions in connection with the traditional distinction between "women's jobs" and "men's jobs." Each of these issues is discussed below.

Before turning to specific issues, however, some general comments are in order concerning the role of the Union in job evaluation. Local 201 has so far acted only as a critic, and not as a joint participant, in the administration of the system. Leaders of the Local have indicated that, although the Union might like to participate in the administration of some personnel programs, it would then be placed in the difficult position of being a party to actions unfavorable to particular groups of Union members. "We're not big enough yet," the Business Agent has stated, "to make adverse decisions against our own members."

In order to function adequately as a critic in the process, the Union feels that it needs more detailed information on GE's job-evaluation system than it has yet been able to obtain. For a long time, General Electric would divulge only those details essential to the discussion of some particular grievance case, and the Union felt itself handicapped by lack of a broad view of the intra-

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1. Interview with Alfred Coulthard, Sept. 8, 1943.

The national UE policy on this point is stated thus: "The local union should refuse to become a party to or be bound by any point rating systems which management may use to establish job evaluations."--UE Guide to Wage Payment Plans, Time Study, and Job Evaluation. (New York: UER & MWA, 1943), p. 77.
plant wage structure. In 1943, the UE put forward a contract proposal designed to obtain this information, but it was rejected by the Company. In 1944, the following clause was included in the agreement: "The Company will supply the Union with a complete list of wage rates, job classifications, and definitions." According to Union officials, however, the information received to date has been entirely too vague, and they are pressing the Company for more detailed information.

**Job Content—The Heavy Forge Case**

This grievance, which took over a year to settle, gives an interesting example of the application of job-evaluation techniques to win an increase for a particular group of workers, and the difficulty of negotiating such cases under wartime conditions.

The entire personnel of the Heavy Forge Group submitted in December, 1943, a petition which asked that their "job values" be increased. Their Councillor requested that a subcommittee check on the skill, effort, and working conditions of the occupations involved. When the

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2. Ibid., Vol. 11, No. 19 (Mar. 3, 1944).
4. Based on Board case #3418, Local 201 grievance files, and discussions with Union officials.
Executive Board discussed the matter with Management, the Company's first reaction was that there was no justification for increasing the job value. Some weeks later, however, Management proposed an increase of six cents per hour for Hammersmiths' Helpers, and similar increases for others in the group. This proposal was based on a comparison with a job in another building which, it had been decided, had equivalent skill, effort and working conditions. However, this proposal was still subject to the approval of top GE Management in Schenectady and the War Labor Board.

Approval was won from Schenectady in April, but the Form 10 was denied by the Regional Board in August, "on the basis that present rates cannot be said to be a gross inequity in accordance with Wage Stabilization Policy." An appeal made by the Union on the facts as originally presented was also rejected.

Then, having found that the WLB had based its decision on a comparison of the GE rates with the bracket rates for the area, Local 201 officials checked the classifications to discover whether they were actually applicable to the work done in Lynn. They found that, in their opinion, the area classifications and job descriptions did not fit the GE occupations. The problem then was to establish the heavier and more skilled nature of the latter to the satisfaction of the WLB.

The local Management refused, because of Company policy, to admit a representative of the United States Bureau of Labor Statistics (which is responsible for preparing the job classifications, descriptions, and wage data for the WLB) to the plant. However, the Union discovered the existence of motion pictures taken in the Lynn forge shop, and made arrangements to borrow them from Management. The BLS representative was then asked by Local 201 to come to the Union Hall to see these movies. After he had "viewed the job," he decided that the GE forge-shop work (heavy hand forging) did not fit properly the job descriptions which had been used for the area. After his report had been submitted for reconsideration, the Regional War Labor Board finally approved the proposed increases in January, 1945--more than a year after the grievance had originally been submitted.¹

The Business Agent has estimated that nearly $500 was spent by Local 201 in handling this case, and has commented on it in the Electrical Union News, as follows:

In these days of Executive Orders, the Union is often hamstrung from the start of a case, and regardless of the seeming merits of a case, in the light of pre-war approach, the Union must know whether or not a case has a chance of being successfully steered through the Contract machinery and through that of the W.L.B., before it should use the Union's time and money.²

Number of Rates—The Step-Rate Plan\(^1\).—Prior to 1945, there had been an extraordinary variety of rates at the Lynn General Electric plants. For women's occupations, the "job rates"\(^2\) ranged from $0.615 to $0.755 by 1/2-cent steps; for men's occupations, as shown in Table 8 on the next page, the job rates ranged from $0.775 to $1.295 by 1-cent steps. Union members and officials long felt that this large number of rates was excessive, because of the difficulty of evaluating job contents so accurately as to be able to say with precision that job A is worth 1 cent more than job B, which is worth 2 cents more than C. Accordingly, they believed that a simplified wage structure, consisting of certain definite "step rates" a few cents apart, would make easier their problems in handling grievances.

The Union has felt itself at a disadvantage in discussing job evaluation cases, because it has not yet obtained complete access to the Company's data. In handling a request for an increase in job value, it has been difficult for Union officials to tell whether the grievance

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1. In Local 201, the question of the number of rates has always been related in discussions with automatic progression schedules, because the two issues were negotiated at the same time. To Union members, "the step-rate plan" means (1) a simplified wage structure, plus (2) automatic progression. See Sec. 4 below, "Automatic Progression."

2. The "job rate" here is that which an average worker should receive after a normal period of training on any given task. It may or may not be the same as the "top rate," which is the maximum paid for a particular job.
### TABLE 8

OLD RATES AND STEP RATES FOR MALE OCCUPATIONS
IN THE LYNN GENERAL ELECTRIC PLANTS

<table>
<thead>
<tr>
<th>Top Rates</th>
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<tr>
<td>1.095</td>
<td>1.035</td>
<td>1.025</td>
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</tbody>
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a. Source: Local 201, "List of Old Rates and New Step Rates," (3 pp., typed; 1945).
was justified, because of the small differentials involved. With fewer rates, Local 201 leaders felt, it should be easier for both Union members and officials to tell whether a given job belongs on one step rate or another, although some difficulties might arise with respect to jobs which are "on the dividing line."

In 1943, after discussions at the meetings of the GE Locals Conference Board, a number of GE locals opened negotiations with their plant Managements to win local procedural agreements on step rates and automatic progression. Local 201 succeeded in winning such a plan applying to male day-work jobs. This plan did not simplify the relationship between job or top rates, but did set up a series of steps, usually of 5 cents, by which a worker could progress from the bottom of a rate range toward the job rate.\(^1\)

In negotiating the 1944 company-wide contract, the UE suggested to GE that the following clauses be included:

5. a. THERE SHALL BE NOT MORE THAN TEN STANDARD RATES COVERING ALL INCENTIVE JOBS.
   b. THERE SHALL BE NOT MORE THAN TEN STANDARD RATES COVERING ALL DAY-WORK JOBS.\(^2\)

In the process of negotiating the contract, changes were made as a result of proposals, rejections, and

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compromises. A considerable improvement in the wage structure, from the Union's point of view, was achieved when it succeeded in including the following clauses in the 1944 contract:

5. **Step Rates . . . for Hourly-Rated Employees**

   All hourly-rated day-workers will be on step rates. The schedule will be as follows:
   - Rates below 80c per hour . . . .3c steps
   - Rates 80c to $1 per hour . . . .4c steps
   - Rates over $1 per hour . . . .5c steps

   Existing rates of employees who are not on steps will be moved up to the nearest step.

   The above schedule will be changed by any general increase; that is, the dividing points between the 3c, 4c, and 5c steps will be raised by the amounts of the increase.

   The schedules in any particular plant will depend on existing starting rates. In general, the higher rated jobs will be filled by upgrading and not by employees who are hired at the minimum rate.

   Piece rates now in effect will not be changed, but all new piece rates will be set on the basis of the above step rates.1

   These sections, as well as many others in the 1944 agreement, had to be submitted jointly by the Company and the Union to the War Labor Board for approval because of the "money matters" involved. The first action by the Board on this particular matter was to reject it because it had the "incidental" effect of giving an average increase of approximately 2 cents per hour to the workers affected.2 On appeal,

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1. Agreement between GE and UER & MWA, 1944, Art. VIII. See Table 8, p. 270, for a comparison of the old rates and the new step rates for male occupations.

2. The step-rate plan seems to have been proposed principally for the simplification of the wage structure, but the "incidental" effect was certainly not undesirable to Union members.
however, the sections quoted were approved with only slight modifications,\textsuperscript{1} as recommended by the WLB Panel.\textsuperscript{2} 

Judging from comments at Union meetings in Lynn, there was considerable satisfaction among Local 201 members when this simplified wage structure was won. However, the "incidental" average increase appears to have been more significant to them than the simplification. Union officials expect job-evaluation grievance cases involving comparison of job contents to be easier to handle with the new wage structure, but no definite conclusions could be reached during the period of this study.

\textsuperscript{1} Only relatively few workers out of the whole group of day-workers covered by these sections of the contract did not receive the anticipated raise. The WLB approved the wage adjustment for all individuals, except those "whose rates are already above the job rates, in jobs rated less than one dollar." This affected only some of the male workers who were then receiving between \$\,965 and \$\,995. The job rates on their jobs were to be moved up to the \$\,96 step, but the top rates were to remain as they were. It is not known why the WLB modified the proposal in this way. Although only perhaps 1 to 2 per cent of the day-work rates in Lynn were affected by this exception, it cannot be denied that dissatisfaction among those excepted was considerable. One Union member claimed at a meeting that "the leadership must have sold out, to let the Company get away with something like that," not realizing that WLB decisions are beyond the control of either the Union or the Company.

The modification similarly affected some female workers receiving \$\,71 to \$\,74 per hour.

\textsuperscript{2} Cases 13505-13506. See \textit{Electrical Union News}, Vol. 12, Nos. 28 and 29 (May 4 and May 11, 1945).
Shape of the Wage Curve--Salary Structure for Draftsmen.--GE Management proposed to the Union in December, 1943, a company-wide system of uniform job classifications and job rates for draftsmen.

When Local 201 leaders discussed the Company's proposal at a meeting of draftsmen, the latter objected to some of the proposed rates, particularly to the $48 job rate assigned to Detailers Class I. They felt, on the basis of information on detailers' earnings disclosed in negotiating past grievance cases, that this figure was not in accord with rates previously paid, and insisted that it should be $58 per week.

Several counter-proposals were made to Management. The final one, of March 3, 1944, may be compared with the original Management proposal as follows (the figures given are job rates):

<table>
<thead>
<tr>
<th>Classification</th>
<th>Union Proposal</th>
<th>Management Proposal</th>
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<tbody>
<tr>
<td>Designers Class I</td>
<td>$72</td>
<td>$72</td>
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<tr>
<td>II</td>
<td>65</td>
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<tr>
<td>III</td>
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<td>51</td>
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<tr>
<td>Detailers Class I</td>
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<tr>
<td>II</td>
<td>55</td>
<td>48</td>
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<tr>
<td>III</td>
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</table>

2. In these salary classifications, the "job rate" is what is spoken of elsewhere as a "top rate," to be attained only by individuals who are fully qualified and performing top-ranking work in the classification. Promotion to these rates is by merit, individuals being placed on step rates according to their merit ratings.
Since no agreement could be reached, the Union asked that the case be submitted to arbitration. The issue was stipulated as follows: "Are the proposed job rates for . . . Designers and Detailers in accordance with the rates previously paid by Management, including general increases?"

The Union's argument may be summarized as follows:

(a) On Detailers Class I, the job rate of $48 is inappropriate because in 1939 six draftsmen in this classification were receiving an average of $50 per week. With subsequent general increases, a job rate of $55 is appropriate. (b) It has been Company practice to advance successful trainees to rates of $29-35 after one year, so that a job rate of $35 is appropriate for Detailers Class III. Also, a job rate of only $32 (80 cents per hour) for such men is not acceptable, considering that the job rate for common labor is 80 cents per hour. (c) Job rates for draftsmen should be determined primarily by past Company practice, rather than on the basis of a "logical" approach.

The Company's position may be stated briefly: (a) The six men mentioned above as earning $50 were receiving preferential rates because they were doing exceptionally skilled detailing, and have since been reclassified as designers. (b) The Union's proposal gives inadequate spread in the designer classifications to reward the greater differences in ability which may exist there.
The Arbitrator, in his award, agreed with Management that, since the work of designers requires more unusual ability than does that of detailers, "exceptional ability in designing should receive higher increments in salary than exceptional ability in detailing . . ."¹ He also felt that the job classifications for draftsmen in 1939 were so loosely determined that the Union was not justified in using the rates paid to the six men as a basis for arguing that the job rates for Detailers Class I should be $55.

On the other hand, the Arbitrator found the Union's arguments on the lower classifications of Detailers to be sound, since Management's proposal would set up intraplant inequities. He decided that ". . . in order to set up job rates . . . which are in accordance with the rates previously paid by Management . . . the following job rates should be adopted:"²

<table>
<thead>
<tr>
<th>Classification</th>
<th>Arbitrator's Award</th>
<th>Management's Proposal</th>
<th>Union Proposal</th>
</tr>
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<tbody>
<tr>
<td>Designers Class I</td>
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The decision was presented to the Salary Councillors for their approval at a meeting held in April, 1945. From the discussion, it seemed that the Union leaders were quite aware that the facts in the case had not warranted taking the matter to arbitration; evidently it had been pressure by the draftsmen and their Councillors which had forced the Executive Board to go to arbitration against its better judgment. The Business Agent, particularly, does not like to take action in this way, feeling that the Union weakens its position in later negotiations if poorly-justified cases are fought at length. He knew that the historical "facts" which the Union had on hand were weak, because they were based on an inadequate sample. "The Company can always lick us on things like this," he said at the meeting. "Their facts are complete and accurate; ours aren't." But the Union pressed this case to the top level of the grievance procedure, because of the members' feeling: "We didn't have anything to lose."

This case illustrates that pressure from Union members can force leadership to fight a relatively weak case, and that the Union is not always consistent in approaching questions of wage and salary structure. It may use historical arguments (as with the Detailers Class I) where they seem most likely to produce results, and a "logical" approach (as with the Detailers Class III) where that seems most promising.
Women's Jobs and Men's Jobs.--The question of which tasks in a plant should be classified as "women's jobs" and which as "men's jobs," and the comparative rates to be paid for each, has long been a matter of contention in industrial relations, particularly because of attempts by some employers to use women receiving lower rates of pay for jobs formerly done by men.

At the General Electric plants in Lynn, the list of productive operations performed covers a broad range from light assembly work requiring speed and finger dexterity, commonly considered characteristic of women, to work requiring both heavy lifting and a high degree of mechanical skill, usually performed by men. Midway in the list, however, there are many operations which can be performed by either sex, and it is here that differences of opinion have arisen.

Local 201 has tried to prevent women from doing excessively heavy work -- "... we aim to protect the women from undue physical hardship,--for we believe it is not a matter of how much a woman can stand, but what she should do physically and still be a woman and not a horse."¹

This policy was not aimed entirely at protecting the "weaker sex," however. After finding in GE Management's attitudes an "inference ... that if a woman can do a job,

and does it, it then becomes a woman's job,"\(^1\) the Union expressed the view that it must resist the encroachment of women on "men's jobs." In justifying this stand, the Business Agent wrote:

\[
\ldots \text{the male of the species, under our present system of society, is accepted as the principal breadwinner} \ldots \text{. After leaving school, he is expected by society to go out into the world and get a job and be self-supporting. Later, under the American scheme, society looks to him to further meet his obligations of citizenship by marrying, having a family, and setting up an American home.} \ldots \\
\]

Therefore, the Union's position is that the interests of the accepted recognized breadwinner, the male, come first, not at the expense of the already recognized jobs now held by women, but from the standpoint that it is unsocial to take a job from a man and give it to a woman.

This Union, in common with organized labor, generally believes that women should be paid the same pay as men, if they do the same kind of a job. That, of course, is an ideal which the industrialists of America have not yet met.\(^2\)

This statement of policy brings in the question of "equal pay for equal work," historically a much debated point. An easily stated principle (which most people will accept), it has been much more difficult to apply in particular cases. The simplest instance is when a woman is placed on a job previously held by a man; yet even such cases are frequently to be found in the Lynn grievance files. A more general problem is whether management is willing to pay women the same rates for an occupation of a given standing (the same

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2. Ibid.
point score, say) in the job-evaluation scheme. That there has been some discrimination on this point at the Lynn GE plants is indicated by the wage structure: prior to establishment of the step rates in 1945, women's rates ranged from $0.615 to $0.755 and men's rates from $0.755 to $1.295. It would be very surprising if there were not some women's occupations which would rate higher on any job-evaluation plan than the lowest male job, unskilled labor. A long-range solution to this problem was suggested by the Lynn Business Agent as early as 1940, when he wrote:

> If the words male, female; and minors were eliminated from wage classifications and rates of pay were set as scientifically as possible, based upon job evaluation— the technical training required, basic skill, acquired individual responsibility, physical requirements, general working conditions, etc., would not that settle the question of whether a man, woman, or minor should be placed on a job?¹

Such an evaluation system was proposed by the UE in its 1945 contract negotiations with General Electric, but without success.

After Pearl Harbor, foreseeing the loss of male workers to Selective Service and the influx of women into the plants, Local 201 became concerned with preserving wage standards. In the Electrical Union News, it was pointed out: "Organized

¹. Electrical Union News, Vol. 7, No. 13 (Jan. 25, 1940), p. 2. At the February, 1940, meeting of the GE Locals Conference Board, the following action was taken: "Motion passed that the value of a job shall be set by comparison with jobs requiring similar skill, etc., regardless of the sex or age of the operator."--Ibid., Vol. 7, No. 17 (Feb. 23, 1940), p. 1.
Labor must be on its toes to prevent industry from switching from male to female on the basis of cheap labor only.\(^1\)

To assure receiving adequate information on such changes, the Union proposed and obtained a clause in the 1942 contract, which provided that the Company would notify the Union whenever women were to be placed on men's jobs.\(^2\) During early 1942, the procedure on such cases was:

As jobs are broken down,--segregated into simpler operations due to expanding production, each job, as performed by one person, is viewed and discussed on its merits as to whether the job is a woman's job or a man's job, judged by the standards set, as a result of years experience, and a rate (job value), either male or female, . . . is set comparable with other similar jobs.\(^3\)

Later, however, the Union felt that even more protection was needed, and the General Electric Locals Conference Board negotiated the following agreement, which was included in the 1943 contract:

2. Women placed on men's jobs shall receive men's rates of pay for the same quantity and quality of work.

3. When a man's job is broken down and part of it is done by women, the lowest job rate or A.E.R. [anticipated earned rate; i.e., expected average earnings on an incentive operation] for piece workers, for the new job, shall be the minimum rate for men at the plant where the job is located.\(^4\)

---

2. "Before a woman or a minor is placed on a job which has been done previously by a man, or partially done by men, the matter shall be brought to the attention of the Local Executive Board by the Local Management with the reasons why it should be done, at least one week in advance."--Agreement between GE and UER & MWA, 1942, Art. IX.
A grievance which illustrates the attitudes of Local 201 and GE Management on the "equal pay for equal work" issue is the Case of Marjory Tabor. Miss Tabor was placed on scheduling commercial and standard AC motors in 1942. This work had been done previously by men for $42 per week, but in 1944 she was receiving only $34. Probably because of lack of information and lagging Union organization among salaried workers, no grievance was submitted by a Councillor until September 1, 1944. The Salary Committee discussed the matter with Management on October 13, arguing: (1) the Union should have been notified when this woman was placed on a man's job; (2) she should be rated against the male job rate.

On November 15, Management reported that Miss Tabor had been given an increase to $36 because they felt the job was "worth $36, and that this is the top and pointed out further that the increase was not given on the basis of girl on a man's job." The Union accepted the increase "under protest," pending further investigation.

After some intervening discussions, the Salary Committee, on March 7, 1945, presented additional facts to Local

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1. Based on case #10,006, Local 201 grievance files. The name used is fictitious.
2. I.e., her salary should be based on the male job rate, adjusted by her efficiency rating.
3. Quotation from the Salary Committee's minutes of the conference with Management, Nov. 15, 1944.
Management to show that Miss Tabor had taken on not only the duties formerly done by men, but that her work had actually become more diversified. The Union representatives asked that she be given an increase on the grounds of added responsibilities. Management declined, and the Salary Committee decided to take the case to New York for adjustment by the UE National Office and top GE Management. The Union's record of that meeting with top Management is quoted in full below:

After we had presented the story, they would not agree to pay more than $36, regardless of what men received before 1943 contract. They admit a "differential and have got it on hundreds of jobs."

They claim that job rate for this work is $39.00 (for a man) and that $36.00 was OK for a woman, even if she does more work than the man did previously.

Our argument was that this job was a 1st Class job at a $45.00 job rate - always had been - and that we would settle for $42.00.

They will pay what they have to, said Mr. Spicer in effect.  

1. In the meantime, the 1943 contract clause on equal pay for equal work, quoted above, had been interpreted to apply only to transfers made after the contract went into effect, so that Miss Tabor, transferred in 1942, technically had no grounds.--Footnote added.

2. Minutes of conference with top GE Management, June 11, 1945. Not appearing in the minutes is the discussion concerning the violation of the 1942 contract, which required the Company to notify the Union whenever women were placed on men's jobs. When the Business Agent brought this to the attention of Spicer, GE Vice-President in charge of industrial relations, the latter's response was simply, "So what?" According to an Executive Board member who was present at the conference, "Coulthard 'hit the roof,' and promised Spicer that if he was looking for trouble on this, he'd get it!"--Interview with Jacob Zeramby, June, 1945. It is unusual that Coulthard became so aroused, for he is ordinarily a very restrained person.
This case was taken to the War Labor Board as supporting evidence on a dispute case arising from the 1945 UE-GE contract negotiations. The Union had proposed that jobs should be evaluated on a common scale, regardless of whether the work was done by men or by women, but the Company declined to accept the proposal. The Company's attitude seems to be that a sex differential in wage rates is justified, even on identical jobs. At the time of writing, the WLB had not yet rendered a decision.¹

¹. In November, 1945, the WLB issued a unanimous interim recommendation that GE and the UER & MWA "negotiate a formula for narrowing, in the immediate future, unreasonable wage rate differentials now existing between men's and women's jobs as such," stating that the Board approves the principle of a single evaluation line for all jobs in a plant regardless of whether the jobs are performed by men or by women. --NWLB Press Release B-2263, for release Nov. 29, 1945.

The Union reported, however, that "the Company has chosen to ignore the Board's recommendation ..." -- Electrical Union News, Vol. 13, No. 6 (Dec. 7, 1945), p. 1.

Shortly thereafter, the WLB ordered General Electric (and Westinghouse) to raise the pay of their women employees 4 cents an hour, and to set aside a fund of 2 cents an hour for each woman employee, the distribution of the fund to be determined by collective bargaining. --PM, Dec. 17, 1945, p. 3.
4. Merit Rating and Automatic Progression

Merit Rating. — On piece-work or other incentive systems, a worker's earnings progress automatically with his skill and rate of production. On day-work jobs in Lynn, however, progression within a given rate range for a job has long been subject to what Union members consider the vagaries of the Foreman's feelings and the merit-rating system. While a good merit-rating system properly applied can be an effective tool of personnel management in promoting most rapidly those workers who best fill the job requirements, it has been the opinion of some members of Local 201 that GE's application of this tool leaves something to be desired. The Business Agent has written:

The governing of rate setting from the starting rate toward the top rate has not been satisfactory and, as the Union officials have long contended, rate setting has been governed too much by Foremen's individual opinions, in the determination of merit. This does not reflect against either a Foreman's ability or honesty.  

The principal criticisms which Union members have made of GE merit rating have been these: (1) In many departments, the individual worker is typically not notified that he has

been rated, nor is he told his rating or the reasons for the rating. This lack of knowledge as to "how you're getting along" seems detrimental to morale.\textsuperscript{1}  

The merit rating is used to establish a worker's rate in relation to a job rate or top rate, but too often the answer seems to be predetermined and the rating sheet is simply "juggled" to make the desired point score appear.\textsuperscript{2}  

The Union negotiated in 1939 a contract clause meeting the first objection. The \textit{Electrical Union News} reported the change as follows:

\textbf{EMPLOYEE RATINGS}

Amendment reads: "Employees will be given their ratings each time the ratings are made."

Comment: What this clause stipulates is that while many employees look askance at an individual rating system, it will be the duty of the foreman to tell an operator his rating, at the time he rates him,--not later, when a complaint might be made.\textsuperscript{3}

\begin{enumerate}
\item For a discussion of this point, see T.O. Armstrong, "Talking Your Rating," \textit{Personnel}, Vol. 20, No. 2 (Sept., 1943), pp. 112-115. At the Westinghouse plant in East Springfield, where Armstrong is Industrial Relations Manager, a consistent policy of discussing ratings with employees is evidently followed.
\item Interviews with shop stewards, April, 1944.
\item \textit{Electrical Union News}, Vol. 6, No. 43 (Sept. 7, 1939), p. 1. Since then, this has been added: "Ratings which have not previously been given to an employee will not be used in the adjustment of grievances except by mutual agreement. On request, the local management will explain the application of the rating system to the local Union." --Agreement between GE and UER & MWA, 1945, p. 13. It appears that there are still members of supervision who do not observe the contractual requirements of notification, particularly among the less-unionized salaried employees.
\end{enumerate}
Automatic Progression.--Because of the rather general distrust of merit rating, and because automatic progression is a way of getting wage increases from seniority alone, UE locals in General Electric and other plants within the last few years have pressed for arrangements whereby progression would be automatic from the starting rate toward the top rate. Depending on the circumstances, Union leaders believed that either the top rate or a certain level below the top rate\(^1\) should be reached by all acceptable workers after a certain time on the job.

In April, 1943, the Electrical Union News reported a local procedural agreement on automatic progression as follows:

... the Union and Company have agreed to set up a series of steps in rates which will not necessarily be either automatic or rigid, but will afford a strong guide for the average growth and improvement of the average man or woman working on a day rate basis. This in no way should be viewed as an increase in wages, but rather as a more uniform approach on merit increases... This, the Union believes, will be an improvement on the present un-uniform basis. It will help the Foreman and allay the dissatisfaction of the help, establishing a better understanding all around.\(^2\)

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1. *I.e.*, the "job rate," a term not used as such in Lynn until recent years. The job rate is equivalent to a piece-work "job value" as that term has long been used in Lynn -- what the normal worker with average skill should be able to earn after a reasonable period of training on the job.

2. Electrical Union News, Vol. 10, No. 27 (Apr. 30, 1943), p. 1. Other GE locals, guided by discussions at the GE Locals Conference Board meetings, worked out similar plans at about the same time with their local Managements.
By examining the progression schedule reproduced on the next page, it can be seen that in jobs with top rates of $.875 and below, advancement was to be relatively automatic up to the top rate; no room was left for merit increases. "If a man can do the job he can do it," the Assistant Business Agent has stated concerning such occupations. "There isn't enough to the job to justify a merit differential."¹ For jobs with top rates over $.885, a range was left for merit increases; promotion was to be automatic only up to $.875, or at the most $.925, depending on the job. Where there was this merit range, the Union and Management in negotiating grievances over a period of years prior to this agreement had worked out an understanding that employees with ability ratings of 95 to 100 per cent would receive the top rate. In normal times, such ratings were few and far between. The "good" or "normal" employee, with a rating of 85 to 90 per cent, received what is now called the "job rate," 10 to 15 per cent below the top rate. There was no definite agreement on the exact differential between job rates and top rates in Lynn, although there was in some other GE plants. "In Lynn," said the same Union official, "we've always talked top rates."²

1. Interview with Edward Larson, December, 1944.
2. Ibid.
### TABLE 9

LOCAL AGREEMENT ON STEP-RATE PLAN FOR MALE
DAY-WORK OCCUPATIONS IN LYNN, 1943

<table>
<thead>
<tr>
<th></th>
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<tr>
<td>3 mths. from start</td>
<td>.775</td>
<td>.775</td>
<td>.775</td>
<td>.775</td>
<td>.775</td>
<td>.775</td>
<td>.775</td>
<td>.775</td>
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<td>.775</td>
<td>.775</td>
<td>.775</td>
<td>.775</td>
<td>.775</td>
</tr>
<tr>
<td>Start</td>
<td>.705</td>
<td>.725</td>
<td>.725</td>
<td>.725</td>
<td>.725</td>
<td>.725</td>
<td>.725</td>
<td>.725</td>
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<td>.725</td>
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</tr>
</tbody>
</table>

The above Step Rate Schedule does not apply to:
- Apprentices
- Special Machinist and Welding Trainees
- Trade Helpers

### PROPOSED HOURLY RATED STEP RATE PLAN (MAINTENANCE TRADE HELPERS—MALE JOBS—DAY WORK)

<table>
<thead>
<tr>
<th>Advanced Helper</th>
<th>Painters' Helpers</th>
<th>Masons' Helpers</th>
<th>Plumbers' Steamfitters' &amp; Pipe Covers' Helpers</th>
<th>Machinists' Tinsmiths' Iron Workers' Helpers</th>
<th>Millwrights' Helpers</th>
<th>Carpenters' Helpers</th>
<th>Electricians' Helpers</th>
</tr>
</thead>
<tbody>
<tr>
<td>52 wks. fr. start</td>
<td>.885</td>
<td>.935</td>
<td>.875</td>
<td>.925</td>
<td>.925</td>
<td>.925</td>
<td>.925</td>
</tr>
<tr>
<td>26 wks. fr. start</td>
<td>.825</td>
<td>.825</td>
<td>.825</td>
<td>.825</td>
<td>.825</td>
<td>.825</td>
<td>.825</td>
</tr>
<tr>
<td>13 wks. fr. start</td>
<td>.775</td>
<td>.775</td>
<td>.775</td>
<td>.775</td>
<td>.775</td>
<td>.775</td>
<td>.775</td>
</tr>
<tr>
<td>4 wks. fr. start</td>
<td>.725</td>
<td>.725</td>
<td>.725</td>
<td>.725</td>
<td>.725</td>
<td>.725</td>
<td>.725</td>
</tr>
</tbody>
</table>

Increase over line based on merit but not scheduled.

Proposed Step Rates shown above to be used as a guide in establishing rate of individual employee, i.e., some employees may progress faster than scheduled or some may not merit any increase. In general, we should try to adhere to this schedule.

Concerning the application of the local step-rate and progression agreement, the Local 201 Manual for Councillors stated:

When assigned to a job at a rate within the limits of this Plan, employee will be advanced to the next step rate after completing the required period of service.

In general, we should adhere to this schedule as a minimum if, in the Foreman's opinion, the employee's performance is satisfactory.

If the employee's performance does not warrant the next step increase, employee should be rated, told why he is unsatisfactory and transferred to a job with a rate suitable to his qualifications or dropped.

Employee demonstrating outstanding progress may be recommended for increase ahead of required period of service or for amount in excess of the next step rate. . . . 1

Judging from comments made by shop stewards, these progression schedules were well received by GE employees. The burden of proof was now shifted, so to speak, to the supervisory personnel. Stewards now negotiated individual progression grievances on the basis that it was up to the Foremen to show why a given worker should not be promoted according to schedule; previously, the Councillors were required themselves to prove that an employee warranted an increase. After the institution of the progression schedules in Lynn, even though they were announced as only a "strong guide," 2 active Councillors evidently were able to win the suggested rate of progression for satisfactory employees. 3

3. Interviews with Local 201 shop stewards.
After having met with some success in applying local agreements on progression schedules, the UE proposed that a similar arrangement be worked out on a company-wide basis.¹ The appropriate clauses of the 1944 UE-GE contract read as follows:

5. Men's Jobs
   For job rates of $1.00 or less, progression schedules shall apply from the starting rate to the job rate. Adjustments shall be made at the end of 2 weeks, 1 month, 2 months, 4 months, 6 months, 7 months, and 8 months.

6. Women's Jobs
   For job rates of 77c or less, progression schedules shall apply from the starting rate to the job rate. Adjustments shall be made at the end of 2 weeks, 1 month, 2 months, 4 months, 6 months, and 8 months.

   The Company will furnish the Union with the schedules for men's and women's jobs in each plant location. IN A FEW CASES THERE WILL BE NO CHANGE AT THE END OF THE 2-WEEK PERIOD.²

   Increases above $1.00 per hour will be based on merit.

7. Classification and Definitions:
   When an applicant is hired, he will be given a card showing his starting rate, step rates, and progression schedule to his job rate.

   The Union will also be given copies of all progression schedules and will also be given general job definitions.

8. New Applicants:
   Experienced and qualified applicants will be hired at a rate not less than two steps below the job rate and will be increased to the job rate within six months after hiring.³

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² Capitals in original.
³ Agreement between GE and UER & MWA, 1944, pp. 10-11.
These sections, together with those covering the establishment of a simplified "step-rate" wage structure, went to the War Labor Board for approval as one point among many others in the 1944 contract. As mentioned in Section 3 above, the WLB originally disapproved the sections covering automatic progression and the step rates, but finally approved them.¹

Thus, after over two years of effort, the Union was able to win both Company agreement and War Labor Board approval on automatic progression up to the job rate in jobs rated less than $1.00. Union officials have stated their feeling that progression should be automatic to job rates even above $1.00, although they are willing to leave the last 10 per cent or so of a rate range for Management to award on a "merit" basis. They recognize that there is some individual difference in which way workers fill job requirements, and that it is fair to reward this in some way. Where there is justified dissatisfaction with any particular worker's merit rating, they say, this can be taken up as a grievance case and fought as far as seems necessary.²

Comparing the progression schedule under the 1944 contract (see Table 10 on next page) with the 1943 local

¹. Electrical Union News, Vol. 12, Nos. 28 and 29 (May 4 and 11, 1945).
². Interviews with Alfred Coulthard and Edward Larson, May, 1945.
procedural agreement (reproduced in Table 9 above) it appears that automatic progression is now both more rapid and reaches a higher level. Under the old arrangement, a man could have reached automatically a maximum of only $0.925 after nine months; under the present, he can reach $1 in eight months. Since this agreement had become effective just as the research work for this paper was being completed, no investigation could be made of the operation of the new step-rate and progression plan.

**TABLE 10**

**NEW DAY-WORK PROGRESSION SCHEDULE FOR MALE OCCUPATIONS**

**IN THE LYNN GENERAL ELECTRIC PLANTS, 1945a**

<table>
<thead>
<tr>
<th>Time</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start</td>
<td>$.705 Common Labor, $.725 Others</td>
</tr>
<tr>
<td>2 weeks</td>
<td>.770</td>
</tr>
<tr>
<td>1 month</td>
<td>.800 (Progression schedule terminates when employee's actual rate equals his assigned rate or $1.00, whichever is lower.)</td>
</tr>
<tr>
<td>2 months</td>
<td>.840</td>
</tr>
<tr>
<td>4 months</td>
<td>.880</td>
</tr>
<tr>
<td>6 months</td>
<td>.920</td>
</tr>
<tr>
<td>7 months</td>
<td>.960</td>
</tr>
<tr>
<td>8 months</td>
<td>1.000</td>
</tr>
</tbody>
</table>

a. Source: Local 201, "Day-Work Progression Schedules" (1 p., typed; 1945).

5. Wage Payment Systems

The principal wage payment systems in use at the Lynn GE plants are day-work (both hourly-rated and salaried jobs may be considered as falling under this general heading), piece-work (both individual and group), the Bedaux plan, and the so-called Group Incentive System (using the Rowan
curve). The main problems arising in connection with day-work are those of job evaluation and individual progression, which have already been discussed above. Another significant problem, which has become particularly relevant during the war years, is the relationship of day-workers' earnings to their output; this is discussed below in connection with the UE "Pull-Out Plan," which proposed plant-wide incentive bonuses for day-workers.

The UE is perhaps unusual in that it accepts, and even favors, the use of wage incentive systems—provided, of course, that there are adequate safeguards against rate-cutting, improper allowances, lost earnings due to poor conditions, and so on.¹ Local 201, even before the establishment of the national UER & MWA, had taken a similar stand. Albert Fitzgerald, UE General President, has stated the national organization's policy as follows:

The UE has never opposed incentive pay, nor is it likely to in the post-war period. This has always been an incentive industry, and it is going to continue so. At the last Convention, one local submitted a resolution opposing incentive pay, but it was soundly defeated. Ninety per cent of the industry uses incentive systems, and UE members like them if properly administered.²

1. See UER & MWA, UE Guide to Wage Payment Plans, Time Study, and Job Evaluation (New York: UER & MWA, 1943), for a full statement of the UE's attitude on these matters. Despite a few minor errors, it is an interesting and valuable aid to UE locals and members.
2. Interview, July 2, 1945.
Incentive Systems in the Lynn GE Plants.—Incentive systems are very widely used in Lynn. As the Business Agent has stated, "If they can measure the job, it's on incentive." 1 Perhaps the most common is simple piece-work with a guaranteed minimum, under which the worker receives a standard price per piece with total earnings increasing proportionately with output. This may be either on an individual basis, as where operators work independently of each other; or it may be on a group basis, as may be required when one operation is closely dependent on another (e.g., on an assembly line). Piece-work, which is easily understandable by all workers and which provides proportional reward for effort, is the incentive system most widely approved by Local 201 and the UE. 2

The Bedaux Plan, 3 now widely used in the West Lynn Works, was established there not simply as a wage incentive system, but as part of a coordinated system of management. When originally installed, a participation ratio of 75 per cent was used for employees, 4 with the remaining

1. Interview with Alfred Coulthard, Sept. 8, 1943.
2. "The most intelligible and satisfactory systems, whether group or individual, are those based on a fixed price per piece regardless of number of pieces worked on."—Electrical Union News, Vol. 7, No. 17 (Feb. 23, 1940), p. 1.
4. I.e., if a worker increased his output by some given ratio, his earnings increased by only three-quarters of that ratio. E.g., if his output increased 10 per cent, his earnings went up only by 7.5 per cent. This was true of all levels of output above the quota of 60 points (or "B's") per hour.
25 per cent going into a bonus pool for indirect labor and supervision. During the depression, however, distribution of these bonuses ceased, and they have never been restored. The participation ratio of 75 per cent applied to the "premium point values" calculated from the base rates in effect before Local 201 came into existence. Since that time, however, the general increases of 1941-1942 have been added to the base rates but not to the premium point values, the result being that workers on the Bedaux plan now have an effective participation ratio of about 53 to 65 per cent, depending on their base rate. Under the present arrangement, a worker who increases his output by a given ratio finds that his earnings go up by less than two-thirds of that proportion; for instance, one who doubles his output (an increase of 100 per cent) increases his earnings by about 60 per cent. The reason for this lies in the fact that the UE and GE agreed that general increases were to be added to the base rates, but not to the incentive earnings in addition, in order that the negotiated increase would be the same for everyone.

1. "Premium points" are those produced in excess of 60 per hour. With a base rate of $.60 per hour and a participation ratio of 75 per cent, the worker receives for premium points .75 x ($ .60 ÷ 60) = $.0075, the premium point value.

2. Calculated from the table of earnings for various point-hour outputs in Local 201, Manual for Councillors, pp. 36-37.

3. This has been true also of piece-work and the Group Incentive system.
As early as 1934, the membership of Local 201 "... went on record for the abolition of both Group Incentive and Bedaux systems of payment, claiming that such systems were undesirable from the workers' point of view."\(^1\) The main reasons were the difficulty of understanding the incentive plans and the lack of proportionality in the relation of earnings to output. In recent years, however, Local 201 has aided its members to understand the Bedaux system by publishing articles in the *Electric Union News*\(^2\) and by including in the *Manual for Councillors* a table of earnings for various point-hours under all the Bedaux base rates.

The *Group Incentive System*, unfortunately, remains a mystery to most of those who work under it. This system is used in many departments in the River Works where operations are interdependent, yet not so rigidly arranged and scheduled as on assembly lines. Departments producing motors, for example, commonly use the "GI" system.

Each worker in a particular group (indirect or service workers are usually included as well as direct production workers) is assigned a "GI rate," a basic


hourly rate which is determined according to his value to the group.\textsuperscript{1} To this rate is added a premium determined by the output of the group as a whole, using what is known elsewhere as the "Rowan curve"\textsuperscript{2} as a basis for calculation. The formula for determining the premium rate (PR) is as follows:

\[
PR = \frac{\text{Allowed Hours} - \text{Shop Hours}}{\text{Allowed Hours}} \quad (1)
\]

where "Allowed Hours" (AH) is the established time standard for completing some job or group of jobs, and "Shop Hours" (SH) is the time actually spent on the job. A worker's total earnings (TE) for some period of time worked, SH, are found as follows:

\[
TE = (SH \times \text{GI rate}) + PR(SH \times \text{GI rate}) \quad (2)
\]

This formula gives a fairly good relationship between output and earnings close to the base rate; but, as output goes up, the worker receives less and less (both relatively and absolutely) for a given increase in speed of production, as shown in Table 11 on the next page.

\textsuperscript{1} Both job evaluation and merit rating are used in determining a given worker's GI rate. One particularly important characteristic is versatility, since an operator may be required to assist on many given jobs from time to time.

\textsuperscript{2} For a comparison of the Rowan curve with other incentive curves, see Lytle, Wage Incentive Methods, pp. 256-265. For a more complete explanation of the River Works Group Incentive System, see General Electric, "The Purpose and Advantages of the Group Incentive System" (7 pp., typed; 1928) and "The Operation of the Group Incentive System" (9 pp., typed; 1928).
TABLE 11
OUTPUT AND EARNINGS UNDER THE GROUP INCENTIVE SYSTEM

<table>
<thead>
<tr>
<th>Increase in Output from Standard (per cent)</th>
<th>Increase in Earnings from Base Rate (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>20</td>
<td>16.7</td>
</tr>
<tr>
<td>33</td>
<td>25</td>
</tr>
<tr>
<td>50</td>
<td>33</td>
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<td>100</td>
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<td>200</td>
<td>67</td>
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<td>300</td>
<td>75</td>
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a. Source: Calculated from formula (2) above.

This type of an incentive curve is particularly valuable to management when standards cannot be set with precision, and there is a "danger" that workers may "run away with the job."

A good statement of the advantages of the Group Incentive System from the worker's point of view, and the problems which may arise in its operation, was given by an Executive Board member in an interview:

I'm on GI in the River Works now, and we're well satisfied with it. It all depends on the group you're with, and how you work it. We're a bunch of old-timers on the day shift, and we've put some old-timers on the night shift to see that they play ball.¹ The Foreman cooperates with us—he even comes down and talks over his production problems with us, and we help him meet his schedules. All the fellows in the group have to pull their weight, or we let them know about it. That's the trouble with a lot of the groups—there's too much dead weight, too many fellows letting the other guy do the work while they just come along for a free ride.

¹. Some groups may include two or three shifts, all working on the same job.
It's different in my group. We all work and cooperate, and we take out a good premium—about 50 per cent over set-up. In lots of groups, they just make set-up, or maybe up to 20 or 30 per cent above set-up if they're lucky. We don't have any fights between the different shifts, the way they do in some groups—in some of these groups, the day shift says the second shift isn't doing its share, and so on.

Why would we rather have group incentive than straight piece-work? Well, we all pull together and cooperate, and we think that in the long run we make out better than we would working alone. If a fellow feels bad one night, or is sick, the others can carry the load and make out for him. You help out one time, get helped yourself the next.

1. i.e., about 50 per cent more than expected average earnings.
2. A petition submitted by the 1st Shift members of Group #506 stated: "If we only had our own group to look out for, we could easily see where the trouble lies and we could straighten it out, but the way it is now, we do not know what goes on after we leave."—Board case #4920, Local 201 grievance files.
3. Interview with Walter Elsmore, June 2, 1945. The Business Agent commented in a later interview that this group was the first to be put on GI, and served somewhat as a "shop window" exhibit to show what could be done on the system. No other group has earned as high average premiums as this one.
Wage System Change-Overs.--The Managements of the GE plants in Lynn appear to have been unusually cooperative in being willing to change over the wage systems in any departments or groups if the employees involved indicate their desire for such a change, provided of course that total labor costs for the same output are not increased thereby. Thus, if a particular group votes that it would prefer individual piece-work to group incentive, Management is willing to discuss the conditions of making such a conversion, and even to run a trial period for final approval of the employees involved.

It has been mentioned that Local 201 originally wanted to abolish both the Bedaux and GI wage plans, and one of the "10 points" in the UE's first company-wide negotiations with General Electric was directed at doing away with the GI system.¹ Locally, GE's reaction in 1937, as it has been since, was that ". . . they were not 'hide bound' to this system, and would change it, if it was the wish of the employees, to straight piece-work."² Management specified that it would be willing to make the change gradually, one group at a time, if arrangements could be worked out so that total dollar costs were not thereby increased. The Union brought up the question of indirect workers, who had been

earning more under the GI system than they would have for equivalent jobs on ordinary day-work, arguing that their efforts were geared to the speed of the production workers. Management pointed out that it was not the practice to pay indirect labor by piece-work, but agreed that if it were possible to set a piece-work price on the job, it would be done.  

1 More recently, the typical practice has been to let indirect workers keep a preferential rate for their job, equal to their average earnings over the three months prior to the change-over.  

Frequently, a group has asked to change from one incentive system to another, but then voted not to change upon discovering how some individuals in the group would be affected by the change. In fact, concerning the proposed abolition of the GI and Bedaux plans, in 1937 "... the local membership decided ... to go no further in negotiations at this time, believing, in effect, that such a step,

1. Ibid.  
2. "Management said they were prepared to give the ... [indirect workers] ... their average hourly earnings for the previous 1 3 weeks, and make that their Day Rate. This would mean that they would have some 'cock-eyed' rates, for these men invariably would have a higher rate than for comparable work in the plant; but any man, in the future, who was transferred to these jobs, would get the rate the same as any other inspector on Day Work,--for they would not want to perpetuate these higher rates except to the men who were affected by the change-over. Management [specified that they] would not listen to any arguments from other people, quoting these preferential rates."--"Conference with Management, Apr. 14, 1939," Board case #1090, Local 201 grievance files.
at this time, would cause individual hardships and mis-
understanding."¹

The Case of the West Lynn Screw Machine Department² illustrates some problems which may arise in the operation of an incentive system and how workers' attitudes toward wage payment systems may change. This department was originally on the Bedaux plan, negotiated a shift to day-
work in 1938, and then obtained a special bonus plan in 1944.

The 1938 change-over resulted from the workers' feeling that the incentive system did not take proper account of working conditions in the department. The machines were old and not in proper operating condition, tools were not right, and the maintenance system was poor. Machine breakdowns were not promptly corrected and the materials supply was irregular. In brief, the conditions essential for the proper operation of an incentive system were not present, and the operators felt that the Bedaux system did not provide proper consideration for the working conditions, and was poorly adapted to a situation where workers operated a number of machines at once. One operator in the department has said, perhaps exaggerating a bit,

² Based on Board cases #938 (1938) and #3846 (1944), Local 201 grievance files, and interviews with Edward Larson, Assistant Business Agent, and Walter Jackson, Board member.
"Why, Management even admitted they didn't know how they figured out our checks!" Accordingly, the group petitioned for a change to day-work. Management was willing to do this, but specified that if costs went up, they would be forced to go back to the old system.

One point at issue was the amount of bookkeeping which would have to be done under the new arrangement. Some of the men claimed that they previously had been burdened with so many vouchers and lost-time slips, etc., that it was necessary to put in many hours at home each week keeping up with their bookkeeping. When Management asked that records be kept of set-up time and tool and machine maintenance, the men said they felt that they should not have to do this at home, and Management agreed. Some differences of opinion developed on the day-work rates to be paid, and the number of men to be classified in each rate range, but these were also adjusted without too much difficulty.

By 1944, conditions in the Screw Machine Department had changed. With the war-production campaign, labor productivity was increasing, and these operators wished to be able to benefit from their increased efforts. After the Pull-Out Plan (discussed below in this section), which would have inaugurated bonus payments to all day-workers, was ruled out by an arbitrator, workers in the Screw Machine Department submitted a petition through their Councilman. The petition began: "We, the undersigned, would like to have our committee
meet with Management to discuss possibility of a bonus plan, by which we, day-workers, can profit by increased production. . . . 1 Among the points mentioned in the workers' proposal were these: (1) present day rates to be retained as base rates; (2) set-up men to share, possibly receiving 15 per cent above present rates; (3) adequate allowances to be made for anything stopping production, such as (a) no stock, (b) drills, taps, reamers, etc., broken, (c) supervision mistakes. Briefly, the plan, proposed by a committee of operators and accepted by Management with only minor modifications, provided that each worker receive his previous day-work rate plus a bonus related to his "efficiency," the bonus increasing less than proportionately with output. The committee insisted that maintenance and tool supply be improved as a condition of acceptance by the workers; for instance, it was arranged that all the tools needed for a particular job should be issued as a single kit, rather than individually as before. The full details of the new incentive system do not warrant explanation here, since the measuring of "efficiency" involved "machine constants" (which vary with the type of machine and metal used) and other problems arising when each operator is in charge of a number of automatic machines.

One Union leader estimates that the present bonus plan has been saving the Company about $1,000 per week by eliminating helpers previously used in the department (they were transferred to other jobs in the plant), and more than that by reducing average overhead costs. He also states that workers have received an average increase of about 15 per cent in weekly earnings under the new incentive system.

Protection for Incentive Workers; Motion and Time Study.--The uses and abuses of time study as a means for setting wage incentive standards have been the subject of much disagreement in the Lynn GE plants throughout the whole of the period since the forming of the independent Union. As early as 1934, the Electrical Union News commented: "This price-cutting, and the chiseling tactics of the Methods Department have got to stop, and we are determined to have a say in this matter."¹ And, in 1935: "Of recent date, the price-cutting orgy has sprung out afresh, this time in Building 40. . . . We probably all agree that with changes in method, and sub-operations taken out of a standard, a job price is subject to change accordingly,—but we don't agree to the point of sheer robbery!"²

In early 1936, it appears that the time-study program in the Lynn GE plants was revived, after a period of relatively

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low activity during the worst depression years. At this
time, there were many standards in effect which had been
set only by estimate, and the result of time studies was
usually to make the standards much "tighter." Naturally,
a number of complaints were made to the Union about the
activities of time-study men.\(^1\) The Union at first request-
ed that it be notified, through the Councillors, of any
proposed rate change or time study,\(^2\) but later dropped the
demand. A local agreement was soon worked out, however,
on *Price, Rate, and System Changes*, which contained the
following main points: (1) Prices established by proper
time-study techniques will not be altered, except in case
of error or changed methods. (2) When elements are changed,
the standard will be modified only by an allowance for the
changed elements. (3) Any other changes which would affect
earnings will be discussed with the Executive Board before
becoming effective. (4) Councillors may observe disputed
time studies sufficiently to make sure that they are being
properly performed.\(^3\) This local agreement, which the
members of Local 201 valued highly as protection against
what they considered over-zealous and unwarranted rate-
cutting, was inserted into the 1943 company-wide agreement

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   succeeding issues.
   Councillors* (1942 ed.), pp. 4–6; quoted in full, Chap. III,
   Sec. 3, above. See also a slightly modified version,
in slightly modified form.¹

Concerning new rates based on time studies, Local 201 takes the position that the standards should be set so that an "average" operator² can earn the "job value" (the anticipated earned rate)³ by exerting normal effort. An above-average operator who has been earning more than the job value on standard prices (i.e., those established by time study, as compared to "special prices" set by estimate) is supposed to have a fair opportunity to maintain his average earnings on new prices set by time study. When there is disagreement on a price which has been set, there may be a difference of viewpoint as to whether the operator is actually exerting normal effort. This remains so far a matter of opinion in discussions between Local 201 and the Management, and final decisions are usually based on a trial period in which the operator strives to "make out" with the disputed standard as originally set.

Concerning motion study, the method of doing the job is always at the discretion of Management. Except in the most unusual cases (e.g., involving safety), the Union does

² Whether the operator is "average" may be determined by his past performance on incentive work.
³ The "job value" for incentive operations (i.e., expected average earnings) is determined by job evaluation just as on day-work operations. The time standard per piece must then be set so that an average operator working with normal incentive-induced effort can earn that job value. "Normal" effort on incentive jobs is agreed to be higher than on day-work jobs.
not try to specify how an operation should be done. But, because workers object to constant surveillance through "observation studies" (time studies used mainly as a basis for improving methods), Local 201 feels that most motion study should be done elsewhere than on the production floor, and has succeeded in convincing local Management that stop-watches should generally not be used in observation studies.

The Union has also objected to the practice, sometimes used, of having a methods man perform the standards-setting time study on a job which he himself has planned, as follows:

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1. In one instance, an operator turned in a grievance, objecting to the inefficiency of the procedure specified by Management in performing his work. The Executive Board declined to discuss this as a grievance, but told the worker that he should submit his idea to the suggestion system.—Discussion at Executive Board meeting, June, 1945. This may be taken as an example of Union acceptance of Management prerogative on methods.

2. "Develop and plan, by all means, but do most of it away from the floor. Seek the cooperation of the employees to that end. Make it easier for them to cooperate. Cooperation under stop-watch compulsion is anathema to the operators. To the operators, the stop-watch practice is a system to 'beat,' rather than something they should accept with good grace."—Electrical Union News, Vol. 5, No. 31 (May 27, 1938), p. 1.

This practice, we contend, is unfair and impractical,—for when the same person plans the line-up of a job and then times it for price, gone is the so-called "impartiality" of the Time-Study man, for he is timing the results of his own planning. . . . If . . . [the operator] . . . is timed by the same man who planned the job,—who has already a set figure of minutes in which he 'believes' the job can be done,—then what figure does the man with the watch always have in mind? The operators contend that even if the watch did not show the proposed figure was right, he feels the 'pencil' is likely to 'go to work' on the results of the time study before the operator learns the price.\(^1\)

Local 201 believes in the following separation of function in this field of motion and time study -- the "planner," or methods man, is to determine the procedure for performing the operation; the Foreman is responsible for instructing the worker in the standard procedure, and seeing that it is followed during the time study;\(^2\) the time-study man should be an impartial observer, reporting to the best of his ability the time which should be required for an average

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2. "During the early days of our Union's existence, we complained of the 'indeterminateness' of personal responsibility (buck-passing) between Foremen, time study men, methods men, planners, etc. Eventually this matter was brought to a head, and the Foreman was given the responsibility of contact with the operator; and it is the Foreman to whom now is delegated all authority to answer questions relative to a time study, time standard, rate, etc."--Ibid., Vol. 6, No. 13 (Jan. 26, 1939), p. 1.
operator to perform the operation. 1

Another matter involving the protection of incentive workers was the question of their payment when placed temporarily on day-work jobs, and a local agreement was worked out on this in 1936. The practice previously had been to pay such workers about 85 per cent of their anticipated earned rate ("AER"); this day-work rate was approximately equal to the worker's base rate, without incentive earnings. Thus, a worker asked to drop his regular job, on which there was an adequate backlog of work, to help temporarily on a day-work job, was naturally rather disgruntled by this loss of earnings. After this matter had

1. Local 201 members seem particularly incensed by time-study men who undertake to tell an operator how to do his job, as indicated by the following quotations:

"If trouble develops in Bldg. 67, the help knows just where to put their finger on it. Galloway, the time-ster, is certainly a wonder at creating said trouble. The help are not against a fair time study, but when a time study man steps in and tells the operator how to run his machine, and which hand to use, and that he wants more speed, then it is time for the Union to step in and take a hand. The Union did, and we hope that Galloway realizes that he is only a time-ster, and not a gang boss."--Ibid., Vol. 3, No. 37 (July 10, 1936), p. 3.

". . . 'Mac,' the time-ster . . . goes over the heads of the bosses and engineers to see if he can have the quality of the work cheapened, to get it at lower cost. On one job recently, Mac set a price after a three hour micro-comparison, two analyses, one observation, and two time studies. He then claimed that the operator had not quite attained maximum efficiency, 'as the operator only had 17 years' experience on the job, and was practically a green man.' Then Mac proved his statement by another study, which showed that a similar job was done .00367 minutes quicker . . . Ain't Mac the Einstein?"--Ibid., Vol. 4, No. 15 (Feb. 12, 1937), p. 3.
been discussed in a number of grievance cases, River Works Management drew up an improved plan, which may be summarized as follows: (1) On temporary day-work incidental to the incentive job, as in the case of small quantities or inability to set accurate standards or special prices in advance, the worker shall receive 85 per cent of AER. (2) On temporary day-work if otherwise the employee would lose earnings due to lack of incentive work, 85 per cent of AER. (3) On temporary day-work to meet production requirements when there is sufficient incentive work on the employee's regular job, 100 per cent of AER, but not greater than his actual average earnings. (4) Temporary day-work when the employee is selected on account of skill or experience for a job of considerable duration, whether production or development work, between 100 per cent of AER and actual average earnings (for such workers, usually above AER).¹ (5) When employee works regularly part time on piece-work and part time on a recognized day-work occupation, he will receive the regular rates for each job.² A modified version was worked out for the Bedaux system at the West Lynn Works, and both have been improved somewhat in details since that time.³

¹ Points 3 and 4 corrected the principal sore points, and represented the greatest gains to River Works employees.
³ For the present arrangements, see Manual for Councillors (1945 ed.), pp. 30-35.
Maintaining proper working conditions sometimes has been an important issue to incentive workers, as indicated by the following quotation:

... one objectionable feature continually crops up, namely, that conditions under which jobs are timed, are not maintained by the service groups.

A job is lined up with stock, tools, etc., a study is taken, and a price standard is set, as a result of the study taken under almost perfect conditions. Then a few hours or days later, an operator sometimes discovers that the service of stock, tools, etc., falls off, and the operator is obliged to chase after the service with resultant loss of earnings per hour.

The Management agrees that the service under which the study was taken and is recorded as existing shop conditions, should continue to exist.

Therefore, every operator who has been timed should carefully note the conditions, service, etc., and if the conditions change, by service dropping off, report the matter to his Councilman.¹

Limitation of Output and Point-Sharing.—In operating incentive systems, managements often assume that workers will produce to the full extent of their ability, and usually expect all work to be turned in as promptly as completed, and (on an individual incentive system) that employees will be rewarded only for work done by themselves. However, because of distrust, or because of a desire for security not provided for in the incentive system, workers sometimes do not follow the expectations of managements in these respects. Because of their desire for stability of

earnings, GE employees have been known to accumulate a "kitty" of surplus parts or piece-work vouchers (depending on the checking system used in the department) while working on a job with "loose" standards, to be turned in later during periods when they are cursed with "tight" jobs. Also, it has sometimes happened that operators have not produced up to the full limits of their ability, because of their fear that unduly high levels of earnings would result in revised standards. ¹ Finally, it is not unknown that workers have cooperated by sharing the results of their labors, so that an operator who has been working on an "easy" job will give some of his vouchers to another who has been working on a "touch" assignment.

In the Lynn GE plants, the accumulation of a kitty or the sharing of earnings is considered a violation of the fundamental principles of incentive systems, and discipline is meted out accordingly. While Local 201 does not encourage the violation of these Company rules, it sometimes may ask for clemency if the discipline applied in such a case seems unduly severe.

¹. It is perhaps obvious that restriction of output can as well be individually-motivated as union-induced. Based on interviews with Union officers and members, it appears that even if Local 201 were actively to oppose any restriction of output, it would probably still persist, due to fear of rate-cutting expected to follow from unduly large earnings.
An interesting example of these problems is found in the May Anson Case. Miss Anson was a press operator, and one night had a job "with a standard 31." However, she thought the standard was 11, and so she worked rapidly in order to make reasonable earnings for the night. Near the end of the shift, she mentioned to her shop steward that she had turned out 5,500 pieces, and the steward replied, "You're doing fine. You've got 1,600 points made." As Miss Anson said in her written statement to the Executive Board, "I have heard from different people not to pass in more than 1,000 points," so she turned in only 990 points and left the rest for someone else. The shop steward had what she called a "miserable job" that night.---"So, to help me out in my night's points, and with no idea of stealing, I took the points." Management had been on the watch for irregularities in this department, and discovered the exchange of points immediately. Both women were discharged and appealed their cases to the Executive Board.

1. Based on Paul and Faith Pigors, "Ethics and Techniques in Piecework Relations," (Cambridge: Addison-Wesley Press, 1944); original source, Board case #2638, Local 201 grievance files. Names used are fictitious.
2. I.e., the average operator was expected to complete each piece in .31 minute.
3. A "point" is a unit used in the Bedaux system to indicate the standard amount of work which should be completed in 1 minute, including allowances for fatigue, personal time, etc.
When the matter was discussed with Management, the latter's first reaction was that "they would not condone any operator taking payment for work she did not perform." The Board members "argued against Management's strict interpretation, saying that they [Management], more than the operators, were responsible for piece-workers' slant on these matters," and were able to moderate the decision so that the women were disciplined only by a week off.

The Pull-Out Plan.--In an advertisement inserted in the New York Times on March 25, 1942, the UE announced its willingness, as part of a "Production for Victory" effort, to undertake to increase production by 15 percent in the companies under contract with it, merely by increasing the level of worker effort. Two pertinent questions arising from such an offer are these: (a) What effect would this be likely to have on the standards by which incentive rates are established? (b) What incentive would there be for day-workers to increase their efforts, when their earnings ordinarily are not related to their rate of production?

The Union's feelings on these matters were expressed in a list of conditions to be agreed on by each company before the Union would go ahead with its production campaign.

These conditions were stated essentially as follows: (1) The rate of production per man-hour prior to Pearl Harbor shall be deemed the "normal output." (2) The Company shall discontinue for the duration of the war any downward changes of job values, piece prices, and existing rates. (3) Day-workers shall be paid an increase in their hourly earnings as a result of this increased effort equal to the percentage increase received by incentive workers compared to normal output. (4) Prices and job values on new jobs shall continue to be determined on the basis of normal effort. (5) The production records of employees as they existed during the quarter prior to Pearl Harbor shall be available to the Union for the record. (6) After the war, the Company shall make no effort to cut prices or job values by reason of this "super-normal war effort by our people." (7) Provisions of the existing agreement between the Company and the Union governing time studies and adjustment of rates shall apply after the war.¹

This became one of the proposals discussed in negotiating the 1942 company-wide UE-GE contract.²

¹. For an interesting discussion of the significance of these points, see Van Dusen Kennedy, Union Policy and Incentive Wage Methods (New York: Columbia Univ. Press, 1945), p. 106, pp. 123-127.

April 25, 1942, the UE national office wrote to the locals enclosing several contract provisions (among them the production plan) on which there had been agreement, stating: "... a tentative understanding has been reached ... subject to complete settlement of all the issues involved in negotiations," which were still uncompleted.

When the General Electric Locals Conference Board met with the Company in August, the production plan was discussed again. According to the Union's minutes of the meeting, GE proposed that the plan to give incentive payments to day-workers be discontinued, due to difficulties met where the plan had been put on trial. The Union objected, claiming that the plan was workable and that it should be given a fair trial. After some discussion, the Company agreed to continue the trial at Erie and at Schenectady for another month or two, and then to give the Union a statement of the Company's position.

When the Union submitted the 1942 contract to the Company for final approval in August, the Company refused to sign the agreement until the clauses relating to the production plan were deleted. The revised agreement was signed, and went immediately into effect.

The Company reported to the Union in October that the plan was unsatisfactory, and proposed discontinuing it. The Company's attitude on the production plan at this time is summed up in its statement to the UE:
The Union proposed to the General Electric Company to urge an all-out effort on the part of both incentive and day workers. It was hoped that a 15% increase in output above normal would result from this effort. The Company agreed to discontinue for the duration of the war any downward change of job values and established piece-work prices. This latter agreement was demanded by the Union as a price for this extra effort.

It is obvious that if this plan is to be successful there must be a balanced increase by all incentive workers (including key operations), and day-workers, as incentive workers constitute less than half of the total. This experiment has been tried in three plants. The increase in output or shipments has been nil. Many of the incentive workers have increased their earnings; the range ran from -3 to 21% increase. Since during the trial period there has been no increase in output or shipments, but only increased earnings on the part of certain operations, the Company feels that this scheme is not a success and should be discontinued as of October 15.

The Company, however, is willing at any time to guarantee all definitely established piece-work rates for the duration, and will not after the war take unfair advantage of the all-out effort on the part of the employees in determining normal effort. This gives the piece-workers full opportunity to increase production if they so desire, but since during this experiment we had neither balanced production nor increased shipments, the Company cannot reasonably pay day-workers increased wages where there has been no increase in production.¹

Although the Union was able to have the plan continued until November 1, at that time it was completely discontinued.

Disagreement then arose concerning the understanding which the parties had reached earlier in the year. The Union claimed that the Company had definitely agreed to inaugurate and continue incentive bonuses for day-workers, although the introduction was to be gradual through the various departments

¹ "GE Statement on Pull-Out;" copy enclosed in letter of Julius Emmpak to Alfred Coulthard, Oct. 27, 1942.
and plants. The Company agreed that it had contracted not to reduce piece rates for the duration, but argued that it had consented only to try out the day-workers' incentive plan in a few departments, with the right to discontinue it if found unsuccessful after fair trial.

Much dissatisfaction developed among Lynn GE employees because of this apparent reneging on the part of the Company, to judge from comments made at Union meetings. Particularly incensed were the day-workers, whose wages were relatively frozen while incentive earnings automatically increased with stepped-up effort. These day-workers felt that they were being treated unfairly by being required in some instances to speed up their service to incentive workers without being rewarded for it. In common discussion, the "Pull-Out Plan" came to mean simply the plan for incentive payments to day-workers.

A contributing reason for dissension was the viewpoint of Charles E. Wilson, GE President on leave to the War Production Board, who had been quoted in Reader's Digest as favoring incentive systems for all workers in a plant. He qualified this view in another (less-publicized) article, stating: "But we doubt that ... [such a system] ... is applicable to diversified-product plants."

1. No data are available for comparison of day-work and incentive earnings over time in the GE plants.
However, from the viewpoint of GE workers, who had seen Westinghouse adopt such a plan with rumored success, this was an instance of the Company speaking in one fashion before the public, and in another fashion over the bargaining table.

After discussions and attempts at conciliation, the Union and Company agreed in September, 1943, to submit to David C. Cole, Chairman of the New Jersey State Mediation Board, the following question for arbitration: "Does an agreement exist between the United Electrical, Radio, and Machine Workers of America and the General Electric Company on the matter of an All-Out Production Plan?"2

At the hearing, the Company advanced these reasons for believing the plan was unsuccessful: (1) The production of day-workers is not necessarily related to that of piece-workers. (2) Changes in products and methods of production affect the production of piece-workers with no relationship to the effort or work of day-workers. (3) The ratio of indirect to direct labor costs increased during the trial period, whereas the plan to pay a bonus was based on the expectation that this ratio would decrease or at least be maintained. (4) Undeserving day-workers could receive unearned windfalls under the plan. (5) Finally,

other departments which did not use the day-workers' bonus plan". . . seemed to move along perfectly parallel lines with the departments in which the bonus was being paid . . ."1

The Arbitrator stated in his decision that, although agreements need not be written to be binding, it seemed to him that the parties intended the All-Out Production Plan to be part of the whole 1942 contract then being negotiated, and that both parties reserved the right to withdraw their commitments to any particular provision prior to final signing of the contract. The refusal of the Company in August, 1942, to sign the agreement until the production plan was deleted supported the view, the Arbitrator wrote, that the bonus plan for day-workers was to be only a trial or experiment and not part of the contract.

Further, the arbitration question was stipulated in the present tense: "Does an agreement exist . . .?" Even if the Union's contention had been true, that the Company had agreed to make the production plan part of the 1942 contract, this contract had expired on April 1, 1943, and would not have been still in existence at the time of the arbitration hearing. The 1943 contract contained no provision for such a production plan. Accordingly, the Arbitrator wrote, " . . . I find and decide that the Company

has definitely agreed not to reduce piece rates because of increased production of piece-workers, except in accordance with contract provisions, and that no agreement exists on the subject of an All-Out Production Plan for day-workers.\footnote{1}

In addition to this decision, the Arbitrator gave some general observations and recommendations to the Union and the Company, as follows:

\ldots In this period of national all-out production requirements, \ldots it seems to me that a plan less than scientifically perfect might be used to general advantage. There will be some day-workers whose work cannot be measured who perhaps will be laggards and be iniquitably rewarded by comparison with others who sincerely do their best to increase production. If the over-all result, however, is likely to be a material increase in production it would be well to consider some plan of this character. No such plan could possibly be successful without the utmost cooperation of the Union. This has been recognized by the National War Labor Board in refusing as a matter of policy to order production incentive plans which have not been jointly requested by management and labor in the plant. Recently in the Grumman Aircraft case\footnote{Grumman Aircraft Engineering Corp. Case No. 13-285, decided by the National War Labor Board Sept. 30, 1943. Opinion by Dr. George W. Taylor. [Footnote in original.]} the National War Labor Board approved a production incentive plan which rewards all the workers in the plant, direct and indirect, on the basis of the increased production of the entire plant measured in terms of tonnage of air frames per man-hour.

The Board recognized the possibility of inequities in a plan so comprehensive, but recognized also the possibility of increasing production of vital war products, and in the balancing of the two, decided in favor of the possible general good.

\footnote{1} Ibid., p. 5.
I may only recommend. I do recommend that the Company and Union promptly resume discussions of ways of establishing some production incentive plan for day-workers. Both parties acknowledge the desirability. The Company's fear that undeserving day-workers may receive windfalls may be met, first, by the sincere and wholehearted cooperation of the Union and its members, and the strong public opinion which they command. Secondly, it may be that a safeguard can be established by agreeing that if the ratio of indirect labor to direct labor is not maintained or improved as the piece-workers' production increases in any department the day-workers will forfeit their right to the bonus for that period. This safeguard should be effective at least to minimize the number of undeserved bonus payments.¹

The General Electric Locals Conference Board proposed another plant-wide bonus for day-workers in November, 1943:

1. Incentive workers' anticipated earned rate to be considered "100 per cent efficiency;" 2. day-workers to receive 1 cent bonus for each 1 per cent by which average efficiency exceeds 100 per cent, up to an efficiency level of 115 per cent; 3. Above 115 per cent, day-workers to receive 1/2 cent bonus for each 1 per cent increase in incentive workers' efficiency.² General Electric declined to accept this proposal,³ and has maintained that position since then. The result of GE's refusal to accept such a plan, while Westinghouse has had a general bonus plan in operation beginning in 1944 (retroactive to April 8, 1943), appears to have been an abrupt increase in the average annual earnings (and

². Letter of Leo Jandreau, UE national office, to GE locals, Nov., 1943 (exact date not given).
³. Letter of Leo Jandreau to GE locals, Nov. 20, 1943.
probably also average weekly and hourly earnings) of
Westinghouse employees relative to GE, as shown in the
chart on the next page. Average earnings do not neces-
sarily change proportionately with average labor costs,
but if there have not been compensating increases in effi-
ciency accompanying the rise of earnings, Westinghouse may
find itself at a competitive disadvantage if its bonus
plan is continued after the war.¹

¹. Data on average hourly and average weekly earnings for
the employees of these two companies are not published,
so that it is impossible to comment on the effect of UE
wage policy on these firms relative to other firms in
the electrical manufacturing industry.

UE leaders have claimed that, by organizing the many
relatively small electrical manufacturing firms which
were paying lower wages than the industry leaders, they
have actually improved the competitive position of
General Electric: "The Union has organized several
hundred thousands of workers in the industry and raised
wage rates. No longer can the Company claim that it pays
far better wages than its competitors, for it is factually
true that the GE Company is relatively in a far more
favorable position than it was before the birth of the
UE,—the margin of difference in wage rates lessening
continually each year."—Electrical Union News, Vol. 3,
No. 21 (Mar. 20, 1941), p. 2.

Members of GE Management, questioned in interviews,
do not agree with the Union's position in this matter.
The Company was unwilling to provide data which could be
compared with US BLS figures on average hourly or average
weekly earnings in the electrical manufacturing industry.
6. Miscellaneous Wage and Fringe Issues

Pensions.—The GE Pension Plan was established in 1912. It was originally entirely Company-financed, but a voluntary Additional Pension Plan financed by employee contributions was begun in 1928. After the Social Security Plan went into effect, GE announced that for employees on the payroll on December 31, 1935, the Company Pension Plan would be continued for each employee so long as he continued his participation in the Additional Pension Plan. However, when Social Security pensions became effective, in 1942, the amount of these payments were to be deducted from the Company-financed pension.\(^1\) For employees hired after January 1, 1936, GE pensions were to be available only on earnings in excess of $3,000 per year.\(^2\)

Although some Union members seem to have felt that this modification of the Pension Plan was reasonable, because of the new payroll taxes which had to be met by the Company, others resented the change. They have also been of the opinion that other features of the Pension Plan should and could be modified without placing an undue burden on the Company.

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1. E.g., if the originally promised payment under the Company Pension Plan were $40, and the employee received $22 as a Social Security payment, GE would pay only the balance of $18. The employee would continue to receive whatever payment was due him under the Additional Pension Plan.

For one thing, the GE pension rates have been based on the average earnings of the employee during his last 10 years of employment before retirement. In the late 1930's, those who were due to retire soon felt that they were being unfairly penalized for a period of severely low earnings caused by factors entirely beyond their control. This question was discussed with Management several times, but without success.

The Union also has asked that the retirement age be dropped from 70 to 65, without reducing the size of the pension on that account, but also unsuccessfully.2

Paid Vacations, Holidays, and Lunch Periods.--The UE has been able to win clauses in contracts with companies other than General Electric, providing that hourly-rated employees would be paid for certain specified holidays not worked. GE, although it has not made deductions from salaries for holidays, has not been willing to grant payment for holidays to hourly-rated workers. Such an arrangement was proposed by the UE in 1940 on the grounds that there should be no distinction between hourly-rated and salaried workers in this regard.3

Paid vacations for hourly-rated and salaried workers were in effect at GE before the establishment of independent unions in its plants, but were suspended during the depression. When restored in 1935, the plan provided vacations of one week with pay for hourly-rated workers with three years of service, and two weeks with pay for those with over ten years of service.¹ The first improvement won by the UE was the granting of vacations of one week after one year of service, negotiated in 1937.² Two years later, in 1939, the UE was able to persuade the Company to include its booklet on vacation policy for hourly-rated employees, GEQ-75B, in the company-wide agreement, and thus made it formally subject to negotiation. At the same time the policy was changed to provide for pro rata vacation allowances to those laid off for lack of work prior to receiving their vacations; previously, such workers had received nothing.³ In 1940, the company-wide contract was changed to provide two weeks vacation after five years service.⁴ Vacation policies for salaried employees were included in the company-wide agreement for the first time in 1944, and at the same time the policies for hourly-rated employees were changed as follows:

¹ General Electric, Company Policy on Vacations, GEQ-75B.
(a) one day's additional vacation for each year of additional service from one to five years; (b) vacation pay to be 48 hours in plants with a six-day working schedule.\(^1\) Vacation policy for salaried workers has remained unchanged, two weeks of pay after one year of service.\(^2\)

Paid lunch periods in Lynn, under special conditions, were the result of a local agreement which has persisted despite the disapproval of top GE officials. Before the war, there was usually only one shift working in the Lynn GE plants, the day shift. Men on that shift worked a total of eight hours, not including one hour off for lunch. Early in the war boom, when a second shift was added in many departments and scheduled for a total of nine hours in the plant, it was found that the second shift got out of the plant too late to catch the last bus into the center of Lynn. The Union discussed this matter with local Management in an attempt to improve the situation, and was able to develop the following arrangement: When a group of workers on the day shift is followed on the same job by a group on the second shift, each group will spend only a total of eight hours in the plant, with 18 minutes allowed as a paid lunch period. When a third shift is added in the same department, it will also have the paid 18-minute lunch period.\(^3\)

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During the expansion, many workers were hired in Lynn who took the paid 18-minute lunch period for granted, never having known any practice to the contrary. At other GE plants, for instance Schenectady, the typical practice on multiple-shift operation was to have workers take 30 minutes without pay for lunch out of their total of eight hours in the plant. In top-level negotiations, GE tried to cancel the Lynn agreement on the "18 minutes," as it had come to be called,¹ but Local 201 remained firm on the clause in the company-wide agreement which read: "All present Local understanding will remain in effect unless changed by mutual agreement . . ."²

In 1944, when the work force began to decline, the third shift was dropped in some departments, and then in some cases even the second shift was discontinued. In accordance with the original agreement, Management then rescheduled the hours in those departments with only one shift, so that the men now had to remain in the plant a total of nine hours, again working eight hours with one hour off for lunch. Because most of these men had never been informed as to the nature of the agreement on the "18 minutes," the employees in one department became so incensed by this "robbery," as they saw it, that they

². Agreement between GE and UER & MWA, 1945, p. 31.
staged an impromptu stoppage, left the plant in spite of the protests of their Councillor (who did know the facts), and sped to the Union Hall in search of justice.

In a stormy session with Union leaders, this group had explained to it the facts of the case. The workers were told that they would have to return to work, and that nothing could be done about their grievance. At the next membership meeting, this group appeared en masse to protest. Throughout the rather lengthy agenda of financial statements, committee reports, and other regular items of business, the group's spokesman stood up from time to time and inquired, "Hey, is it time for new business yet? I wanna make a protest!" When "new business" finally arrived, the Business Agent again explained the nature of the agreement on the "18 minutes," that Lynn was lucky in comparison with other plants to have had it at all, and that it would be absolutely impossible to work out any further improvements of this sort.¹ The group left, still mumbling protests.

**Premium Pay—Overtime, Night Shifts, Executive Order 9240**—GE's policy on overtime premium pay immediately before the establishment of Local 201 was to pay time and

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¹ The GE Vice-President in charge of industrial relations is reported to have stated, "Any Plant Manager who makes another local agreement like that '18 minutes' isn't going to be a Plant Manager long!"—Statement of Alfred Coulthard at Local 201 membership meeting, Nov., 1944.
one-half for work performed by "processing" workers (i.e.,
production, as compared to maintenance workers) over 8 hours
in one day or over 36 hours in one week, as required by the
electrical manufacturing code of the NRA. Maintenance workers
received time and one-half over 40 hours in one week, and all
hourly-rated workers received such premium pay for work on
Sundays or holidays. One of the first agreements of a con-
tractual nature (although it was not embodied in a signed
contract) which Local 201 was able to win from the Lynn Manage-
ments was the payment of time and one-half for any work
performed after 12:00 noon on Saturdays. ¹

After the demise of the NRA, GE announced, despite the
strong opposition of Local 201, that it would pay time and
one-half to all hourly-rated employees for work over 40 hours
in one week (previously 36 hours for production workers).²
No further change took place until 1941, when time and one-
half pay for all of Saturday (previously only after 12:00
noon) as such, and double time for Sundays and holidays as
such were won by the Union in company-wide negotiations.³

As to shift premiums, GE had paid a 5 per cent premium
to employees on the night shifts prior to 1929, but this was

² General Electric Policies on Wages, Hours, and Working
Conditions for Shop Employees, GEQ-105 (1935), p. 5;
See Chap. III, Sec. 3, for a full discussion of this
incident.
³ Electrical Union News, Vol. 8, No. 27 (May 1, 1941), p. 1.
retracted during the depression. Local 201 attempted to win a 10 per cent night shift premium in 1935, but without success; local Management responded that this was a matter of overall Company policy which they could not alter.\textsuperscript{1} Effective January 1, 1937, the Company announced (by unilateral action) a 5 per cent premium for work done from 6:00 p.m. until the end of the last night shift.\textsuperscript{2} Local 201 objected that the bonus should be paid for the whole of any night shift, not just for that portion after 6:00 p.m.,\textsuperscript{3} and this modification was soon won in the first company-wide negotiations of 1937.\textsuperscript{4}

The next improvement won was a 10 per cent premium for the third shift, agreed on in 1940.\textsuperscript{5} In 1941, the 10 per cent premium was extended to both night shifts.\textsuperscript{6}

Executive Order No. 9240 of the President removed some of the premium gains mentioned above (\textit{viz.}, premium pay for Saturday and Sunday as such) for the duration of the national emergency. It provided that time and one-half should be paid only for the sixth day of work in one work-week, and that double time could be paid only for the seventh day of work. However, to moderate the effect of the Executive Order, the Union was able to negotiate with

\begin{itemize}
  \item[Ibid.] Vol. 7, No. 30 (May 23, 1940), p. 1.
  \item[Ibid.] Vol. 8, No. 27 (May 1, 1941), p. 1.
\end{itemize}
GE an agreement on some matters which were approved by the Department of Labor as absences which could be counted as time "worked" toward overtime premiums on the sixth and seventh days of the work-week.¹

Local 201 at one time proposed that GE turn over to the U.S. Treasury the money saved by the Company in overtime premium pay due to Executive Order 9240, but this was never done.²

**Profit-Sharing.**—The first distribution under GE's "General Profit-Sharing Plan," announced in 1934,³ was made in early 1936, and amounted to less than 1 per cent of GE payrolls for 1935.⁴ Local 201 objected, without effect, to the size of the payment, and also to the possible discrimination which might arise from one of the provisions of the plan, which provided that 20 per cent of the payment could be allotted to workers who had "done outstanding work in the upbuilding of the Company's business . . ."⁵

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1. For a full list, see Agreement between GE and the UER & MWA, 1945, pp. 7-11. For a description of the interpretation of Executive Order No. 9240, see Manual for Councillors (1945 ed.), pp. 41-60.
When GE announced a profit-sharing payment amounting to about 6 per cent of employees' earnings for the last half of 1936, further objections were raised: (1) that it was unfair to exclude employees with less than five years of service; (2) that employees would prefer a general increase, even of the same amount. 1 In the 1937 company-wide negotiations, the UE proposed the abolition of "all methods of payment generally called 'profit-sharing,' ... and that employees get the benefits of increased profits through increases in wages." 2 The plan has never been abolished, but it was modified in 1937, as suggested by the Union, to include employees with one to five years of service on a sliding scale of participation. 3

Call-In Pay, Reporting Pay, and Dispensary Time.— These fringe issues were of little importance at GE in pre-war days, but when it became apparent that the WLB was willing to approve such changes when negotiated, the UE also sought to win these as significant, if minor, contractual improvements. The 1944 contract, in which these gains were first included, specified: (1) Employees called in outside of their regular working hours will be paid at overtime rates, and will receive not less than

1. Ibid., Vol. 4, No. 5 (Nov. 27, 1936), p. 1.
the equivalent of four hours' pay at their straight-time rates (for piece-workers, at least their AER). (2) Employees who have not been told that no work is available and are sent home when they report for work will receive at least two hours' pay at the rate which would have applied if they had worked (piece-workers to receive their AER, or average earnings if less). (3) Day-workers will be paid for time lost in visiting the dispensary because of injuries received in the plant; piece-workers will be paid their AER, or average earnings if less, if their time lost exceeds 60 minutes in the regular work-week.¹

The Annual Wage.—General Electric has operated a guaranteed-employment plan, but only in its Incandescent-Lamp Department from 1931 to 1938.² The plan was probably limited to the Incandescent-Lamp Department because of less cyclical fluctuation there than in any other GE plants.

The question of guaranteed employment or the annual wage did not assume much importance in Union discussions until recently, and even now appears to be a relatively minor issue for the members of Local 201, although those

questioned believe that such a guarantee would be a fine thing.

In 1944, the UE proposed a guaranteed weekly-wage plan to GE in contract negotiations, as did other CIO unions in their discussions. When GE declined to agree, the matter was taken unsuccessfully to the WLB as part of a dispute case.¹

Group Insurance.—The UE, long dissatisfied with GE's own Mutual Benefit Plan (a voluntary plan which provides benefits to members in case of sickness or accident)² and Group Life Insurance (which provided a certain amount of free insurance of the employee also subscribed for some additional insurance through the Company)³, proposed a comprehensive group-insurance plan in the 1944 contract negotiations. As the Union would have had it, the Company was to pay all premiums required for coverage against sickness, hospitalization, surgical attention, and death. The UE argued that the net cost of such a plan to the Company would be relatively low, because of tax savings, and because improved efficiency resulting

² See Chap. IV, Sec. 9, for further details.
from this protection to employees would more than make up the cost.\textsuperscript{1}

The Company took the proposal under advisement, and the matter was left pending for about a year while the Company made a study of the problem. During 1945 negotiations, GE took the attitude that it would not be willing to modify any of its local insurance plans already in effect, but that it would negotiate additional insurance if the employees paid the full costs. No agreement was reached, and the matter was taken to the WLB.\textsuperscript{2}

7. Summary and Conclusions

Local 201, acting both alone and in conjunction with other UE locals at General Electric plants, has engaged in a wide variety of activities affecting both the overall level of earnings of GE employees and the way in which they are affected by details of the wage structure and wage payment systems.

From the very early days of the Union's history, it objected to GE's Community Wage Survey and the Cost of Living Adjustment, particularly because General Electric

\textsuperscript{2} Electrical Union News, Vol. 12, No. 30 (May 18, 1945), p. 2.
appeared to use these mainly to block Union-proposed
general wage increases. Local 201 agreed that wage rates
paid in community industries and changes in the cost of
living were factors which should affect wage discussions,
but believed that there were additional matters which
should be given consideration: (1) wage rates paid in the
electrical manufacturing industry; (2) wage trends in the
country at large; (3) ability of the Company to pay.

Company-wide wage adjustments were explicitly made
a subject for collective bargaining in 1939, after the
Company had made such adjustments in 1937 just prior to
negotiating sessions at which the Union had intended to
discuss the question of the general wage level. An in-
crease of 10 cents an hour was won in 1941, and at the
same time the Community Wage Survey and Cost of Living
Adjustment wage policies were discontinued; the 3 per-
cent adjustment being paid at the time was incorporated
into basic rates. An additional 5-1/2 cents was won in
1942.

Although the UE originally announced its support
of the President's economic stabilization program in
early 1942, it later worked for legislative revision of
the Little Steel Formula, but without success.

Concerning job evaluation and the intra-plant wage
structure, Local 201 has served as a critic of the job-
evaluation system rather than as a joint participant, feeling that it is undesirable to be placed in the position of making decisions which may injure particular Union members. The Union has pressed for better information on job classifications, definitions, etc., so that it may be a more effective critic, but so far the material received from the Company has been too general to be helpful.

Local 201 has taken action in innumerable cases to seek adjustments where it appears that the rate on a particular job is not in an equitable relation to those assigned to other jobs. On such grievance cases involving job content, the Union is usually able to make an effective presentation of the facts. In another case, involving the shape of the wage curve, the Union was forced by membership pressure to fight a case which actually was not justified; based on a small sample of historical "facts" in its possession, the Union had sought to prove that there should be a lesser range of rates in the upper half of a group of related occupations than in the lower half, although there was more room for variation of skill, etc., required in the upper portion. The Union is somewhat handicapped in arguing cases on an historical basis, because the Company usually has much better facts available. However, the Union may use either an historical or a "logical" approach in discussing grievances, depending on which appears to be most promising of results.
To simplify the wage structure and to make job comparison easier (and probably also to obtain the "incidental" effect of a small average increase), the UE proposed and won in 1944 a step-rate plan which provided that the existing large number of rates should be replaced by much fewer rates, differing by three, four, or five cents. All day-workers on intermediate rates were moved up to the next step; new piece-work rates will be established on the steps.

Local 201 has tried to preserve the conventional distinction between "women's jobs" and "men's jobs," to prevent women from being asked to perform excessively heavy work, and to prevent the Company from replacing male workers with women receiving lower rates of pay on the same work. During the war, this became a particularly important issue. The UE first negotiated an agreement that GE would notify the Union before placing women on men's jobs (1942), and then worked for even more specific protective clauses which provided that women placed on men's jobs and doing equivalent work would receive men's pay; and that when men's jobs were simplified ("broken down") so that they were performed by women, the lowest rates of pay for such work would be the male common labor rate (1943). The Union recently has pressed for a single job-evaluation plan, to be applied to all jobs regardless of whether they were "men's" or "women's jobs," and based on the common labor rate. The
Company's attitude appears to be that a sex differential in wages is justified, even on equivalent work.

The Union has been dissatisfied with the use of merit rating, because of an alleged tendency to alter the figures to come out with a predetermined answer, and because ratings have been used to determine wage rates without informing employees of the reasons for them. Although an agreement was negotiated in 1939 that ratings should be given to the employee each time he is rated, dissatisfaction has continued on this score. To improve individual progression and place it on a more systematic basis, Local 201 negotiated a local agreement in 1943 providing a guide for the rate of advancement of satisfactory day-workers. In 1944, an automatic progression plan was worked out on a company-wide scale, providing a definite schedule of increase from the starting rate to the job rate or $1.00, whichever is lower, within eight months.

Many wage payment systems are used in Lynn, the principal ones being day-work, individual and group piece-work, the Bedaux plan, and the Group Incentive System. The first three are generally approved by the Union, although there may be objections under particular conditions. The Bedaux and Group Incentive plans were originally strongly opposed by the Union, because of their complexity and because reward is less than proportional to effort;
the GI system is particularly bad on both these points, the Rowan curve being very difficult to understand, and providing very low proportional reward above moderate levels of output. However, evidently because workers usually have been able to obtain adjustments of incentive standards sufficient to insure adequate take-out, they have come to accept the Bedaux and GI systems despite their lack of proportionality. As the Business Agent has stated, "It's not the system that counts—it's the results under the system."

The Company has been extremely cooperative in being willing to change from one wage payment system to another in any particular department, provided that average labor costs are not increased thereby. Although there have been differences of opinion on details, such change-overs have been frequently worked out; in other instances, when workers have discovered the probable effects of the conversion on particular members of their group, they have voted to remain on the existing system.

Local 201 has worked out agreements on detailed problems of protecting incentive workers. In 1936, an agreement on "Price, Rate, and System Changes" provided that prices established by proper time-study techniques would be altered only in case of error or changed methods, and that changed methods would alter prices only by an
allowance for the particular change. The Union accepts time study as a rate-setting technique, and opposes only certain details of its application, or what it considers errors of judgment.

Motion study is also accepted as a legitimate Management device, although the Union believes that it should be done elsewhere than on the production floor, and that workers should not be annoyed by excessive use of "observation studies." Concerning the allocation of functions in the related fields of motion and time study, Local 201 feels that production standards should not be set by the man who designs the method, for he may be prejudiced. The time-study man should be an impartial analyst, reporting the facts as he sees them.

Another 1936 agreement protecting incentive workers covered their payment when placed temporarily on day-work; the principal improvements were to provide better rates when workers were requested to leave their regular jobs to meet production requirements.

Local 201 does not encourage limitation of output, the accumulation of "kitties," or the sharing of incentive earnings. When discipline is applied by Management for such actions, however, the Union may seek to modify the penalty if it seems unduly severe.
Early in the war, the UE proposed to GE an incentive plan for day-workers, the Pull-Out Plan. This provided that the Company would encourage piece-workers to increase their efforts by guaranteeing present prices and job values for the duration. Day-workers were then to receive bonuses, based on the increased earnings of piece-workers, because of the increased effort that would be involved in servicing the latter. GE tried out this plan, and then declined to continue it because many undeserving day-workers were benefiting, and over-all production and shipments did not seem to improve. The UE opposed this action, claiming that GE had definitely agreed to extend the plan after trying it out, and took the matter to arbitration, but without success.

The UE has been able to win many miscellaneous wage improvements, such as larger premium pay for night shifts and overtime, better vacation privileges, call-in pay, reporting pay, and dispensary time. It has won modification of the profit-sharing plan so that all employees with over one year of service participate. However, its proposals of an improved pension plan, paid holidays, guaranteed annual wages, and group insurance have not been accepted.

From the viewpoint of the Union member, many gains have been won — in the wage level, in the wage structure, in the manner of progression, in protection for incentive workers, and so on. From the viewpoint of Management, the
picture is less clear. Many of these steps have raised costs and have limited the exercise of Management discretion. Concerning the former, it is impossible to make any net assessment of the effect of Union wage policy on GE and its competitive position relative to other electrical manufacturers, because adequate data are not available. The Union claims to have improved GE's competitive position by raising rates in the "sweat-shops" more than in GE plants, but Company officials do not agree. As to Management discretion, most of the restrictions so far imposed by Union activity seem justified, even though they have changed the framework within which supervision may work. These restrictions seem to have been aimed rather at eliminating what the worker views as abuses, than at removing Management "prerogatives" needed to operate a plant efficiently.
CHAPTER VI

OTHER UNION POLICIES
1. Introduction

This chapter describes the policies and practices of Local 201 on a variety of non-wage questions. Section 2 considers the general topic of union status and union security (including "maintenance of membership" and the "check-off"); Section 3, the application of seniority rules to lay-offs, transfers, and shift choices; Section 4, union policy toward technological change and its effect on employment and "job values"; Section 5, the Lynn attempts toward union-management cooperation on production problems during World War II; Section 6, union policy on strikes and walkouts; Section 7, racial and religious discrimination; Section 8, union reaction to "excessive" disciplinary measures of the Company; Section 9, union attempts to modify some miscellaneous Company policies. Finally, Section 10 presents a summary of the chapter, and some conclusions.

2. Union Status and Union Security

Entrance to the Plant.—The right of Union officials (including the Business Agent) to enter the plant for the discussion of grievance cases has never been a controversial issue in Lynn. Even before Local 201 had won the NLRB representation election in March, 1934, grievance discussions had commenced and they have continued since then without any question of this sort ever arising.
The right of Union leaders to move within the plant has been only a minor issue, although the Company limits their function to their assigned department, unless permission is explicitly granted otherwise. Only Councillors elected within a particular section of the plant may adjust grievances there (such Councillors may also be Board members or officers of the Union, of course), and they may not visit other sections unless permitted to do so by Management. Chief Stewards may generally move within the larger areas for which they are responsible, but must notify their immediate supervisors before doing so.

Board members and officers visit departments other than their own only as members of subcommittees investigating grievance cases on which insufficient information was available when the cases were discussed between the Executive Board and top local Management. Subcommittees function only by mutual agreement, but there usually is no difficulty here. While some Union leaders have occasionally indicated their irritation at such limitation on their movements within the plant, this Company policy seems generally accepted as a reasonable one.
Maintenance of Membership.--Until the 1942 UE-GE contract went into effect, an "open-shop" policy had been followed in Lynn. For about the first five years after the Lynn Electrical Industry Employees Union (later Local 201, of course) established collective bargaining relations with GE in 1934, the Union made no demands for any particular security provision such as the union shop or the check-off. The Electrical Union News did make derogatory comments about those who accepted the benefits of collective bargaining without helping to pay the cost of the Union's functioning, but the feeling of Union members during this early period seems to have been one favoring free choice in the matter. Union leaders interviewed have stated that they originally believed it should be the responsibility of the Union to "sell itself" to GE employees, so that they would be convinced of the benefits to be won from Union membership and their responsibility for sharing the financial burden of

1. A brief definitional comment is perhaps in order at this point. The definitions of certain terms used herein may be specified as follows: (a) open shop--the Company may hire any person without regard to his union affiliation, and all persons have perfectly free choice regarding union membership; (b) maintenance of membership--all employees who are members of the Union on a specified date must maintain their membership in good standing as a condition of employment, with resignations permitted only under certain conditions or during specified "escape periods"; (c) union shop--the Company may hire any person, but all non-supervisory employees must become Union members within a specified period after employment; (d) check-off--the payment of Union dues by payroll deductions, either voluntary or compulsory for all Union members.

the Union structure. While non-joiners should be criticized, they should not be forced into Union membership. Nor, for that matter, should Union members be forced into paying dues through payroll deductions; they should be so conscious of the desirability of payment that there would be no difficulty for the Union dues collectors.\(^1\)

While a voluntary check-off was proposed by the UE in 1939 and 1940, it was not until 1942 that a stronger union-security provision was requested from the Company. Not long after Pearl Harbor, probably in expectation of a large influx of new employees who might be more difficult to "educate" on the benefits of collective bargaining, the UE suggested that a union-shop clause be included in the UE-GE contract.\(^2\)

Local 201 members and leaders by this time had changed their original views somewhat, and felt now that there were too many workers willing to accept the benefits of collective bargaining without helping to pay the costs.\(^3\)

General Electric declined to grant the union shop in 1942, but a compromise was worked out in the form of a maintenance of membership provision. This clause was unusual in providing that members could resign from the Union only by giving written notice 60 days in advance of the date of resignation, and that each resigning member was to state

1. Interviews with Alfred Coulthard and Gail Smith, July, 1943.
3. Interview with Alfred Coulthard, January, 1945.
his reasons to representatives of the Union and the Company (acting jointly). This was somewhat less favorable for the UE than the typical NWLB award in dispute cases, which provided for resignations only during specified escape periods. Concerning this, the Union stated:

The maintenance of membership provision finally worked out was clearly recognized as one meeting satisfactorily every possible objection the Company raised. It was less favorable to the Union than the maintenance provision ordered by the National War Labor Board in all of its cases. The Union was willing to accept this arrangement because the Union continues to believe in the principle of voluntary agreements reached by direct negotiation, as preferable to directive orders from Government agencies. We were glad to accept this arrangement, even though we were entitled to more, in view of the need to give undivided attention to further increases in war production.2

The files of Local 201 on resignations under the 60-day notice clause were incomplete, so that a complete tabulation could not be made. The leaders of the Local state, however, that the total number of resignations was very small.3 In practice, resigning members of Local 201 were not always required to state their reasons to representatives of the Union and Company; Local 201 did not insist on this, because it did not seem to be a significant issue.4 The Executive Board did, though, make certain that Councillors or Board members were designated to interview

all those who gave notice so that attempts might be made to change their minds.

Only 10 resignations were found in the files covering the period April 1, 1942, to April 15, 1943, other than persons resigning because they had been promoted to supervisory or confidential positions, or had left the Company. The reasons given for dissatisfaction are classified in Table 12 on the next page.

In the 1943 contract negotiations, the Union proposed "union security improvement,"\(^1\) and it was able to win the "standard" maintenance of membership clause permitting resignations only during a set escape period.\(^2\) It was agreed that the 60-day notice clause would remain in effect until April 15, 1943; after that date, all employees who were Union members or who joined the Union were required as a condition of employment to maintain their Union membership in good standing until April 1, 1944, when a 10-day escape period opened.\(^3\) This "standard" clause had been renewed in 1944 and 1945.

From April 15, 1943, to April 1, 1944, the only acceptable reasons for leaving the Union were separations from the Company or promotions to supervisory or confidential

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### Table 12

**Reasons for Resignations Submitted to Local 201, 1942-1945**

<table>
<thead>
<tr>
<th>Basis of Dissatisfaction</th>
<th>April 1, 1942 to April 15, 1943</th>
<th>April 15, 1943 to April 1, 1944</th>
<th>April 1-10, 1944</th>
<th>April 1-10, 1945</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance of Membership</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Set Escape Period</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compulsory Check-Off</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Amount of Dues</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Union Functioning</td>
<td>2</td>
<td></td>
<td></td>
<td>54</td>
</tr>
<tr>
<td>Union Dominated by Company</td>
<td></td>
<td>1</td>
<td></td>
<td>103</td>
</tr>
<tr>
<td>&quot;Communism&quot; in the UE</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>CIO-PAC</td>
<td></td>
<td></td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Union Not Progressive Enough</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CIO Policies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UE Officers Studying Working Conditions in Britain and Russia</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unknown or Unclear</td>
<td>2</td>
<td>6</td>
<td>8</td>
<td>22</td>
</tr>
<tr>
<td>Total Reasons</td>
<td>12</td>
<td>12</td>
<td>23</td>
<td>187</td>
</tr>
<tr>
<td>Total Persons</td>
<td>10</td>
<td>11</td>
<td>23</td>
<td>187</td>
</tr>
<tr>
<td>Resignations Accepted</td>
<td>10</td>
<td>0</td>
<td>23</td>
<td>13</td>
</tr>
<tr>
<td>Persons Reconsidering</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>28</td>
</tr>
</tbody>
</table>

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**Notes:**

a. Source: Files of Local 201. No figures are included on resignations due to separation from the payroll or promotion to supervisory positions. These data may be incomplete, particularly for the first two periods.

b. A 60-day notice clause was in effect during this period.

c. Resignations not permitted during this period, except for separation or promotion.

d. First 10-day escape period.

e. Second 10-day escape period.

f. Includes petition of 36 names, disallowed.

g. Includes petition of 100 names, disallowed.

h. Includes such reasons as: "No steward in my department for the last six months"; "Grievances take too long to settle"; "Salary workers not properly represented"; "the way the Union functions in Building X"; "Union is not doing anything in regards to the 17/2\$ we have been waiting for since Pearl Harbor."
positions, and there were about 89 resignations falling into these categories. (A complete file is not maintained on such resignations, so the actual number may be much higher.) There were also 11 persons who attempted to resign because of some dissatisfaction with the Union or its policies. Even though these resignations were not accepted, a classification of the reasons given has been included in Table 12.

During the 1944 escape period (April 1-10), 23 persons resigned. In the period April 1-10, 1945, however, a much larger number of resignations was submitted. Of the 185 persons who attempted to resign (other than those dropping out because of separation or promotion), only 49 submitted individual statements. There were two petitions: (1) The longer one, with 100 signatures, stated in part: "It has become quite apparent that the Union rather than acting as a representative of the workers as a majority, is operating according to the wishes and dictates of its local officials, who in turn seem to be dominated by Company policies." (2) The other, with 36 signatures, said: "We wish to resign from the Union because we feel that the Union is not doing anything in regards to the 17¢ we have been waiting for since Pearl Harbor." These petitions were disallowed by the Local 201 Executive Board because of its interpretation that
individual resignations are required by the contract;¹ top Management agreed with this interpretation.²

    The Business Agent, Alfred Coulthard, wrote a letter to those who wished to resign, stating in part:

    We agree, that because the Union is composed of "human beings," all of the errors that people like you and us make, are inherent in Union practice, but to quit is not the way to strengthen a legitimate and worth while movement--is it?

    * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * *

    If in your opinion, we have failed to use our machinery to advantage in your behalf, let us try again, but if, on the other hand, you are not satisfied with the Company's answer to some matter ... don't blame the Union, but help the Union to become stronger by your membership in it.

    No man or woman employee is strong enough to stand alone in Labor Relations, and if you refuse to reconsider and stay with us ... you will be coincidentally informing us that you don't need us. On that basis, if in the future you need the services of the Union representatives in your behalf, we will expect you to pay for such services rendered. ...³

1. "Any employee may withdraw from the Union between April 1 and April 10 of each year beginning April 1, 1945, by giving written notice to the Union of his reasons for so doing. "The Company and the Union will review the resignations which are submitted and consider if anything should be done to carry out the intent of the maintenance of membership clause."--Agreement between GE and URR & MWA, 1944, Art. II. The second paragraph, first included in the 1944 contract, seems to have been of no importance.

2. Interview with Alfred Coulthard, June, 1945.

3. Letter of Alfred Coulthard to Local 201 members submitting resignations during the 1945 escape period, May 5, 1945.

The payment asked was to be sufficient to cover lost time of the Councilman and Board members involved in the case, plus an allowance for the overhead cost of the Union machinery. In each instance when a non-member has submitted a grievance he has been asked to join the Union, or to agree to such a payment. Less than six such cases have come up, and in each the person decided to join (or rejoin) the Union.--Interview with Alfred Coulthard, June, 1945.
This letter was delivered to each resigning member by an Executive Board member in an attempt to bring reconsideration. In addition, a special letter was written to a group of planning and time-study men who evidently had been led by their supervisors to believe that their positions required them to resign from the Union.¹

Of the 185 persons who attempted to resign, 136 had their resignations disallowed (the two petitions), and 28 were persuaded to reconsider. The resignations of 13 were accepted after interviews by Executive Board members, and 8 cases remained pending as of July 1, 1945.

Excerpts from one interesting letter of resignation are perhaps worth quoting:

¹ Letter of Alfred Coulthard to planning, methods, and time-study men, May 3, 1945.

As a result of the NLRB representation election held in 1934, it was ruled that Local 201 was the sole collective bargaining agency for all non-supervisory employees, and the Union has consistently admitted salaried workers of all sorts, including draftsmen, planners (i.e., motion-study or methods men), and time-study men.

Some Union leaders have objected to the inclusion of the latter two groups, saying, for instance, "I hate the bastards and we ought to have the guts to throw them the hell out of the Union. All they do is sit up there on their fat behinds and figure out ways of cutting prices!" That such feeling is not general is perhaps indicated by the fact that Fred Sharpe, the present Recording Secretary of Local 201, is a planner.

As a result of the resignations received from these groups during the 1945 escape period, the Union threatened to press charges under the Wagner Act if GE Management did not retract any statement or inferences that such men were not permitted to be Union members, but it was promised that such retractions would be made.
Because of the political activities of the CIO-PAC to which the local group subscribe and to which I am most vigorously opposed, I wish to be no longer connected in any way with your organization. As long as the local group, or at least, the executive board of the local group and any others who have in mind imposing their ways of thinking on others wish to identify themselves with a power-drunk group of professional-socialists and economic-planners, I feel it, a disgrace for any decent-minded individual to wish to be affiliated with said group. I also request immediate discontinuance of any Union papers, mailed to my home address.

It becomes increasingly disagreeable to admit to my neighbors and friends of any connection with a CIO affiliate and that octopus-like monstrosity PAC. I look forward to a thorough defeat of all and any CIO-PAC sponsored political candidates at any time in the future.

The Check-Off.--Until 1943, Local 201 used dues collectors (usually shop stewards) to solicit dues payments from members; for their services, these collectors received a commission of 10 per cent. Formally, these collections were not supposed to be made during Company time, but it appears from interviews that the rule was not enforced too strictly. From the Union viewpoint, this arrangement was rather unsatisfactory because of the large commission paid to collectors, and because it was difficult to enforce prompt and regular dues payments. However, partly because of the feeling among the "old-timers" that it was a good idea for the Union to have to "sell itself" so well that there would be no reluctance to pay dues, no proposal for modification was made until Company-wide negotiations had been inaugurated in 1937.
In 1937, it was agreed that there would be a trial of an arrangement giving Local 201 the right to collect dues on Company property on pay days between 11:30 a.m. and 12:00 noon (the half hour before lunch); if satisfactory, the arrangement was to be extended to other plants. This 1937 contract, rejected by the local unions, never went into effect, and in 1938 the UE was able to win GE's approval only of the same contract with the dues-collection provision deleted.¹

As early as 1939, Local 201 proposed "that dues by voluntary consent be collected through the ... pay office of the local Management,"² but without success. The matter was again discussed unsuccessfully in 1940,³ and probably also in 1941 and 1942, although no explicit mention was found in the Local 201 weekly.

In 1943, after the maintenance of membership provision had been in operation for a year, the Union pressed for Company agreement on compulsory check-off of dues for all Union members.⁴ Enforcing regular dues payments with the collector system had become a serious problem with the wartime expansion of membership. The check-off and the renewal of maintenance of membership were the first matters to be

³ Ibid., Vol. 7, No. 26 (Apr. 25, 1940), p. 1; No. 31 (May 31, 1940), p. 3.
settled in the contract negotiations of that year, and in early April this announcement was made:

The Company ... shall deduct from the first pay of each month the Union Dues for the current month and promptly remit the same to the local Union. Initiation fees of the local Union shall be deducted by the Company and remitted to the local Union in the same manner as dues collections on the basis of monthly lists of new members submitted to the Company.\textsuperscript{1}

The check-off became effective in June; the efficiency of the new method of dues collections compared to the old should be evident from Table 13 below, even after making allowance for the upward trend of Union membership during the period.

\begin{table}
\centering
\caption{MONTHLY DUES PAYMENTS AND INITIATION FEES RECEIVED 1943\textsuperscript{a}}
\begin{tabular}{l|rr}
\hline
Month & Number of Dues Payments & Number of Initiation Fees \\
\hline
January & 17,759 & 811 \\
February & 17,646 & 703 \\
March & 18,667 & 731 \\
April & 15,931 & 901 \\
May & 16,180 & 632 \\
June & 28,420\textsuperscript{b} & 614 \\
July & 22,286 & 444 \\
August & 21,254 & 517 \\
September & 22,016 & 472 \\
October & 21,939 & 678 \\
November & 22,119 & 571 \\
December & 22,288 & 418 \\
\hline
\end{tabular}
\end{table}

\textsuperscript{a} Source: Local 201, Monthly Financial Reports.
\textsuperscript{b} Includes both regular dues payments through check-off and dues in arrears received by collectors.

\textsuperscript{1} \textit{Ibid.}, Vol. 10, No. 24 (Apr. 9, 1943), p.1.
There was also a financial gain to the Local in that it had to pay the Company only 2 cents per member for the actual cost of making the payroll deductions, as compared to the 10 per cent paid to collectors. Later, due to an improved records system devised by the Office Manager of Local 201, the charge was reduced to 1.4 cents. The Union originally offered to pay the cost partly because this made it easier to win the check-off, and partly because the members wanted the independence "that comes from paying your own way." In 1945, the UE proposed that GE perform the check-off without charge, but GE declined.¹

A few Union members objected strongly to being forced to pay their dues through the Company, and it was arranged that these persons could pay directly at the Union Hall.²

¹ See also Sec. II, Chap. IV, above.
² Interview with Sheldon Drew, Office Manager, May, 1945.
3. Seniority

The Lay-Offs of 1937-1938. Until now, the only serious lay-off problem since the founding of Local 201 was during the severe recession of 1937-1938, when approximately 30 per cent of GE's hourly-rated employees in Lynn were laid off. At this time, General Electric's policy was that announced in the booklets GEQ-105 and GEQ-105A:

In selecting employees to be laid off, the following factors shall be given consideration:
1. Length of continuous service.
2. Ability, skill, and experience.
3. Family status—number of dependents, etc.
   In cases where the second and third factors, taken together, have relatively equal weight, those with the shortest period of continuous service will be laid off first.

Until the likelihood of lay-offs appeared, in September, 1937, the acceptance of this Company policy

2. Company Policies on Wages, Hours, and Working Conditions for Shop Employees, GEQ-105A (1937), p. 5. GEQ-105A was incorporated into the first UE-GE contract (1938), and the quoted section on lay-off policy remained in force until 1945.
had not been an issue for the Union. In October, the membership of Local 201 voted to establish a committee to study the problem and make recommendations. Excerpts from the report, which was accepted unanimously, are quoted below:

The committee recommends that we adhere to the present policy of the Company.
The reasons: 1. Under the present plan, responsibility lies with the management. Since we have had a union we have had ample opportunity to take up any case when an injustice seems likely. History of cases since the union has been in existence, has proved that in choice of lay-off there has not been one error in twenty. For example, in the recent lay-off in Building 74, out of over one hundred, about ten cases were questioned. About five of these ten were retained by transfer, and on the other five we could not prove that a wrong choice had been made.
2. Under the present plan, through conference with the union and the management, and management and the superintendents and their foremen, and checking and double-checking of lay-off lists--taking all factors into consideration, a fairly good job is done.

We believe it is impossible to get rules to cover all combinations--service, skill, building, group, job, and dependents,--and it would still leave just as much argument, even if such rules were applied, as at present. If we tie a rule strictly to a job, to a department, or to a building, we will prevent elasticity--which would make it necessary to have so many exceptions to such rules that it would be lost in a maze of written data. We have found that each individual case presents a peculiar combination of factors.

3. History has shown that if strict seniority were applied by plant alone, by transferring a man to another department and displacing another employee with less service, the employees in that department would not welcome the new-comer. . . .
To sum up, the committee believes that with a strong union we can insist upon justice being done, even though we do not expect to please everybody--for lay-off is always a sore problem.1

1. Ibid., Vol. 5, No. 9 (Dec. 24, 1937), p. 1; Maclaurin, op. cit., p. 49.
Lay-offs continued from October, 1937, to September, 1938, in the River Works; rehiring began somewhat earlier in the West Lynn Works.\textsuperscript{1} Analysis of the seniority status of those laid off during this period showed that, "in practice, length of service was given the greatest weight in making lay-offs."\textsuperscript{2}

The principal exception to this general rule was in the fairly large number of cases involving married women whose husbands were working. When a choice had to be made, there was a tendency to favor a single girl over a married woman whose husband was working regularly, even if the single girl had considerably less service. This seems to have been due to the following factors: (1) a relatively strong feeling among Local 201 members that "a woman's place is in the home;"\textsuperscript{3} (2) a judgment (perhaps erroneous) that single girls had greater need for their earnings.\textsuperscript{4}

\textsuperscript{1} \textit{Electrical Union News}, Vol. 5, No. 44 (Sept. 9, 1938), p. 1.
\textsuperscript{2} Maclaurin, op. cit., p. 50.
\textsuperscript{3} Comments made at Union meetings in 1944-1945 indicate that this feeling is still strong.
\textsuperscript{4} This "married woman— hubby working" question was discussed at length in the \textit{Electrical Union News}; see Vol. 5, No. 22 (Jan. 14, 1938), p. 2; No. 30 (May 20, 1938), pp. 1-2; No. 33 (June 10, 1938), p. 1.

On May 10, 1938, the membership of Local 201 passed the following resolution, which was "very little different from what is practiced at present": "... BE IT RESOLVED that we register with the management a request that all married women, regardless of service, whose husbands are working and earning over $25.00 per week, -- and who have been or are about to be laid off, -- shall not compete, through means of transfer to other groups or departments, with single girls of less service. ..."--\textit{Ibid.}, Vol. 5, No. 29 (May 13, 1938), p. 1.
Lay-offs generally were made by departments, with the short-service workers the first to go. Seniority was not applied on a strict company-wide basis, but attempts were made to transfer long-service employees to other departments if places could be found for them; short-service workers were sometimes displaced because of this. To be eligible for transfer, an employee had to "be able to do the job" with only a relatively brief breaking-in period.

To investigate workers' attitudes on lay-off policy, the MIT Industrial Relations Section made a study by questionnaire, interview, and observation, after obtaining the promised cooperation of the General Council of Local 201. The proposed questionnaire was first submitted to Councillors, and revised versions were mailed to a random sample of Union members in February, 1938.

Careful analysis of the 550 responses, supplemented by interviews and observations, led to the following principal conclusions: (1) Although workers' judgments on the "ideal" lay-off policy differed rather widely, about 65 per cent approved of the flexible (and sometimes ambiguous) policy in effect; this general approval appeared to be due to the relatively amicable collective bargaining relations in Lynn. (2) There was a slight tendency for a

worker to favor that lay-off policy which would best protect his own job; however, the average (arithmetic mean) emphasis placed on the respective factors was as follows—seniority, about 40 per cent; ability,\(^1\) 30 per cent; need, 30 per cent.\(^2\) (3) About 97 per cent of the workers favored some sort of work sharing; even among workers of more than 10 years' service, 90 per cent favored sharing the work to some extent before any lay-offs were made. (4) The prevailing feeling seemed to be that the Union should serve as a critic, a "watch-dog," rather than as a joint administrator of lay-off cases;\(^3\) two-thirds

1. "The workers generally agreed that it was perfectly fair to retain a short-service worker of exceptional ability in preference to a somewhat longer-service worker with less ability. There was a widespread feeling, however, that the foreman did not judge ability fairly and if given much latitude would use ability ratings to play favorites. This feeling was also expressed in some of the comments written by the union councilmen on the questionnaires:
   "Your ability is according to how the boss likes you.
   "Favoritism is being shown where it can be covered up by the ability pretense.
   "Too controversial.
   "The union has no opportunity to judge on ability."—Maclaurin, op. cit., p. 54. This tends to support the comments on merit rating in Sec. 4 of Chap. V above.

2. In connection with these figures, it should be remembered that an average is "a device for concealing particulars." See McGregor, op. cit., for a detailed consideration of questionnaire responses, classified by seniority, dependents, etc.

3. This is a stand similar to the one taken by the Union in job evaluation; see Sec. 3 of Chap. V.
voted that they did not want the Union alone to control lay-offs.¹

The difficulty of designing a lay-off policy which will please all workers, and the way in which views on work-sharing may change with the circumstances, are illustrated by the Building 74 Situation.² When orders for AC and DC motors, manufactured in this building, began to decline in the fall of 1937, the Union at first was able to persuade Management to produce for inventory rather than laying off. In late January, 1938, however, Management stated that production from then on would be no greater than incoming orders.

By March, hours had gradually dropped from 40 to 30 and below in the building, and Management proposed that 137 workers be laid off to prevent further reduction of hours. The Union requested that a secret vote be taken on the matter among the workers involved, and this was done. The results were quite different on the two floors, although both favored some work-sharing. On the second floor, where DC motors were made, about 65 per cent voted for some lay-offs; on the first floor, making AC motors, about 73 per cent voted for no lay-offs at all, and shorter

hours if necessary. It was decided to treat the two
floors as separate units -- in the DC department, workers
with less than 10 years' service were laid off; in the AC
department, none were laid off. The first-floor vote,
particularly, indicated a rather strong feeling of group
solidarity, since about 70 per cent of the workers there
had over 10 years of service, and the short-service workers
were in the minority in all working groups. As to the
reasons for the difference between the votes of the two
groups, these factors may have had some weight: (1) the
DC workers on the second floor, who voted for lay-offs,
were then averaging about 25 hours per week; the AC
workers, who voted for further work-sharing, were working
about 30 hours per week; (2) some Councillors on the first
floor were strong advocates of work-sharing.

By June, the AC department was averaging about 22
hours per week, and Management then refused to produce to
current orders, stating that the inventory was too large.
A rising vote was taken at the Union Hall, the results of
which again favored further work-sharing. After some
discussion with Management, however, the question was
submitted to the AC workers by secret ballot, and the
decision was to accept further lay-offs, by a vote of
236 to 150.
This whole matter can be summed up by saying that the employees in the AC department had, by their votes, desired for eight months to hold on to as many employees as possible and share the available work. It was a well-meaning gesture, based on the hope that business would pick up. The time came when it was too great a load to carry, and something had to be done.¹

Seniority Preference for Stewards.--In Lynn, where Local 201 had been in existence for about four years before the severe lay-offs of 1937-1938, most of the Union leaders were relatively long-service employees, and there was no particular problem of protecting them during periods of contracting employment. Other, more recently established UE locals, however, were evidently hard hit in some instances following the 1937 recession, and they pressed for a contract clause which would protect their newly-built organizations from disruption at such times. The General Electric Locals Conference Board was successful in negotiating such a clause in the 1939 contract, which was reported by the Electrical Union News as follows:

Amendment reads: "On request of a local union, a shop steward shall be given seniority preference in accordance with Company policy as outlined in GEQ-105A entitled 'Decreasing Forces,' at the time when lay-offs take place within the group for which he is acting as steward, providing he is a satisfactory workman."

Comment: Although we in Lynn are not particularly anxious about the need of this clause, the membership, including the Executive Board and the Council have recorded itself as against the local use of it, [but] agree that some of the local unions in some GE plants have been considerably handicapped by a lay-off of union representatives, due to their short service. We acquiesced in the matter, although we retain the local right to invoke the clause or not.1

So far, this clause has not been invoked in Lynn. There was a move on the part of some relatively short-service Councillors to have it approved by the membership in early 1945, but it was rejected. The arguments presented against the clause were that it might mean the lay-off of former Union officials with long service, which would be unfair, and that Union members and officers should be on the same footing during lay-offs.2

The clause was modified somewhat in 1945 in response to GE's proposal that it be dispensed with altogether. The 1945 contract provides not only that the local union involved must request seniority preference for stewards, but that there must be approval by a majority of the particular group affected.3

1. Ibid., Vol. 6, No. 43 (Sept. 7, 1939), p. 1.
2. Membership meeting of Local 201, June, 1945.
3. Agreement between GE and UER & MWA, 1945, p. 27.
Women on Men's Jobs.--During World War II, as more and more women came to be used on what had previously been considered "men's jobs," the Union became concerned about how seniority rights should be applied in such instances. On August 17, 1944, after considerable discussion, the membership of Local 201 passed the following resolution:

... BE IT ... RESOLVED that ... the Local Union's position be that whenever and wherever possible and practicable, men should be used for men's jobs and women for women's jobs, and that upon decreasing forces, women's total service be used on men's jobs only insofar as it affects other women on men's jobs, but that women's total service be used to give them seniority with other women on women's jobs.¹

This has been interpreted in practice to mean that in case of lay-off, women's total seniority applies against other women on men's jobs or on women's jobs; in case of downgrading from men's to women's jobs, service on men's jobs only is the ruling factor for deciding in what order women are to be transferred. Thus, when employment in a "male" department contracts, women are to be downgraded to women's jobs in accordance with their seniority on men's jobs; all men, no matter how short their service, are to be retained until all women have been transferred out of the department. The difference in the rules applied to women for lay-off and downgrading from men's jobs appears to be

¹ Local 201, "Guidance for Department Committees on Decreasing Forces," Oct. 25, 1944 (4 pp., mimeo.).
the result of a feeling on the part of Local 201 members that a worker builds up rights to employment with total company service, but that one builds privileges on a particular job with service on that job.

**Choice of Shifts.**—After the beginning of multiple-shift operation early in the war, a question arose concerning the right of workers of longer service to choose the shifts most desirable to them. As worked out in "hundreds" of grievance discussions in line with the opinions of Union members and Councillors, the rule usually was that "job service," rather than "company service," governed such cases. In April, 1944, the General Council adopted this as a guiding policy, and an agreement was worked out with Management on the matter.1 Thus, for example, a worker who had worked two years on a third shift operation could request transfer to the day shift if some one on that shift had less service on the same job. The reason for the emphasis on job service seems to have been simply that the Union members "wanted it that way," again because of the feeling that one builds up privileges on a job with service on that job.2

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1. "As this does not involve laying off, generally the Management has had an open mind on the matter, provided the operator chosen can do the job."—*Electrical Union News*, Vol. 11, No. 25 (Apr. 14, 1944), p. 2.
2. Interview with Alfred Coulthard, February, 1945.
Revised Lay-Off Policy, 1945.--In 1944, after employment had begun to contract slightly, Union officials became concerned about the severe lay-off problem likely to be encountered after the end of the war. The flexible, but somewhat ambiguous, policy previously in effect was objected to, not in principle, but on the grounds that it was very difficult to handle large numbers of lay-off cases in this way. To simplify comparison of seniority and need, the Business Agent of Local 201 wrote to GE Management in Lynn and suggested that an attempt might be made to work out an acceptable formula giving definite point values for years of service and number of dependents. In the course of the discussion, various suggestions were made by the Union, such as one point for each year of service and one for each dependent, or one-half for each dependent, but local Management replied that the matter would have to be settled with top GE Management in New York. When the question was brought up there, each of the three Management representatives expressed rather different views on the relative weighting of seniority and dependents, but they agreed to consider the matter and see what they could work out.1

No formula was ever agreed on, but in the 1945 contract negotiations the Company did consent to make seniority the primary factor in lay-offs, as follows:

In all cases of lay-off or transfer due to lack of work (exclusive of upgrading) total length of continuous service shall be the major factor governing such lay-offs or transfers. However, ability and family status will be given consideration.\(^1\)

At the time this study was completed, too few cases had been accumulated to ascertain definitely how much consideration was being given to need under the new lay-off clause, but it did appear that ability had become a relatively minor factor in downgrading and lay-offs even under the previous policy, as in the Case of the Absentee Welder.\(^2\) On May 23, 1945, a welder protested his transfer to a lower-rated job, claiming that it was unfair for the Company to use his attendance as a reason for this action when seniority was supposed to be the ruling factor. He admitted his poor attendance record of 158 latenesses and 28 absences in the last 18 months, for which he had received three formal warning notices, but claimed that commuting difficulties arising from his residence in Lexington accounted for it. Evidence was submitted to show that there were several men on the job with considerably less company service.

\(^1\) Agreement between GE and UER & MWA, 1945, p. 22. It was not possible to discover how closely this contract modification corresponds to present workers' attitudes on the matter; no particular comments were made by members either at the meeting which considered the contract proposals, or at the meeting which accepted the final contract.

\(^2\) Board case #5166, Local 201 grievance files. The 1944 contract, providing for consideration of seniority, ability, and family status, was still in effect at the time.
In discussing the case with Management, the Executive Board stated:

1. That we will not condone the practice of supervision in any division to use an employee's absence and tardiness record as a means for transferring.

2. That in this particular case, we insist that the seniority of Company service rule, and one of the other individuals with shorter service be transferred.

Management naturally offered resistance to the Union's argument, feeling that the reliability of the other men in contrast to the complainant was an important factor to be considered in decreasing forces within a department. Finally, however, Management agreed that the complainant would be kept on the job, and another man with shorter service transferred. However, a Company representative served notice that "... in the future they [Management] will keep in closer contact on any individuals who are getting their fourth warning notice such as the complainant and will act accordingly." (The fourth warning notice may mean automatic discharge). Thus, the Union, by taking such a position in lay-off and transfer cases, is forcing Management toward a stronger stand on discipline for tardiness and absenteeism at the time they arise, to prevent being hampered in later action against individuals who take too much leeway in these matters.
4. Technological Change

When there are labor-saving technological improvements, two principal problems arise: (1) the handling of the displaced employees; (2) what changes should be made in "job values," if an operation has been changed to require reduced skill. The Straight-Line Machine Case illustrates Local 201 policy on both of these matters.

West Lynn Management discussed with the Executive Board in February, 1939, the problem of displacement which would arise with the introduction of the "straight-line machine." This machine had been designed and built in the plant, and at that time had been under construction for about a year. Its purpose was to combine in one automatic machine the functions of a number of other machines which drilled and tapped various holes in the main base casting of the I-30 watt-hour meter, the principal product of the plant at that time. With the new machine, castings were loaded continuously into built-in jigs. The machine then moved each piece from one work station to the next, holding the piece in position for about 15 seconds at each station while the required operation was automatically performed. About 75 different tools were used in this machine.2

1. Board case #1054, Local 201 grievance files.
At the time, 32 men were working in the section. Of these, 17 were the regular staff with service of 10-34 years, who had been producing the normal volume of castings required by the rest of the plant. The other group of 15 men had been at work while the machine was under construction, building up a "bank" of completed castings of the type to be made by the new machine. (The bank was to serve as protection against interrupted production in the plant while the machine was getting into operation, and while the "bugs" were being worked out of it.) The men in this second group had service of 1-5 years, and had been rehired after the 1937-1938 recession with the understanding that their employment was to be only temporary, until after the change-over had been made.

The Management proposed to lay off these short-service men on February 24, 1939, since an excess stock of more than 60,000 castings had been accumulated. It was said that the machine had been ready for introduction in December, but that it had been held off to avoid the necessity of lay-off during the Christmas season. Now, however, it was early spring, and the Management representatives did not see how they could wait any longer. Because of the agreement that these men had been rehired only temporarily, the Executive Board felt that nothing could be done for them. With only 1-5 years of service,
they were considerably junior in standing to others who had been laid off during the recession and who still had not been rehired.

The new machine was to require only two workers per shift, a total of six men for three shifts. The operator was to be just a machine-tender, seeing that parts were properly supplied and removed. The other, a maintenance man, was to keep the machine functioning satisfactorily, making adjustments and corrections if anything should go wrong. These six men were to replace the 17 production workers who previously had been required to turn out the same volume of production on five separate machines -- a net displacement of 11 men. The Union made no attempt to negotiate "job values" for the operator and maintenance man other than those proposed by the Company in accordance with its usual job-evaluation procedure.

As to the 17 regular production workers, Management expected to lay them off by the middle of March, since their training and experience did not qualify them for the new operations on the straight-line machine. It was this group of displaced workers, whose service ranged from 10 to 34 years, which was the subject of action by the Union.

At the first Council meeting following Management's statement of intention, a resolution was passed:
That as a result of the installation of Straight-Line Machines in 1st V, any man with 10 years or more service shall not be laid off; that the Executive Board, in negotiations with Management, do everything in their power to save the men involved, if possible.

At the next meeting with Management, on March 1, 1939, the problem of finding places for the 17 long-service men was discussed again, and after what the Union minutes termed "a little pressure," it was agreed "that nobody with 10 years' or over service is going out," with the qualification by the Management representative that "it might eventually mean that he could not carry that out, but he was going to approach the matter in that way."

The Board members mentioned at the same conference that there were about 16 men in the related miscellaneous machine section of the department who were working 40 hours a week at this time. It was agreed that this section should go on a 36-hour schedule to absorb some of the displaced men, and that the Personnel Department would review the experience of these men to see where else they might be placed.

On March 13, 1939, Management reported that none of the 17 men had been laid off. Two of them already had been transferred without displacing other workers, another was expected to be shifted the same week, and others would be moved gradually as places could be found for them. The process had to be slow, Management stated, because an
attempt was being made to place them on jobs "as near as possible to the present take-out."

Thus, in this instance the Union was successful in its attempt to control technological displacement by having the workers involved transferred to related jobs of approximately equal pay. Any net reduction, then, was to be taken care of gradually through normal separations.

5. **Union-Management Cooperation on Production Problems**

The only formal union-management cooperation on production so far in the Lynn GE plants has been during the war, through the establishment of Labor-Management All-Out War Production Committees. The results of this "AOWPC" program seem to have been rather disappointing, at least partly because of GE's long-established and apparently effective suggestion system.

The suggestion system, established in 1906, pays awards to employees based on estimated savings.\(^1\) Up to the end of 1943, a total of more than 156,000 suggestions had been accepted, for which GE had paid out over $1.5 million in cash awards.\(^2\) Recent data on suggestions and awards are given in Table 14 on the next page.

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<table>
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<th>1943</th>
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<td>469</td>
<td>526</td>
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<tr>
<td>Number of suggestions adopted</td>
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<tr>
<td>per 1,000 employees</td>
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<td>141</td>
<td>168c</td>
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<td>Per cent adopted of number received</td>
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<td>Average award per adopted</td>
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<td>Total awards</td>
<td>$92,203</td>
<td>$158,943</td>
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</tr>
</tbody>
</table>

b. 1943 data estimated by doubling figures for first six months.
c. On checking this figure with published final results for 1943, it was found that the total number of suggestions adopted during the year, 23,841 (*New York Times, June 9, 1944, p. 32*), compared to the average number of employees for the year, 171,133 (GE, *Annual Report, 1943*), amounted to only about 140 per 1,000 employees. The other figures for 1943 could not be verified.

The All-Out War Production Committees were established in early 1942, following agreement between GE and the UE on a war production program which included the Pull-Out Plan.¹ In all departments of the GE plants, the Union and the Management each nominated representatives to sit on departmental production committees, and a top committee was established for each plant.² Suggestions on any production procedure were invited, including ways of using substitute materials,

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utilizing scrap, and minimizing waste. Any suggestions which might merit cash awards were sent to the old suggestion system (which remained in operation) after being processed by the AOWPC.

While the report of the River Works Central Committee for the first four months of the drive summarized some impressive results in spoilage reduction and output increase, the report admitted that it was questionable how much of this was due to AOWPC activities. George M. Stevens, Manager of the River Works, was reported earlier as having "pointed out that of the 206 suggestions which were received during May [1942], only a few related directly to actual ways and means of increasing production."¹ The River Works report stated:

Suggestions

The object is to bring out suggestions to speed production by fast service on suggestions and assurance of fair play by presence of fellow employees on committee. A few outstanding suggestions have been received from persons who claimed that they would not have put them in if it were not for the AOWP Suggestion Plan. However, there has been no marked increase in total number of suggestions from both systems in relation to the number of employees.

²

Personal interviews with some labor members of the committees also gave disappointing views on the AOWPC drive. It appears that suggestions on production methods which did come to the AOWPC were not enthusiastically received. One

¹. Ibid., Vol. 9, No. 36 (July 3, 1942), p. 1.
labor member said, "One fellow wanted to change the feeds and speeds on his job to speed up production. We couldn't let him get away with that—think of what would have happened to the standards on the job!" 1

There appears to have been a lack of mutual confidence. On the workers' side, this was due partly to the Company's rejection of the Pull-Out Plan, and partly to a rather general fear of "speed-up." As a result, the AOWPC program does not seem to have been particularly successful. One representative of supervision, in fact, stated it rather more bluntly: "The Labor-Management Committees are no damn good!" 2

6. Strikes and Walk-Outs

Local 201 has so far never engaged in a strike. There have been about six relatively minor unauthorized stoppages, all since 1941. In these instances, small groups of workers, wrought up over some matter, walked out in attempts to force prompt consideration of their grievances. While such walk-outs have probably speeded up action on their cases, the formal rule has been that the Executive Board would not take a grievance to Management while a stoppage continued. In all cases, the stoppages ended in less than one day. 3

1. Interview, April, 1944.
2. Interview.
3. Interview with Alfred Coulthard, June, 1945.
For many years, Local 201 had no formalized strike procedure. In 1942, however, it was considered desirable to have some definite constitutional provisions covering the method by which a strike might be called and ended. The *Electrical Union News* stated:

> . . . the Executive Board, General Council, and Constitution Committee decided that such machinery should be included in our Constitution, for at least two reasons:
> First, that large sections of the public believe that Union leaders generally, call strikes and not the members.
> Secondly, it is better to have machinery governing such an important phase of labor relations set up at a time when it can be viewed without emotion.¹

At the February, 1942, membership meeting of Local 201, the following clauses were added to Article 14 of the Constitution:

**Strikes**

In the event a dispute reaches a point where all negotiations and procedure, local and according to our international constitution, have been used without satisfaction to a majority of the membership at a special-called meeting, it shall then require a two-thirds vote of the membership voting by secret ballot (balloting held within five days of such special-called meeting) before a strike can be called. A majority vote by secret ballot is necessary to determine termination of a strike.

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Members Exempt From Strike Vote
In the event a cessation of work is decided upon by a vote of the Union, those members whose occupation is Guard, Fireman, operator in Power House and such other maintenance workers whose duties are required to maintain the safety of the plants affected during the shut-down (to be determined by the membership) shall not be called on strike provided that they follow such occupation during the cessation period designated by the Union.  

7. Racial and Religious Discrimination
So far as could be discerned in this study, Local 201 as an organization is entirely free from racial or religious discrimination. Although some individual members may have such prejudices, the policy of the Local and the national UE is that "All persons . . . are eligible for membership . . . regardless of skill, age, sex, nationality, color, religious or political belief or affiliation."  
This is not merely a formal statement of intent; for instance, in Local 201, Jews, Catholics, and Protestants work effectively together in all Union activities, and a Negro holds the office of Chairman of the Everett Foundry Section.  
The national UE, which had scheduled its 1942 convention for Indianapolis, moved it to Cleveland when

2. UER & MWA, Constitution and By-Laws, Art. IV.
3. This man, Herman Carter, held a featured role in the Local 201 1945 musical production, "Maytime Minstrels," and appeared as a guest soloist at the 1944 UE Convention in New York. He has also served as a delegate to the 1943 and 1944 UE Conventions, and as a member of the UE District Council in 1945.
Indianapolis hotels refused to modify their policy of racial discrimination.\textsuperscript{1}

It was impossible to discover whether any significant discrimination has occurred in hiring or promotion at the GE plants in Lynn, although one Negro interviewed has this to say:

I went to one of the plants and told them about my college education, and so on. They said there weren't any openings where they could use me.

Then I went to the other one, and I got wise. I didn't say anything about my training, just told them I'd been working as a laborer. So, I got hired.\textsuperscript{2}

Such Company discrimination as there may be, then, apparently takes the subtle form of denying entry to the more desirable jobs.

There has been only one important instance of distribution of anti-Semitic literature in the Lynn GE plants, so far as is known, and in that case the Company took prompt disciplinary action after the Union protested.\textsuperscript{3}

\textsuperscript{2} Interview.
\textsuperscript{3} Interview with Tony Frasca, Assistant Editor of the Electrical Union News, November, 1944.
8. Company Disciplinary Measures

Company policy on discipline is to give a formal warning notice for certain infractions of regulations, such as habitual tardiness or absenteeism, reporting for work while drunk, smoking in unauthorized areas, etc. For the third warning notice, an employee may be given time off without pay; for any subsequent ones, he may be discharged. Where the penalty for some particular offense seems too severe, the Union has sometimes successfully pleaded that a warning notice be rescinded; it negotiates for fair treatment on discipline, "on the basis of 'the punishment should fit the crime.'"¹

On more serious breaches of Company rules, the Union has generally refused to take any action at all. For these violations, which may mean immediate discharge, the culprit usually must take the consequences. These include: defacing washrooms and tearing off fittings;² turning in slips for work not performed by the individual, punching in excess time not worked, or punching in some other person's card;³ stealing; passing betting slips.⁴

³. Ibid., Vol. 9, No. 47 (Sept. 18, 1942), p. 18.
In some instances, workers who have received warning slips claim that they have been the subject of discrimination—either personal discrimination by a Foreman who is "out to get them," or anti-union discrimination because they have been too active in Union affairs. In the few instances which it was possible to investigate, it seemed that discrimination of this sort was probably rather minor, and that the worker was raising this cry as a defense where there was no other.

In the Case of the Sleepy Operator, a man worked as a police officer in the daytime, and as a GE employee at night. His attendance record in the last half of 1944 was very poor, and he accumulated enough warning slips to put him on the verge of discharge. He was then absent again without good reason, and would have been fired except for the Executive Board's plea for "one more chance." He was given a trial period in which to prove himself, but a few nights later was found asleep, according to his Foreman. The same night, the worker had developed "stomach trouble," and had visited the dispensary for it. He was absent on the next two nights, and on his return was told that he was to be discharged for sleeping on the job and being absent from work without notification.

1. Board case, Local 201 grievance files.
In his defense, the worker claimed that this was part of a calculated drive on the part of his Foreman to get rid of him, and said, "I was just resting my head on my hands. Can't a fellow rest his eyes for a minute?" (One Board member, however, pointed out in discussing the case that the place where the worker had been found was in another area than his own at a considerable distance from the place where he was supposed to be working.) He also argued that absence due to illness, when the dispensary had a record of his visit, should be permissible.

When the case was discussed with local Management, a Company official stated, according to the Union's minutes:

that . . . the complainant had many opportunities and that he apparently was not interested in work for the Company and continued that on the night in question the complainant went to the dispensary and then returned to work and that he was found asleep in Mr. Blank's office at 6 a.m. and his next action was to be absent from work two days, without notifying the foreman as to the reasons and as far as they are concerned, due to these facts, the complainant is all done.

The action of the Executive Board at its next meeting was recorded as follows: "Drop the case. Basis - inefficient - uncooperative attitude."

In the Case of the Persecuted Councillor,¹ a grievance was submitted to the Executive Board, charging that this steward had been discriminated against by his Foreman,

¹. Board case, Local 201 grievance files.
who felt that the steward was too active in Union affairs. The grievance listed a sequence of events purporting to show that after periods of Union activity, as when the steward participated in the Red Cross drive, or fought an important grievance case, the bickering attitude of the Foreman caused him to become nervous and produce faulty work. This had resulted in three warning notices, an attempted transfer to an undesirable section of the plant, and a change to work within the department for which this steward felt himself improperly trained. Because of this last change in his work, his spoilage record was running high, and he was afraid that he might be discharged. He asked that Management permit him to return to his former operation, which he could perform well, and where he would not be likely to hold up production if absent for Union activities.

When the case was discussed with Management, the latter refused to restore the complainant to his old position, because he was a "top-rate man," and should be able to do any job in the department. An agreement was reached, however, that the steward would "take his vacation the next week, as he is all keyed up, and the rest will give him an opportunity to pull himself together..." He was then to return to his previous job for one month "to get his feet on the ground," and
"he would then be ready to prove himself capable of doing any job they may offer." The steward also agreed to give up his Union activities until some later date.

About two months later, Management brought up this man's record again, pointing out that his spoilage record was running high. It was again agreed that he would be given another chance; at last reports, he had managed to hold the job.

Some Union leaders commented that this steward really did not deserve the "top rate;" although he could do certain operations well, he was clearly a specialist and not an "all-around man." On work he was not used to, he became nervous easily, and made errors which seemed foolish to trained men. As one official said, "He cut some of those pieces 39 thousandths undersize--no man who can read a dial should do anything like that! . . . Discrimination? He's just got a persecution complex."

1. Interview.
9. Miscellaneous Company Policies

Continuity of Service After Lay-Off.—So long as a worker is employed at GE, he accumulates continuous service time which is important not only as seniority in lay-offs, but also in building up his rights to a pension. The latter is particularly important to long-service employees.

Prior to 1933, when a GE employee was laid off due to lack of work, the Company maintained his name on the active payroll for a period of 12 months, thus preserving his continuous service. During the depression, extensions were renewed quarterly until about July, 1935, when the 12-months rule was evidently restored. Protests were made by the Lynn Union against this loss of standing for many workers, some of whom had as much as 20 years' service, and in some instances the Company did agree to restore the service which had been lost.

The same problem arose during the 1937-1938 lay-offs, and the UE proposed that "the 'one year' rule . . . be waived during the emergency," and that there be a

1. See Sec. 9 of Chap. IV for discussions of the Relief and Loan Plan and the Mutual Benefit Plan.

GE's apprentice program, established in 1902, was suspended during World War II. For a description, see Apprentice System of the Lynn Works (West Lynn: General Electric, 1941). Apprenticeship does not seem to have been an important issue in UE-GE relations to date.


"more liberalized interpretation on restoration of service of employees of considerable previous service."¹ The Company agreed to extend employees' service "until the present situation is cleared up," and to negotiate all instances in which restoration of service seemed warranted.²

The Union then pressed for a more definite rule governing the restoration of service, and in 1940 the Company agreed to consider the facts in each case, and usually to restore service if the employee's time out due to lay-off was less than his previously accumulated continuous service.³

Working Conditions.--General Electric's announced policy on working conditions, as found in the Company booklet GEQ-105, is as follows:

It is the aim of the Company to provide working conditions of the highest type for its employees and to strive constantly to prevent accidents and health hazards by every available means . . . ⁴

This policy, as part of the later booklet GEQ-105A, was included in the first UE-GE contract (1938), and is still part of the present agreement (1945). While the Union has never attempted to negotiate any improvements on this

1. Ibid., Vol. 5, No. 35 (June 24, 1938), p. 1.
contract provision, it has sometimes found it necessary to exert pressure on Management to live up to the stated policy.

As an example, the case of *Fundamental Conditions, Everett Foundry*¹ may be summarized. Some of the workers in one bay of the foundry complained that the whistle used there to signal shift changes and lunch hours was so loud that it was actually dangerous. The Executive Board, in discussing the matter with Management in April, 1945, stated that the whistle "was one of tremendous volume and gave out a terrifying noise. We pointed out that this whistle is right near the bay of the crane operator and at times when he has been lifting a load on the crane and the whistle blew, he has been so startled that near accidents have occurred."

The Board mentioned as evidence a visit which had been made to the bay by the Company's safety engineer. While he was there, a Union Councillor engaged him in conversation and thus arranged to have him standing directly under the whistle when it was time for the lunch signal to sound. When the blast came without warning, the safety man received quite a fright, according to the shop steward, and the former agreed to recommend a change.

¹ Based on Board case #5075, Local 201 grievance files, and interviews with Herman Carter, Chairman of the Everett Foundry Section, and Rex Egy, Councillor, May, 1945.
A subcommittee visited the bay some days later, and the Union representatives, after hearing the whistle, felt that something should be done about it. Not long thereafter, Management reported that it intended to tone down the whistle sufficiently to eliminate any hazard, and the case was closed.

There have been other grievance cases in which the Union has asked that dust conditions be improved by installing a concrete floor, or that something be done to protect workers from irritating fumes, and so on.

Qualification Test in Inter-Plant Transfers.—The question of applying a qualification test to persons transferring from the River Works to the West Lynn Works arose during the 1937-1938 recession. Employment at the West Lynn Works recovered more rapidly than at the River Works, and when the former plant had rehired almost all its laid-off female workers the Union requested that any additional help required be taken from the list of River Works girls not yet rehired. West Lynn Management agreed to do this, but only if these workers could pass the hiring test (evidently the O'Connor "wiggly block" test)
which had been in use there for the last seven or eight
years.\textsuperscript{1}

According to the \textbf{Electrical Union News}, less than
30 per cent of those attempting transfer were able to
pass the test, and considerable criticism followed. The
Union, in discussing the matter with Management, argued
that an employee whose record is satisfactory in one
plant should not be made to pass a hiring test for another
plant within the same company, since the accumulated exper-
ience and record of the employee should more than offset
anything which could be determined in a brief test which
did not duplicate actual working conditions. Management
responded that "the experience with the use of the test
showed that they had more satisfactory operators,--and
that without any doubt it eliminated labor turn-over,--
for it meant that a smaller number of people were elimi-
nated for being unsuitable. . . ."\textsuperscript{2}

\textbf{1.} The Union has never attempted to modify \textbf{hiring} procedures,
considering itself a representative of employees, not of
applicants. Unfavorable comments have been made regarding
the West Lynn hiring test, however, as in the following
quotation: "I have learned that you may have the education
of a college professor, the wisdom of a Plato, the inven-
tive genius of an Edison, the scientific brain of a
Steinmetz, and the gall of a Mussolini,--but if you haven't
been a cribbage player and a jig-saw puzzle maniac, you have
little chance of passing the hiring test in the West Lynn
plant and getting a job as an automaton on one of the belts.
. . . whoever believes that having an applicant for a job
assemble a few wooden blocks of irregular shape into a
square . . . will determine whether that applicant will make
an efficient employee,--is kidding themselves . . ."--

The membership of Local 201, at its next meeting following this conference, voted that the test should not be applied to inter-plant transfers.

The basis of the Union's argument is that an employee who has worked in either plant longer than the so-called 'probationary' period, has already passed the requirements of the 'entrance' examination of a hiring test.

The Union . . . is not questioning the right of Management to use these tests (even though they may not agree to their value) for applicants for employment who have not previously worked for the Company. However, when employees have given satisfactory service in one plant, the Union believes that the Hiring test should be definitely 'out' for them. . . .

Local Management remained firm in its original position, and the Executive Board decided to take the matter to an executive officer of the Company. Before this was done, however, local Management requested another conference, and it was agreed that in the future employees could transfer from one plant to the other without taking the hiring test.

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1. Ibid., Vol. 6, No. 2 (Nov. 10, 1938), p. 1.
2. Ibid., Vol. 6, No. 3 (Nov. 18, 1938), p. 1.
10. Summary and Conclusions

Although the officials of Local 201 are generally permitted to function only in the departments to which they are assigned, this limitation on their movements within the plants has been only a minor issue. The right of the Business Agent or his staff to enter the plant for the discussion of grievances with Management was recognized by the Company even before the representation election in March, 1934.

The members of Local 201 originally favored an open-shop policy permitting freedom of individual decision. In 1942, however, the UE requested the union shop from General Electric. While this was not granted, agreement was reached on a provision requiring Union members to maintain their membership as a condition of employment, except that they could resign by giving 60 days written notice. In 1943, the maintenance of membership provision was modified to permit resignations only during the annual 10-day escape periods; this clause has been renewed in 1944 and 1945. Local 201 has usually arranged that Executive Board members or Councillors interview Union members seeking to resign; as a result, the annual net resignation rate (for causes other than promotion or separation from the Company) has been very low -- in the neighborhood of 1/10 of 1 per cent or less. No consistent pattern appears in the tabulation of reasons given for resignations.
Union members long paid their dues through collectors (usually shop stewards), who received a fee of 10 per cent for their services. In 1939 and 1940, the UE requested the voluntary check-off, but GE declined. In 1943, however, a compulsory check-off provision, supported by Local 201, was negotiated by the UE. The result was to increase the proportion of members paying dues regularly, and to reduce the cost to the Union of collecting dues. The UE at first paid GE 2 cents per member per month (the estimated actual cost to the Company) for handling the dues collections, but this charge was reduced to 1.4 cents after the Local 201 Office Manager had devised an improved records system. Some Union members with "philosophical" objections have refused to pay their dues through the Company, and they have been permitted to pay direct.

On these intra-Union policies, the trend toward stronger union-security provisions appears to have been a wartime development. Originally, Local 201 leaders felt that the benefits of collective bargaining could be made evident enough to induce GE employees to join the Union and pay their dues regularly. With the rapid wartime expansion of employment, however, it appeared that there were many new employees who were willing to accept the benefits of Union activity without paying their share of the costs. As a result, the UE pressed for the compulsory
check-off, which it won, and the union shop, on which it obtained only the compromise of maintenance of membership.

The Union has not attempted to make strict seniority govern promotions. In lay-offs, downgrading, and choice of shifts, however, the principle has had considerable weight. During the 1937-1938 recession, about 30 per cent of GE's hourly-rated employees in Lynn were laid off. Company policy provided for consideration of seniority, ability, and need; however, analysis of the lay-offs showed that in practice seniority was given the greatest weight. Lay-offs were generally made by departments, with attempts to transfer long-service employees if places could be found for them; however, there was no strict application of plant-wide seniority. Typically, attempts were made to share the available work before making lay-offs; in some instances the work-week was reduced to 25 or 22 hours.

Analysis of questionnaires submitted to members of Local 201 in 1938 showed that: (1) they generally approved of the flexible (and ambiguous) GE lay-off policy in effect; (2) almost all, including long-service workers, favored some work-sharing; (3) the general feeling was that the Union should serve as a critic rather than a joint administrator of lay-off cases.

A 1939 contract clause providing that shop stewards may be given seniority preference during lay-offs has never been invoked in Lynn.
In 1945, the UE negotiated a clause which provided that seniority is to be the "major factor" governing lay-offs. Even before that, however, ability had evidently become a relatively minor factor in lay-offs and downgrading.

After the beginning of World War II, as women began to work on "men's jobs," the question arose as to how seniority rights should be applied on such jobs in lay-offs and downgrading. The membership of Local 201 decided, after long discussion, that on men's jobs, all men should have preference over women, regardless of the latters' service. Women were to be downgraded from men's to women's jobs in accordance with their seniority on men's jobs only.

On choice of shifts, Local 201 members voted that "job service" should be the deciding factor. Both this and the policy governing the downgrading of women from men's jobs appear to be the result of a general feeling that a person builds up privileges pertaining to a particular position as he accumulates service on "his job."

The policy of Local 201 on technological change has been: (1) workers displaced because of mechanization, etc., should be transferred to other jobs with approximately the same earnings; (2) job values on operations which have been reduced in skill, etc., should be set
in accordance with job-evaluation principles, so that intra-plant inequities are not created.

The Labor-Management All-Out War Production Committees, which instituted union-management cooperation on production problems for the first time in the Lynn GE plants, have had disappointing results, partly because of a persistent fear (perhaps unjustified) of "speed-up." The dissatisfaction of GE employees at the Company's rejection of the Pull-Out Plan, originally related to the AOWPC in the UE's 1942 production proposal, may have been a contributing factor. GE's long-established suggestion system was already effective, and the AOWPC did not bring in many additional production proposals, although there may have been worth-while results on spoilage reduction, etc.

There have been no strikes in the Lynn GE plants to date, although there have been about six unauthorized minor walk-outs since 1941. On the latter, the Executive Board's policy is to refuse to handle the grievance until the employees return to work. Local 201 adopted a formal strike procedure only in 1942, when the members approved a constitutional amendment which requires a two-thirds vote by secret ballot to call a strike, and a majority vote to terminate a strike. Guards, firemen, and other workers required to maintain the safety of the plants have been exempted by Local 201 from strike action.
Local 201 appears to be free of racial or religious discrimination. There are very few Negro workers in Lynn, but one highly respected Negro has been elected to an important Local 201 office. Many religious faiths are represented among the members and leaders of the Union, with no sign of discord.

The Union sometimes requests moderation of disciplinary action such as lay-off or discharge when it believes that the penalty is unduly severe. Although Local 201 members sometimes charge discrimination, either personal or anti-Union, as a defense against some Company disciplinary measure, the existence of any such discrimination seems relatively quite minor. In the cases cited as examples, the discipline meted out by supervision seemed justified, with only petty discrimination, if any, involved.

Local 201 and the UE have also taken action on some miscellaneous Company policies. For instance, before 1933 a GE employee's continuity of service was broken if he was laid off for longer than 12 months. During the great depression this rule was suspended for a time, and after it became effective again in 1935 the Union was able to have continuity of service restored for some long-service workers. In 1937-1938, the UE was able to have GE suspend the 12-month rule again, and in 1940 the Company agreed that it would usually restore a worker's service if his
time out due to lay-off was less than his previously accumulated continuous service. On working conditions, Local 201 has frequently requested that Management correct various health or safety hazards. In 1938, when the Company used a hiring test to disqualify some laid-off River Works employees for transfer to the West Lynn Works, the Union persuaded the local Management that previous Company service should be sufficient to qualify a person for inter-plant transfer.

Union policies on seniority, technological change, Company discipline, and other Company practices do not appear to have had any significant effect on Management's prerogatives. The 1945 contract clause making seniority the major factor in lay-offs may limit Management somewhat more than previously, although even under the earlier policy lay-offs generally were made in accordance with seniority. The Union functions as a critic of Management actions, seeking to protect its members against what they consider unjustified use of Company authority, rather than as an agency seeking to usurp that authority. This no doubt has affected the ability of supervision to make certain decisions, but whether this has had any serious influence on the efficiency of operations can not be estimated from the evidence available.
CHAPTER VII

CONCLUSIONS
1. Introduction

In this chapter, some conclusions are stated and some final comments are made on Local 201, the UE, and the General Electric Company.

Rather complete summaries have been given at the end of each preceding chapter; the present chapter is, therefore, confined mainly to general conclusions based on evidence cited earlier. As some of the questions which were posed in Chapter I have not been answered, these are mentioned below as suggestions for further study. Section 2 considers the characteristics of the General Electric Company; Section 3, the establishment of the Lynn Local; Section 4, the Lynn Local and the founding of the national UE; Section 5, the structure and functioning of Local 201; Section 6, company-wide collective bargaining relations with GE; Section 7, Union wage policy; Section 8, other Union policies; Section 9, the effect of Local 201 on GE employees in Lynn; Section 10, the effect of Local 201 on the city of Lynn; Section 11, the effect of Local 201 and the UE on the General Electric Company. In Section 12, a few concluding remarks are made.

2. Characteristics of the General Electric Company

General Electric is the largest electrical manufacturing firm in this country, and its profits have been relatively
large and stable compared to those of other firms in the field. This profitable and leading position seems to have been due to its early start, and, more significantly, to its technical leadership and continued possession of strategic patents (particularly in the manufacture of incandescent lamps). The sound financial position of this firm has probably made it able to grant collective bargaining demands with greater ease than could a company in a more precarious competitive position. However, evidence does not seem readily available to show whether GE has been any more liberal in granting wage increases or other demands than the other leading companies in the industry.¹

The attitude of Company officials has been important in the good relationships which existed between General Electric and the Union before World War II, particularly in Lynn. GE Management, instead of trying to fight the rise of independent unionism, accepted it after only minor resistance and tried to work with it. This was the attitude not only in Lynn but in other GE plants, and seems to have

¹. A study could profitably be made comparing the collective bargaining history of the leading electrical manufacturers (GE, Westinghouse, General Motors, RCA, Philco, Allis-Chalmers, etc.). How have negotiations been handled by the Union in each case? What have been the wage increases and contractual improvements granted by each company at various times? What has been the net effect of these changes on the competitive position of each, if it is possible to make any such analysis without data on labor costs, etc., from each company? Is there a trend toward industry-wide bargaining shown in the Union's tendency to hold contract negotiations simultaneously, often presenting similar demands to each Company? How feasible would such bargaining be in the electrical manufacturing industry?
been characteristic of top Management too. The reasons for this attitude on the part of the Company, and for what appears to have been a less cooperative approach on the part of top Management during World War II, cannot be stated without better access to Company officials than was possible during this study. However, both during the establishment of independent unions at the GE plants and during later contract negotiations, GE officials have recognized social changes and moved with them. The Company did not grant all the demands made by Union leaders, but when it was made evident that some particular changes were considered very important by GE employees, such demands were often granted.

3. Establishment of the Lynn Local

The underlying reason for the establishment of an independent union in Lynn was discontent growing out of the depression conditions of 1930-1933. Wage cuts, lay-offs, and work-sharing caused dissatisfaction among GE employees in Lynn, who evidently felt that the Plan of Representation was too weak to prevent allegedly unfair or arbitrary actions on the part of GE supervision.

A.F. of L. attempts to organize Lynn GE workers in 1933 were ineffective, partly because of the collapse of A.F. of L. craft locals in the GE plants after World War I. With the impetus given by Section 7-A of the NIRA to union organization, the interest of GE workers in the establishment of an
independent union, plus effective leaders in the persons of Alfred Coulthard, Gail Smith, and William A. Murphy made possible the founding of the Electrical Industry Employees Union.

The EIEU was established as a completely independent union in late 1933 after the A.F. of L. had refused to issue a federal labor union charter without including in it a provision permitting craft unions to exercise their jurisdictional claims. The members of the EIEU, influenced by their experiences with A.F. of L. unions after World War I, wanted the solidarity of a single union, and refused to accept the charter with the split-up proviso.

The Lynn EIEU won a representation election held by the National Labor Relations Board at the GE plants in March, 1934. Although some local Management officials had previously expressed opposition to the independent union, grievance discussions and bargaining relations were established without difficulty. The peaceful establishment of industrial relations in Lynn was probably at least partly due to the experience which both sides had had in adjusting grievances through the Plan of Representation. The Plan remained in existence until about November, 1934, when the Labor Board ruled that the EIEU was the sole collective bargaining agency for all non-supervisory employees.
4. The Lynn Local and the Establishment of the UE

As early as 1934, the Lynn EIEU established contacts with other electrical locals, looking forward to the establishment of a national union of all electrical workers which could carry on company-wide negotiations with GE, and perhaps eventually initiate industry-wide negotiations with the National Electrical Manufacturers Association. In 1934, feeling that they could be strengthened through unity, some independent unions formed a loose federation which they called the national Electrical Industry Employees Union. This organization served to coordinate to some extent wage and other demands which were presented independently to the managements of the various plants, but such local negotiations were largely ineffective. The EIEU locals became more firmly united when they formed a new national union, the Electrical and Radio Workers Union, in May, 1935.

The independent unions conferred with the National Radio and Allied Trades group of A.F. of L. federal locals in the radio industry, led by James B. Carey, in the hope that the latter organization might be able to obtain an A.F. of L. charter for a national industrial union. It was believed that such a charter could serve as the basis for unification of all locals in the electrical and radio industry. In January, 1936, the Executive Council of the A.F. of L. voted to turn over the NR & AT to the
International Brotherhood of Electrical Workers. The NR & AT then decided to secede from the A.F. of L. and join with the E & RWU in founding a new national union. The two electrical unions were united in March, 1936, when the United Electrical and Radio Workers of America was founded at a convention held in Buffalo; the Lynn EIEU became Local 201 of the UE. That the UE was not opposed to the A.F. of L. as such was indicated by the fact that one of its original constitutional objectives was the securing of an industrial charter from the Federation. No success was met, so the E & RWU affiliated with the CIC after the latter group of unions was suspended by the A.F. of L. in August, 1936. The UE became the United Electrical, Radio, and Machine Workers in 1937, when a group of locals of the International Association of Machinists, led by James Matles (these locals had earlier been associated with the E & RWU in the Federation of Metal and Allied Unions), voted to affiliate with the new electrical union. Since then, the UE has grown rapidly (it had over 500,000 dues-paying members in March, 1945) and has established collective bargaining relations with nearly all the leading electrical manufacturers except Western Electric.¹

¹ Another matter worth investigating is the relationship of the UE and the UAW in bargaining with General Motors: the UE in the electrical division, the UAW in the automotive division. How do the two unions coordinate their contract negotiations and other activities, if at all? Is there any significant difference in industrial relations in the two divisions of GM, and if so, why?
5. Structure and Functioning of Local 201

The Local 201 organization, which is characterized by rank-and-file control, carries on a wide variety of activities which affect a large proportion of the GE employees in Lynn. From the time of its founding, Local 201 has sought to organize all non-supervisory employees in the Lynn GE plants, including not only factory workers but also salaried employees such as draftsmen, methods and time-study men, and office girls.

Officers.--Shop stewards (also called Councillors or Councilmen) are elected by the employees in the particular group they represent. Meeting as a group, the stewards make up the General Council. The Councillors elect the members of an Executive Board, the duties of which are to prepare and present grievance cases to Management (in conjunction with the Business Agent's staff), and to make recommendations to the Council and the membership on all matters affecting the welfare of the Union. Nearly all decisions and recommendations of the Board and Council are subject to ratification by the membership.

Councillors and Board Members are paid by the Union only for time lost from work due to Union activity. Beginning in 1945, GE agreed to pay the first one and one-half hours of each steward's time lost per week discussing
grievances at the Foreman level, and the first eight hours per week of a Board member's time lost at Management level. Local 201 originally paid all lost time because the members wanted "the independence that comes from paying your own way." The changed policy seems to have been the result of an attitude which developed during the war that "the more you can chisel out of the Company, the better!" Local 201 at first resisted the change, but finally decided to accept the trend of UE policy.

The membership also elects directly a President, Vice-President, a Business Agent, an Assistant Business Agent, and other officers. Only the business agents are full-time employees of the Union, and they are considered as advisors and agents, subject to the instructions of the Board, Council, and membership.

**Grievance Adjustment.**—Grievances are discussed first at the Councilman-Foreman level, and then submitted to the full Executive Board for consideration before presentation to Management. The Plant Boards, accompanied by a member of the Business Agent's staff (who leads the discussions), adjust grievances with each of the two local plant Managements, but all settlements are subject to the approval of the full Board. Dissatisfied members may appeal their grievances to the General Council to ask for further action.
Beyond local Management, the Union may take the case to top GE Management and then to arbitration. (Local 201 has invoked arbitration on only four occasions.)

Grievances involving salaried workers in Lynn (except cases concerning fundamental conditions of employment or violations of the contract) have recently been adjusted by a separate Salary Committee elected by Councillors representing salaried employees (including a business agent), and improved contractual provisions specifically affecting such workers were first negotiated in 1944 and 1945.¹

One Union leader has suggested that grievances could be adjusted more efficiently by the use of a small negotiating committee (the President, Vice-President, and Business Agent, plus the steward involved in the case) meeting with local Management. Settlements would remain subject to the approval of the full Board. This would reduce considerably the heavy financial burden placed on the Union by paying for the time lost from work by Board members.²

¹ In some plants salaried workers belong to separate locals of the UE, and in some to still other unions. A study could be made considering the effects of Local 201's broad jurisdiction. Would it be better (from the point of view of the workers, the unions, the Company) if salaried employees had separate representation? What has been the effect of Local 201 on salaried workers?
² The files of Local 201 on grievance cases negotiated with the Company could furnish material for much further research. For instance, a broad statistical study could be made on types of cases and settlements, or a detailed analysis performed on particular grievances.
Contract Negotiations.--Proposed modifications of the UE-GE contract must originate in the local unions affected. The contract is drawn up by delegates elected to the GE Locals Conference Board, but the actual negotiating is done by a small subcommittee of the Conference Board. Both the proposed and the final contract must be approved by vote of the local unions.

The procedure seems reasonably effective, despite the time-consuming nature of the democratic process. Although the approval of Local 201 members on contract modifications sometimes seems perfunctory, there is ample opportunity for discussion and a contract considered unsatisfactory by the membership would probably be rejected (as happened in 1937).

Judicial Procedure. In Local 201, any person accused of "conduct unbecoming a member" is given a hearing by the Executive Board, which recommends disposition of the case to the General Council. The member's defense may also be heard by the Council, and by the membership. Beyond the Local, the member may appeal to the District Council, the General Executive Board, and to the national convention of the UE. There has been only one "judicial" proceeding in Local 201 within the last ten years, and in this instance full and fair consideration was given to the member involved.

Elections. There is an undesirable apathy on the part of Local 201 members, in that many stewards are elected to office without opposition. Even at the elections of major
Local 201 officers, the typical membership participation before 1944 was roughly about 15 per cent; in 1944, when local GE Management agreed to allow the election to be held in the plant, about 40 per cent voted.

Nevertheless, control seems to be firmly in the hands of the rank and file. There has been a moderate turnover of elected officials. Since all appointments within the Local and all expenditures of over $15.00 (except salaries and normal office expense) must be approved by the membership, the basis on which any political "machine" could be established within the Local is extremely limited. The only instance of long tenure has been due to the general respect accorded to the present Business Agent.

Campaigning for the various offices has been based on the personal experiences and qualifications of the candidates, rather than on factional or political issues. There are members of various progressive and conservative political groups in the Union, but no one group seems to have undue influence, nor, for the most part, have there been any serious issues dividing them within the Union.

**Legislative and Political Activity.** Until 1944, Local 201 engaged only in legislative activity attempting to influence the passage of social legislation. This program was made more effective by the establishment of a Legislative Committee in 1939.
In 1944, after the formation of the CIO-PAC, the membership of Local 201 voted to modify its original policy of not taking part in political campaigns, since the members now felt that "economics today is also politics." They decided to recommend candidates as "proven friends of labor" after study of their records. The Local 201 PAC took an active part in the 1944 elections. It seemed that there was probably no coercion of individual contributions, and that the membership had full opportunity to decide which candidates were to be endorsed. The Local has remained formally aloof from Lynn elections, although one Local 201 leader has been on the City Council since 1939.

Local 201, when working with other unions, may have had some political and legislative influence; when it has acted alone, it does not seem to have had any effect.

Education. The educational activities of Local 201 have been relatively limited, considering the large membership of the Union, despite the recent use of sound motion pictures and the establishment of a library. It is suggested that the program could be improved and more membership participation encouraged by: (1) offering a larger number of courses on a broader range of topics; (2) more use of Union members and leaders to teach the courses; (3) better use of sound films and the library.
Activities. The Activities Committee has sponsored effectively a wide range of social and community activities, ranging from picnics, dances and field days to participation in War Bond, War Fund, Community Fund, and Blood Donor Drives. Proceeds from raffles, dances, etc., have been used to pay for the Union Hall which was bought in 1939, and to send sweaters and leather toilet kits to Local 201 members in the armed services.

Veterans.—Many UE locals, among them Local 201, have formed Veterans' Committees to integrate returning service-men into Union activities. As of July, 1945, the Local 201 Committee had not done a great deal toward this end.¹

The Electrical Union News.—The weekly journal of Local 201 has been an attractive and informative union publication, despite sometimes excessive advertising and gossip-column content.

Discrimination.—Local 201, as an organization, seems entirely free of racial or religious discrimination.

¹. Further developments in this significant matter may be worth investigation.
Strikes and Walk-Outs.—As of the time of writing, Local 201 has never engaged in a strike. There have been about six unauthorized walk-outs (of only a few hours duration at most) during the war; in such instances, the Executive Board has refused to handle the grievances until the men involved returned to work.

Regarding strike procedure, in 1942 the members of Local 201 accepted a constitutional amendment providing that a two-thirds vote by secret ballot is necessary to call a strike, and a majority vote is required to terminate one. Guards, firemen, and maintenance men are exempted from strike action.

6. Company-Wide Relations with General Electric

The early belief of Local 201 leaders that company-wide bargaining was desirable was reinforced by: (1) the refusal of local GE Management to discuss plant-wide wage increases in 1935, on the grounds that the Company's Community Wage Survey policy could not be modified; (2) the decision of top Management in 1935 to return to a 40-hour week, despite the vigorous protests of Local 201; (3) local Management's refusal to grant night shift premiums in 1935-1936, because this was a matter of "Company policy."

The first UE-GE company-wide negotiations were instituted peacefully in early 1937. The contract agreed on,
mainly one of recognition, was rejected by the local unions involved; lack of publicity on the progress of negotiations was a contributing factor in this rejection. An almost identical contract was accepted in 1938, however, and numerous significant contract modifications have been negotiated since then.

The UE now is the principal bargaining representative at all major GE plants, and at nearly all the minor plants. Craft units have been granted separate representation in a few instances; e.g., the Pattern Makers' League of North America (A.F. of L.) in Lynn.¹

**Bargaining Problems.**—There has been only one instance in which the Company acted "prematurely" to grant a Union demand before negotiations had begun. The locus of "authority to settle," however, has remained a somewhat troublesome problem. Both the Union and the Management have been unwilling to delegate final authority to their negotiating committees. As a result, bad feeling has developed and persisted on the Union side, particularly following the alleged reneging of the Company during the 1942 negotiations. Union leaders claim that definite

¹. A comparison of the craft bargaining relations with those of the UE might be valuable. How are grievances discussed, how are contracts negotiated, and are there any significant differences in the results?
understandings were reached during those discussions on the general installation of incentive payments to day-workers (the "Pull-Out Plan") and on a general wage increase conditioned on the adjustment to be granted in the Little Steel case, and that the Company later refused to adhere to its original position. Without a full transcript of the discussions it is impossible to give a correct evaluation of the Union's position.

This situation might be improved somewhat if the parties could agree to make written memoranda of the exact nature of any preliminary agreement reached during negotiations, with the understanding that these memoranda are subject to the final approval of each side. Some further specification might be added as to just what signifies final approval—e.g., signature of the UE General President after the locals involved have voted approval, and signature of the GE President after whatever approval procedure the Company may use.

During World War II, other bargaining problems have developed. There appears to have been a general worsening of UE-GE relations; Union membership and leadership seem more militant, the Company seems less cooperative. In the case of Local 201, the beginning of this bad feeling can be traced back to the disagreements over the Pull-Out Plan and the general wage increase in 1942. Government regulations were a contributing factor; for instance, Executive
Order 9240 removed some premium gains previously won by negotiations, and the Union felt that the Company was unduly reluctant to modify the effect of the Executive Order by mutual agreement where permissible. Another factor in the worsening of relations appears to have been a tendency toward more centralization of Company authority over labor relations, so that the local autonomy and flexibility which were formerly present are now apparently decreasing. (However, this trend is probably partly due to one Union bargaining tactic: making some gain as a local agreement in a plant where a UE local is strong, and then later extending that to cover all plants in the company-wide negotiations.) The Union has also charged that the Company is planning to establish new plants in low-wage areas during the reconversion period.\footnote{Developments in these significant UE-GE problems warrant some attention in the post-war period. Concerning the new plants, see \textit{New York Times}, Dec. 3, 1945, p.11.}

7. Union Wage Policy

The General Wage Level.—The Union objected early to GE's use of its Community Wage Survey and Cost of Living Adjustment plans to limit wage increases to those bases alone, and in 1941, succeeded in discontinuing those plans as the principal grounds for wage adjustments.
Before the war, the UE pressed for an improved standard of living for GE workers, based on: (1) increasing productivity and technological change; (2) wages and wage trends in the electrical manufacturing and other industries; (3) ability of the Company to pay. During the war, the Union sought adjustments in basic wage rates proportionate to changes in the cost of living, in order to preserve at least a constant standard of living. (This policy ignored changes in weekly take-out due to longer hours, of course.)

The UE won general increases of 10 cents and 5 1/2 cents an hour in 1941 and 1942 respectively. Because of the belief of UE members and leaders that negotiated general increases should be equal for all, these increases were added by mutual agreement to base rates alone, and not into any incentive earnings.

Concerning the government's wartime economic controls, the UE originally approved President Roosevelt's Seven-Point Stabilization Program. However, when it appeared that wage rates had been stabilized more effectively than the cost of living, the UE in 1944 and 1945 organized campaigns which were designed to force revision of the Little Steel Formula.
Job Evaluation.--There has been no disagreement on the nature of the GE job-evaluation system. The Union functions only as a critic, presenting grievance cases when it feels that job contents have been improperly evaluated or that the wage curve is unfair. To serve more effectively as a critic, the Union has sought more general information on the Company's job-evaluation plan than it has been able to obtain in discussing individual grievances; to date, GE has not been willing to furnish what the Union considers adequate information.

The UE has objected to the "excessive" number of rates in the GE wage structure, because of the difficulty of comparing job contents so precisely. In 1945, a simplified step-rate plan was agreed on, so that there are now fewer rates with differentials of 3, 4, and 5 cents, instead of 1/2 and 1 cent as before. The combined step-rate and automatic progression plan was being put into operation as the research for this paper was completed, so that no comments concerning its effectiveness are possible.

Because of alleged discrimination in the rates paid to women and men workers in the GE plants, Local 201 and the UE have insisted that operations which are "men's jobs" must remain so, to prevent the reduction of job values by transferring the operations to women workers. During the war, the UE succeeded in negotiating contract clauses
providing that: (1) the Union must be notified before women are placed on jobs previously done by men; and (2) (later) if men's jobs are simplified and done in part by women, the lowest rate to be paid for any part of the job shall be the basic male rate. These clauses, which appear to limit considerably the exercise of Management authority, are justified by the Union on the grounds that otherwise there might be permanent displacement of men operators by women hired at lower rates.

As a long-run policy, however, the UE believes that there should be no sex discrimination in job evaluation. The Company has refused to negotiate any modification of sex differentials in wage rates, but in 1945 the War Labor Board ordered that GE narrow these differentials by paying an average hourly increase of 6 cents to women employees. (At the time of writing, GE had not yet complied with the WLBB order.)¹

Merit Rating and Automatic Progression.—Some Local 201 members distrust the technique of employee rating. They have alleged that ratings are "juggled" to come out with predetermined results, and that supervisors do not always discuss

¹. The significance of the modification or complete elimination of sex differentials in wage rates, deserves some attention. Would women employees be likely to gain or lose by such a change? Would the effect be to displace women workers?
ratings with employees despite a contract clause requiring workers to be notified of their ratings.

To avoid merit increases and to obtain raises by seniority alone, Local 201 and the UE have negotiated agreements for automatic progression within rate ranges up to a certain level. Local 201 leaders seem willing to leave some margin for merit alone, but other UE locals have sought completely automatic progression.¹

**Wage Payment Systems.**—Local 201 and the UE accept incentive plans, and even favor them if there is adequate protection for employees. The Union objects to unduly complicated wage payment systems, such as the Group Incentive Plan (using the Rowan curve). This "GI" plan is very difficult to explain or justify, and it gives less and less proportionality of earnings to output as the rate of production increases. However, the feeling of workers seems to be: "It's not the system that counts; it's the results." Even though a particular wage plan may be complicated and give earnings which are not proportional to effort, workers may be well satisfied if earnings are adequate.

Local 201 early negotiated protections for incentive workers in Lynn, some of which were later extended to cover

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¹ A detailed comparison of the policies of Local 201 with those of the national UE and other UE locals, investigating the reasons for any differences which appear, would be interesting.
the whole Company: (1) Once a time-study price has been set, there can be no change unless there was error, or until the method is changed. If the latter occurs, the standard can be modified only by an allowance for the changed elements. (2) If an incentive worker is moved temporarily to a day-work operation to meet production requirements while there is an adequate backlog of work on his own job, his earnings should not suffer thereby.

Local 201 leaders believe in the following principles governing motion and time study: (1) Methods are a prerogative of Management, but they usually should be developed elsewhere than on the production floor; workers should not be annoyed with excessive observation studies. (2) The time-study man should be an impartial analyst; he should not set rates on operations for which he developed the method. (3) To avoid divided responsibility ("buck-passing"), the Foreman should be responsible for all contacts with the operator concerning time studies, rates, and methods.

The Union has not sought to impose any "make-work" rules or to encourage restriction of output. However, informal restriction of output appears to persist due to fear of cutting of piece rates.
8. Other Union Policies

Union Security. -- Local 201 members and leaders originally favored the open shop and the voluntary check-off. By the time World War II brought an expansion of employment in Lynn, however, these views had changed; it was then thought that there were too many employees enjoying the benefits of Union action without helping to share the costs. Accordingly, Local 201 and the UE sought: (1) the closed shop, on which it obtained the compromise of maintenance of membership; (2) the compulsory check-off, which it won. (Local 201 dues, $1 per month, were originally solicited by dues collectors who received a commission of 10 per cent. In negotiating the check-off, the UE offered to recompense the Company for the actual bookkeeping cost; this was done partly to make it easier to win, and partly because Union members and leaders wanted to pay their own way. In 1945, however, the UE sought unsuccessfully to eliminate this payment.)

Seniority. -- Seniority does not govern promotions in Lynn, but considerable stress has been placed on it in lay-offs, downgrading, and shift choices. Usually, after some work-sharing, lay-offs are made by departments, those workers in each department with least Company seniority being laid off first. Attempts are made to transfer long-service workers to jobs in other departments which they can
do, but strict plant-wide seniority is not adhered to.

GE lay-off policy originally provided for equal consideration of seniority, ability, and need. In 1945, a contract clause was negotiated making seniority the major factor in lay-offs. Because seniority actually had been the principal factor even earlier, this modification evidently will not cause any significant change in Management lay-off practices.

**Technological Change.**—The position of the Union is that the introduction of new machines, etc., should not displace workers directly; if possible, they should be transferred to jobs with approximately equal earnings. When the job content of operations has been reduced by mechanization or other changes, job values should be set by the regular job-evaluation procedure.

**Union-Management Cooperation on Production Problems.**—The labor-management All-Out War Production Committees, established during the war, have not been a great success in Lynn. Distrust seems to linger on the workers' side, partly because of the Company's alleged reneging on the Pull-Out Plan (which had been associated with the AOWPC in negotiations). The old GE suggestion system, paying cash awards, remained in effect; the AOWPC may have had
worth-while results in reducing waste and spoilage, but from the limited evidence available there does not seem to have been a significant increase in the rate of submission of acceptable suggestions on production.

**Company Discipline.**—The Union often seeks modification of disciplinary measures when they seem unwarranted. Some Union members subjected to discipline have occasionally charged discrimination on the part of supervision, but in the cases investigated any such discrimination appeared to be relatively unimportant.

**9. Effect of Local 201 on GE Employees in Lynn**

The establishment of an independent union has given GE workers an effective voice in the control of the conditions under which they work, and a strong agency of protection against abuses of supervisory authority. As an example, one Board member stated in an interview, "Before the Union came in, we used to have a Foreman who'd just whistle at you whenever he wanted you. After the Union came in, he didn't whistle that way any more."

The Union has also given GE workers wide opportunities for participation in recreational activities (such as dances, theatricals, outings, etc.) and community
affairs (see Sec. 10 below), and to work for social and economic improvements through legislative and political activities.¹

10. Effect of Local 201 on the City of Lynn

Prior to 1933, Lynn is said to have acquired a bad "labor reputation" due to alleged abuses of craft union leadership in the shoe industry. Local 201, with its capable and moderate leadership, has been credited by local business leaders with improving that reputation through its record of no strikes and very few unauthorized walk-outs during the first 12 years of the Union's existence.

During the war, Local 201 has participated very actively in many community activities—the War Fund, Community Fund, War Bond, and Blood Donor Drives, etc. The basement of the Union Hall was accepted as a Red Cross Casualty Station. As a result of this whole-hearted participation, labor seems to have a status in the community which it did not hold before the war.²

¹ A great deal of interesting research could be done on this aspect of Local 201's activities, using questionnaires and interviews to study the effect of this local union on its members. The attitudes of workers toward the Company and the Union and their policies could be studied in the same way.

² The comments in this section are believed to be valid, although based on limited observations and interviews. The men interviewed were leading representatives of the church and business sections of the community. More research could profitably be done on this topic.
One Local 201 leader (who did not publicize his connection with the Union in campaigning) has been on the Lynn City Council since 1939. However, the Local as an organization has not taken any part in city politics.

11. Effect of Local 201 and the UE on General Electric

Independent unionism has altered considerably the framework within which GE supervision can operate, by negotiating contract clauses covering many matters formerly at the complete discretion of Management. However, the Union has remained only a critic of Management's functions; it has not sought to usurp them. It has tried only to prevent what it considers arbitrary exercise of Management authority. The exact effect of Union-induced changes on the ability of GE Management to operate its plants efficiently is impossible for an outsider to measure.

Neither is it possible to estimate the effect of the Union on GE's competitive position without access to information on wage rates, labor costs, etc. Union leaders are firm in their belief that they have improved the Company's position by raising the wage rates of its small competitors more than those of GE, but Company representatives do not agree.
12. Postscript

Relatively good industrial relations have prevailed at the Lynn General Electric plants, at least until the beginning of World War II. This good relationship seems to have been due mainly to the following factors: (1) the willingness of GE Management, particularly in Lynn, to move with the times and meet the independent Union halfway; (2) the capable leadership and gradualist bargaining philosophy of Alfred Coulthard (the first Business Agent of Local 201), Gail Smith (the first President), and William A. Murphy (the first Vice-President), who played a very significant role in building good unionism in Local 201 and the UER & MWA.

Wartime conditions seem to have brought forth a more militant spirit among the members of Local 201, and some of the leaders elected by them have reflected this feeling. Compared to pre-war conditions, UE-GE bargaining relations have noticeably deteriorated.

Not long after the research for this thesis was concluded, World War II ended. So far, there has been only a gradual contraction of employment in the Lynn GE plants, and no serious lay-off problem has arisen. However, there have been two significant developments affecting Local 201:
(1) Alfred Coulthard, the man who has done most to shape the policies of Local 201 ever since its founding, resigned from the Union in October, 1945, to become a member of the Labor Relations Commission of Massachusetts. (An indication of Local 201's present status in the community of Lynn was given by the unanimous vote of the Board of Directors of the Lynn Chamber of Commerce to endorse Coulthard for this appointment.) No criticism of present Local 201 leadership is implied, but it remains to be seen what effect the loss of Coulthard's broad experience and thoughtful guidance will have on the Union.

(2) The UE opened wage negotiations with General Electric in August, 1945, asking at first for a "substantial increase," and in September for a general raise of $2 per day to compensate for the overtime pay lost after the end of the war.¹ GE at first made no compromise offer, and on December 13th UE members in GE plants (also those in the


It appears that the UE proposed that the increase be granted without changes in GE prices, but this has not been emphasized in the UE News, the Electrical Union News, or the public press.

At a Local 201 mass meeting held in November, 1945, however, UE General President Albert Fitzgerald and Local 201 leaders stressed the importance of negotiating a wage increase without resulting price rises, because otherwise the price increases would make the wage gains worthless. (The writer was present at the meeting.)

plants of Westinghouse and the electrical division of General Motors) voted to strike in support of the demand for $2 per day. On December 21st, GE President Charles E. Wilson released a statement to the press offering a general increase of 10 per cent to the UE, "conditioned upon agreement by the union not to impose limitations or obstacles to production and recognition by the union of the responsibility and authority of the corporation to so conduct its business as to achieve high and efficient production," and stated that acceptance of the offer "would compel the corporation to seek a general increase in all price ceilings." On December 28th the New York Times stated that James Matles, UE Director of Organization, "expected the Government to stand by its policy of wage increases without price rises, and that he had enough economic data to 'prove' the companies could pay $2 more without raising prices." The Times of January 6, 1946, reported that GE had offered an increase of 10 cents an hour for employees earning less than $1 per hour, and 10 per cent for those above, to meet the UE's objection to percentage increases. However, the offer was "spurned" by the UE and the strike began (in all three companies) on January 15, 1946.

The effect which this strike (the first ever called by the UE on a company-wide scale against GE, General
Motors, and Westinghouse) will have on industrial relations in the electrical manufacturing industry cannot be predicted. In Lynn, the strike until now (January 21, 1946) has been conducted without discord or violence. An encouraging note was sounded in a public statement by Nicholas Du Chemin, Manager of the West Lynn Works:

The strike at the West Lynn Works is a source of sorrow to all of us who have worked together in harmony for so many years.

In spite of our top executives' efforts to avert this strike, we find our plant inoperative this morning. Sooner or later this issue must be settled and we--employees and management--will work together in the West Lynn Works. In the meantime, let us all be mindful of the fact and be on our guard lest we inflict wounds which might not heal in our generation.

To all members of the management group--superintendents, foremen, supervisors, engineers, and others--I once again repeat: Do not promote any unpleasant incidents through participation in debates, arguments, or provocative action. You represent the General Electric Co. and the West Lynn Works, and I am sure that you are as desirous as I am that we maintain our reputation for good citizenship.1

It may be that the strike, if properly conducted, can serve a useful purpose in UE-GE relations by "clearing the air" of wartime tensions. On the other hand, if violence or bitter disputes should develop, it may take a long while for good industrial relations to be restored.

APPENDIX A

STATISTICS
### General Electric and Westinghouse — Shares of the Market and Profits on Sales, 1901-1946

<table>
<thead>
<tr>
<th>Year</th>
<th>Shares of the Market&lt;sup&gt;b&lt;/sup&gt;</th>
<th>GE on Total&lt;sup&gt;c&lt;/sup&gt;</th>
<th>Earnings on Sales&lt;sup&gt;d&lt;/sup&gt;</th>
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<td>GE (1)</td>
<td>West. (2)</td>
<td>Total (3)</td>
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<td>26.0%</td>
<td>15.5%</td>
<td>41.5%</td>
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<td>19.3</td>
</tr>
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<sup>a</sup> Source: Calculated from data in Annual Reports of the corporations, Moody's Industrials, and Census of Manufactures. See Exhibits 2 and 3.

<sup>b</sup> "Net Sales Billed" of each corporation divided by "Value of Products, Electrical Machinery Industry" Census series.


<sup>d</sup> "Net Income" (after taxes) divided by "Net Sales Billed" for each corporation.

n.a. Net income data not available.
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<th></th>
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<td>Net Sales Billed</td>
<td>Net Income</td>
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a. Sources: Annual reports of the corporations; Moody's Industrials.

b. Year ending March 31 to 1923, calendar year thereafter. Nine months ending Dec. 31, 1925, omitted here.

c. Net income after taxes. No attempt has been made to compensate for surplus adjustments.

d. After renegotiation.

e. After provision for renegotiation.

n.a. Not available.
### EXHIBIT 3
THE ELECTRICAL MACHINERY INDUSTRY, 1899 to 1939

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<th>Year</th>
<th>Number of Establishments</th>
<th>Wage Earners (Avg. for Yr.)</th>
<th>Wages</th>
<th>Value of Products</th>
<th>Value Added by Manufacture</th>
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<td>216,596</td>
<td>$ 239,633,618</td>
<td>1,188,163,058</td>
<td>762,625,666</td>
</tr>
<tr>
<td>1933</td>
<td>1,365</td>
<td>163,736</td>
<td>$ 145,403,985</td>
<td>675,233,061</td>
<td>404,198,765</td>
</tr>
<tr>
<td>1935</td>
<td>1,689</td>
<td>224,437</td>
<td>$ 240,952,287</td>
<td>1,161,402,923</td>
<td>685,715,987</td>
</tr>
<tr>
<td>1937</td>
<td>1,697</td>
<td>306,003</td>
<td>$ 407,960,508</td>
<td>1,899,905,431</td>
<td>1,102,133,122</td>
</tr>
<tr>
<td>1939</td>
<td>2,014</td>
<td>256,467</td>
<td>$ 335,619,534</td>
<td>1,727,389,949</td>
<td>999,953,690</td>
</tr>
</tbody>
</table>


"...This group of industries embraces establishments engaged primarily in the manufacture of machinery, apparatus, and supplies for employment directly in the generation, storage, transmission, or utilization of electric energy. The group includes the 'Radios, radio tubes, and phonographs' industry, but it does not cover establishments whose principal products are electric-lighting fixtures, electric signs or motor-driven tools, mechanical refrigerators, washing machines, and other machines and appliances constructed with built-in motors or other electrical equipment (such machines and appliances being classified for census purposes in other industries), unless the electrical equipment is made in the same plants by the same manufacturers and contributes at least one-half of the total value of the machines or appliances... The number of establishments shown in this report is therefore considerably smaller than the total number of manufacturers commonly thought of as manufacturing electrical equipment.

"...Prior to the 1931 Census of Manufactures, radios and radio tubes were included in the 'Electrical machinery, apparatus, and supplies' industry, but 'Phonographs' was a separate industry classification." Ibid., p. 1.

**b.** Calculated on the basis of selling values at factory or plant; ordinarily includes cost of production and profits.
**INCOME TAX RETURNS, ALL MANUFACTURING CORPORATIONS, 1931-1940**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Returns With Net Income</th>
<th>Number of Returns With No Net Income</th>
<th>Per Cent Reporting Net Income</th>
<th>Gross Income(^c) (000,000's)</th>
<th>Net Income(^b) or Deficit (-) (000,000's)</th>
<th>Earnings on Income(^d) (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1931</td>
<td>36,270</td>
<td>58,815</td>
<td>34.0</td>
<td>$44,033</td>
<td>$-323</td>
<td>-1.9</td>
</tr>
<tr>
<td>1932</td>
<td>14,905</td>
<td>72,931</td>
<td>17.0</td>
<td>31,977</td>
<td>-1,906</td>
<td>-5.6</td>
</tr>
<tr>
<td>1933</td>
<td>26,354</td>
<td>62,256</td>
<td>29.7</td>
<td>35,180</td>
<td>204</td>
<td>6.0</td>
</tr>
<tr>
<td>1934</td>
<td>34,023</td>
<td>57,270</td>
<td>37.3</td>
<td>41,096</td>
<td>910</td>
<td>2.3</td>
</tr>
<tr>
<td>1935</td>
<td>37,976</td>
<td>53,700</td>
<td>41.4</td>
<td>47,338</td>
<td>1,517</td>
<td>3.8</td>
</tr>
<tr>
<td>1936</td>
<td>45,926</td>
<td>48,104</td>
<td>49.9</td>
<td>51,956</td>
<td>3,702</td>
<td>7.1</td>
</tr>
<tr>
<td>1937</td>
<td>41,974</td>
<td>50,005</td>
<td>45.6</td>
<td>62,456</td>
<td>3,703</td>
<td>5.9</td>
</tr>
<tr>
<td>1938</td>
<td>34,634</td>
<td>54,003</td>
<td>38.6</td>
<td>51,139</td>
<td>1,809</td>
<td>3.1</td>
</tr>
<tr>
<td>1939</td>
<td>43,802</td>
<td>43,161</td>
<td>49.0</td>
<td>53,294</td>
<td>3,987</td>
<td>7.1</td>
</tr>
<tr>
<td>1940</td>
<td>47,163</td>
<td>38,420</td>
<td>55.1</td>
<td>66,980</td>
<td>1,507</td>
<td>7.9</td>
</tr>
</tbody>
</table>

**Total** 355,712 536,754 490,968 13,209

Earnings on Income, 1931-1940: 3.7%
Proportion of All Returns Reporting Net Income, 1931-1940: 39.9%


\(\text{b. I.e., net taxable income as reported for federal income tax purposes.}\)

\(\text{c. Includes gross sales, less returns and allowances, plus taxable interest, rents, royalties, dividends, capital gains, etc.}\)

\(\text{d. "Net Income or Deficit" divided by "Gross Income."}\)
EXHIBIT 5

INCOME TAX RETURNS, CORPORATIONS MANUFACTURING ELECTRICAL MACHINERY AND EQUIPMENT, 1931-1940

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Returns With Net Income</th>
<th>Number of Returns With No Net Income</th>
<th>Per Cent Reporting Net Income</th>
<th>Gross Income (000,000's)</th>
<th>Net Income or Deficit (-) (000,000's)</th>
<th>Earnings on Income (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1931</td>
<td>267</td>
<td>602</td>
<td>30.7</td>
<td>821.2</td>
<td>-16.1</td>
<td>-5.6</td>
</tr>
<tr>
<td>1932</td>
<td>140</td>
<td>532</td>
<td>11.6</td>
<td>484.2</td>
<td>-32.8</td>
<td>-6.3</td>
</tr>
<tr>
<td>1933</td>
<td>206</td>
<td>573</td>
<td>26.4</td>
<td>486.7</td>
<td>-14.0</td>
<td>-3.0</td>
</tr>
<tr>
<td>1934</td>
<td>278</td>
<td>408</td>
<td>67.1</td>
<td>645.6</td>
<td>-14.3</td>
<td>-2.2</td>
</tr>
<tr>
<td>1935</td>
<td>315</td>
<td>354</td>
<td>45.9</td>
<td>711.1</td>
<td>52.6</td>
<td>6.9</td>
</tr>
<tr>
<td>1936</td>
<td>422</td>
<td>312</td>
<td>55.2</td>
<td>971.0</td>
<td>14.0</td>
<td>13.5</td>
</tr>
<tr>
<td>1937</td>
<td>428</td>
<td>362</td>
<td>54.2</td>
<td>1,249.7</td>
<td>16.4</td>
<td>13.3</td>
</tr>
<tr>
<td>1938</td>
<td>604</td>
<td>331</td>
<td>62.1</td>
<td>1,358.9</td>
<td>76.4</td>
<td>5.6</td>
</tr>
<tr>
<td>1939</td>
<td>744</td>
<td>640</td>
<td>61.1</td>
<td>1,594.4</td>
<td>159.7</td>
<td>10.0</td>
</tr>
<tr>
<td>1940</td>
<td>269</td>
<td>564</td>
<td>46.9</td>
<td>1,398.4</td>
<td>256.7</td>
<td>13.5</td>
</tr>
</tbody>
</table>

Total: 4,236 5,249 61.1 $10,262.1 $748.3

Earnings on Income, 1931-1940: 7.2%
Proportion of All Returns Reporting Net Income, 1931-1940: 44.7%

Corporations are classified according to the activity which accounts for the largest percentage of receipts. Bureau classification adjusted where necessary to exclude radios and phonographs. It was impossible to adjust for several other classification changes.

b. I.e., net income for federal income-tax purposes.
c. Includes gross sales, less returns and allowances, plus taxable interest, rents, royalties, dividends, capital gains, etc.
d. "Net Income or Deficit" divided by "Gross Income."
### EXHIBIT 6

**INCOME TAX RETURNS, CORPORATIONS MANUFACTURING RADIOS
AND RELATED PRODUCTS, 1931-1940**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Returns With Net Income</th>
<th>Number of Returns With No Net Income</th>
<th>Per Cent Reporting Net Income</th>
<th>Gross Income&lt;sup&gt;c&lt;/sup&gt; (000,000's)</th>
<th>Net Income&lt;sup&gt;b&lt;/sup&gt; or Deficit (-) (000,000's)</th>
<th>Earnings on Income&lt;sup&gt;d&lt;/sup&gt; (per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1931</td>
<td>66</td>
<td>180</td>
<td>36.8</td>
<td>$124.5</td>
<td>-28.3</td>
<td>-22.7</td>
</tr>
<tr>
<td>1932</td>
<td>44</td>
<td>161</td>
<td>21.5</td>
<td>71.8</td>
<td>-13.3</td>
<td>-18.5</td>
</tr>
<tr>
<td>1933</td>
<td>50</td>
<td>134</td>
<td>27.2</td>
<td>83.2</td>
<td>-9.9</td>
<td>-11.9</td>
</tr>
<tr>
<td>1934</td>
<td>61</td>
<td>161</td>
<td>33.5</td>
<td>153.8</td>
<td>-5.6</td>
<td>-3.6</td>
</tr>
<tr>
<td>1935</td>
<td>114</td>
<td>125</td>
<td>47.7</td>
<td>195.5</td>
<td>4.5</td>
<td>2.3</td>
</tr>
<tr>
<td>1936</td>
<td>125</td>
<td>124</td>
<td>50.2</td>
<td>326.4</td>
<td>15.4</td>
<td>4.7</td>
</tr>
<tr>
<td>1937</td>
<td>115</td>
<td>160</td>
<td>41.8</td>
<td>337.7</td>
<td>8.0</td>
<td>2.4</td>
</tr>
<tr>
<td>1938</td>
<td>111</td>
<td>160</td>
<td>41.0</td>
<td>218.8</td>
<td>4.4</td>
<td>2.0</td>
</tr>
<tr>
<td>1939</td>
<td>136</td>
<td>144</td>
<td>48.6</td>
<td>274.1</td>
<td>8.9</td>
<td>3.2</td>
</tr>
<tr>
<td>1940</td>
<td>190</td>
<td>174</td>
<td>52.2</td>
<td>592.7</td>
<td>61.8</td>
<td>10.4</td>
</tr>
<tr>
<td>Total</td>
<td>1,032</td>
<td>1,523</td>
<td></td>
<td>$2,378.4</td>
<td>$45.9</td>
<td></td>
</tr>
</tbody>
</table>

Earnings on Income, 1931-1940: 1.9%
Proportion of All Returns Reporting Net Income, 1931-1940: 40.4%

---


Corporations are classified according to the activity which accounts for the largest percentage of receipts. Bureau classifications used: "Radios, complete and parts," 1931-37; "Radio Apparatus & Phonographs," 1938-39; "Communication Equipment and Phonographs," 1940. It was impossible to adjust for these classification changes.

*Earnings on Income* divided by "Gross Income."
EXHIBIT 7

INCOME TAX RETURNS, CORPORATIONS MANUFACTURING ELECTRICAL MACHINERY AND EQUIPMENT, CLASSIFIED BY PRODUCTS

1939

<table>
<thead>
<tr>
<th>Product Group</th>
<th>Number of Returns</th>
<th>Number of Returns With Net Income</th>
<th>Number of Returns With No Net Income</th>
<th>Per Cent Reporting Net Income</th>
<th>Gross Income (000,000's)</th>
<th>Net Income (000,000's)</th>
<th>Earnings on Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrical equipment</td>
<td>303</td>
<td>180</td>
<td></td>
<td>62.7</td>
<td>$641.0</td>
<td>$87.7</td>
<td>13.7%</td>
</tr>
<tr>
<td>for public utility, manufacturing, ...</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive electrical equipment</td>
<td>40</td>
<td>40</td>
<td></td>
<td>50.0</td>
<td>81.3</td>
<td>12.3</td>
<td>15.1</td>
</tr>
<tr>
<td>Radio apparatus and phonographs</td>
<td>136</td>
<td>144</td>
<td></td>
<td>48.6</td>
<td>274.1</td>
<td>8.9</td>
<td>3.0</td>
</tr>
<tr>
<td>Household electrical appliances</td>
<td>67</td>
<td>65</td>
<td></td>
<td>50.8</td>
<td>126.2</td>
<td>12.0</td>
<td>9.5</td>
</tr>
<tr>
<td>Other electrical machinery</td>
<td>276</td>
<td>302</td>
<td></td>
<td>47.8</td>
<td>494.1</td>
<td>35.7</td>
<td>7.2</td>
</tr>
<tr>
<td>Electrical machinery and equipment, not allocable</td>
<td>58</td>
<td>53</td>
<td></td>
<td>52.3</td>
<td>251.9</td>
<td>22.0</td>
<td>8.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>880</strong></td>
<td><strong>784</strong></td>
<td></td>
<td><strong>52.9%</strong></td>
<td><strong>$1,868.5</strong></td>
<td><strong>$177.5</strong></td>
<td><strong>9.6%</strong></td>
</tr>
</tbody>
</table>

Corporations are classified according to the activity which accounts for the largest percentage of receipts.

b. Net taxable income as reported for income tax purposes.
c. Includes gross sales, less returns and allowances, plus taxable interest, rents, royalties, dividends, capital gains, etc.
d. "Net Income" divided by "Gross Income".
EXHIBIT 3

FOREIGN TRADE IN ELECTRICAL EQUIPMENT, 1923-1941a

(Thousands of dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1923</td>
<td>128,827</td>
<td>2,266</td>
</tr>
<tr>
<td>1924</td>
<td>129,329</td>
<td>2,766</td>
</tr>
<tr>
<td>1925</td>
<td>78,770</td>
<td>2,423</td>
</tr>
<tr>
<td>1926</td>
<td>94,919</td>
<td>2,620</td>
</tr>
<tr>
<td>1927</td>
<td>34,066</td>
<td>3,034</td>
</tr>
<tr>
<td>1928</td>
<td>50,736</td>
<td>2,770</td>
</tr>
<tr>
<td>1929</td>
<td>130,063</td>
<td>2,661</td>
</tr>
<tr>
<td>1930</td>
<td>114,256</td>
<td>2,063</td>
</tr>
<tr>
<td>1931</td>
<td>35,060</td>
<td>2,911</td>
</tr>
<tr>
<td>1932</td>
<td>48,552</td>
<td>1,948</td>
</tr>
<tr>
<td>1933</td>
<td>47,530</td>
<td>1,547</td>
</tr>
<tr>
<td>1934</td>
<td>66,535</td>
<td>1,702</td>
</tr>
<tr>
<td>1935</td>
<td>78,064</td>
<td>2,162</td>
</tr>
<tr>
<td>1936</td>
<td>81,348</td>
<td>2,015</td>
</tr>
<tr>
<td>1937</td>
<td>114,576</td>
<td>2,546</td>
</tr>
<tr>
<td>1938</td>
<td>103,111</td>
<td>2,018</td>
</tr>
<tr>
<td>1939</td>
<td>106,306</td>
<td>1,950</td>
</tr>
<tr>
<td>1940</td>
<td>116,703</td>
<td>1,716</td>
</tr>
<tr>
<td>1941</td>
<td>148,381</td>
<td>372</td>
</tr>
</tbody>
</table>

EXHIBIT 9
THE ELECTRICAL MANUFACTURING INDUSTRY AND RELATED FACTORS
1925-1944

(Index numbers, 1925 = 100)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1925</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>n.a.</td>
</tr>
<tr>
<td>1927</td>
<td>112</td>
<td>101</td>
<td>102</td>
<td>122</td>
<td>103</td>
<td>n.a.</td>
</tr>
<tr>
<td>1929</td>
<td>156</td>
<td>137</td>
<td>114</td>
<td>150</td>
<td>106</td>
<td>n.a.</td>
</tr>
<tr>
<td>1931</td>
<td>85</td>
<td>90</td>
<td>78</td>
<td>144</td>
<td>108</td>
<td>n.a.</td>
</tr>
<tr>
<td>1933</td>
<td>51</td>
<td>68</td>
<td>73</td>
<td>131</td>
<td>109</td>
<td>n.a.</td>
</tr>
<tr>
<td>1934</td>
<td>70</td>
<td>88</td>
<td>82</td>
<td>141</td>
<td>110</td>
<td>63</td>
</tr>
<tr>
<td>1935</td>
<td>85</td>
<td>94</td>
<td>96</td>
<td>155</td>
<td>111</td>
<td>77</td>
</tr>
<tr>
<td>1936</td>
<td>119</td>
<td>106</td>
<td>113</td>
<td>180</td>
<td>112</td>
<td>109</td>
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<tr>
<td>1937</td>
<td>137</td>
<td>128</td>
<td>124</td>
<td>199</td>
<td>113</td>
<td>133</td>
</tr>
<tr>
<td>1938</td>
<td>97</td>
<td>77</td>
<td>97</td>
<td>187</td>
<td>113</td>
<td>90</td>
</tr>
<tr>
<td>1939</td>
<td>123</td>
<td>84</td>
<td>120</td>
<td>212</td>
<td>114</td>
<td>124</td>
</tr>
<tr>
<td>1940</td>
<td>154</td>
<td>106</td>
<td>137</td>
<td>238</td>
<td>115</td>
<td>205</td>
</tr>
<tr>
<td>1941</td>
<td>276</td>
<td>155</td>
<td>178</td>
<td>281</td>
<td>116</td>
<td>336</td>
</tr>
<tr>
<td>1942</td>
<td>415</td>
<td>n.a.</td>
<td>219</td>
<td>319</td>
<td>117</td>
<td>555</td>
</tr>
<tr>
<td>1943</td>
<td>522</td>
<td>n.a.</td>
<td>263</td>
<td>372</td>
<td>119</td>
<td>n.a.</td>
</tr>
<tr>
<td>1944</td>
<td>553</td>
<td>n.a.</td>
<td>261</td>
<td>400</td>
<td>120</td>
<td>n.a.</td>
</tr>
</tbody>
</table>


E.M.I. Production based on U. S. Census of Manufactures and data compiled by NEMA statistical department. In addition to products shown in electrical machinery, apparatus and supplies schedule of the Census there are included electric refrigeration, radio apparatus and supplies, steam turbines for electrical drive, electrical porcelain, glass insulators, and electric washing machines. Indices for the war years reflect production of non-electrical as well as electrical goods.

E.M.I. Employment based on labor series of National Industrial Conference Board, but adjusted to 1925 = 100. This series represents the electrical manufacturing industry including radio.

F.R.B. Production based on the Federal Reserve Board's revised index for the manufacturing industry and adjusted to 1925 = 100. (Includes all revisions made by Federal Reserve Board up to December 13, 1943.)

Electric Power Sales index figures based upon Edison Electric Institute data.

Population based upon the annual midyear estimates of the U. S. Bureau of the Census.


n.a. Not available.
### EXHIBIT 10
MANUFACTURERS' SALES IN MAJOR BRANCHES OF ELECTRICAL MANUFACTURING INDUSTRY, 1925-1944a

(Index Numbers, 1925 = 100)

<table>
<thead>
<tr>
<th>Year (100=)</th>
<th>Appliances $140m</th>
<th>Refrigeration $16m</th>
<th>Electrical Material $38m</th>
<th>Industrial Apparatus $132m</th>
<th>Trans. and Dist. Equip. $167m</th>
<th>Insul. Wire and Cable $110m</th>
</tr>
</thead>
<tbody>
<tr>
<td>1925</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>1927</td>
<td>106</td>
<td>425</td>
<td>100</td>
<td>105</td>
<td>106</td>
<td>106</td>
</tr>
<tr>
<td>1929</td>
<td>110</td>
<td>766</td>
<td>135</td>
<td>149</td>
<td>120</td>
<td>133</td>
</tr>
<tr>
<td>1931</td>
<td>72</td>
<td>778</td>
<td>71</td>
<td>75</td>
<td>64</td>
<td>54</td>
</tr>
<tr>
<td>1933</td>
<td>57</td>
<td>574</td>
<td>59</td>
<td>47</td>
<td>22</td>
<td>27</td>
</tr>
<tr>
<td>1934</td>
<td>73</td>
<td>747</td>
<td>74</td>
<td>59</td>
<td>33</td>
<td>36</td>
</tr>
<tr>
<td>1935</td>
<td>92</td>
<td>844</td>
<td>93</td>
<td>83</td>
<td>50</td>
<td>46</td>
</tr>
<tr>
<td>1936</td>
<td>121</td>
<td>1,131</td>
<td>116</td>
<td>118</td>
<td>85</td>
<td>69</td>
</tr>
<tr>
<td>1937</td>
<td>136</td>
<td>1,360</td>
<td>131</td>
<td>161</td>
<td>124</td>
<td>98</td>
</tr>
<tr>
<td>1938</td>
<td>109</td>
<td>769</td>
<td>83</td>
<td>97</td>
<td>90</td>
<td>60</td>
</tr>
<tr>
<td>1939</td>
<td>123</td>
<td>1,100</td>
<td>116</td>
<td>127</td>
<td>104</td>
<td>71</td>
</tr>
<tr>
<td>1940</td>
<td>151</td>
<td>1,331</td>
<td>149</td>
<td>177</td>
<td>124</td>
<td>87</td>
</tr>
<tr>
<td>1941</td>
<td>212</td>
<td>1,800</td>
<td>253</td>
<td>317</td>
<td>189</td>
<td>157</td>
</tr>
<tr>
<td>1942</td>
<td>73</td>
<td>264</td>
<td>318</td>
<td>465</td>
<td>213</td>
<td>155</td>
</tr>
<tr>
<td>1943</td>
<td>12</td>
<td>158</td>
<td>447</td>
<td>658</td>
<td>167</td>
<td>153</td>
</tr>
<tr>
<td>1944</td>
<td>17b</td>
<td>39b</td>
<td>503b</td>
<td>631b</td>
<td>125b</td>
<td>125b</td>
</tr>
</tbody>
</table>

a. Source: NEMA, from Electrical World.

1. Appliances include domestic kitchen and table appliances, electric ranges, electric water heaters, electric vacuum cleaners, electric washing machines, electric fans and food service equipment.

2. Household Refrigeration includes complete units, parts and cabinets. Commercial refrigeration and air conditioning equipment are excluded.

3. Electrical Material includes carbon, electrical porcelain, laminated phenolic products, manufactured electrical mica and vulcanized fiber. Molded insulation is excluded.

4. Industrial Apparatus includes electric welding equipment and wire, industrial controls, industrial heating equipment and motors and generators (excluding all generators except motor-generator sets). Electric furnaces and electric tools are excluded.

5. Transmission and Distribution Equipment includes switchgear, high-voltage insulators, power and distribution transformers, lightning arrestors, pole line hardware and earth anchors, panelboards and distribution boards, small air circuit breakers and watt-hour and demand meters.

6. Insulated Wire and Cable for light and power includes only the following types: weatherproof wire, paper-insulated power cable, varnished cambric cable, rubber-sheathed cord and cable and rubber-covered building wire.

"All indices based upon U. S. Census of Manufacturers data and NEMA statistical department data corrected where possible to represent the entire industry." Electrical World, Vol. 123, No. 3 (January 20, 1945), p. 111.

b. Preliminary.
### EXHIBIT 11

**MANUFACTURERS' SALES IN MAJOR BRANCHES OF ELECTRICAL MANUFACTURING INDUSTRY**

(millions of dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Appliances</th>
<th>Refrigeration</th>
<th>Electrical Material</th>
<th>Industrial Apparatus</th>
<th>Trans. &amp; Dist. Equip.</th>
<th>Insul. Wire &amp; Cable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1925</td>
<td>$140</td>
<td>$16</td>
<td>$38</td>
<td>$132</td>
<td>$167</td>
<td>$110</td>
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<tr>
<td>1927</td>
<td>148</td>
<td>68</td>
<td>38</td>
<td>132</td>
<td>177</td>
<td>117</td>
</tr>
<tr>
<td>1929</td>
<td>164</td>
<td>123</td>
<td>51</td>
<td>197</td>
<td>200</td>
<td>146</td>
</tr>
<tr>
<td>1931</td>
<td>101</td>
<td>124</td>
<td>27</td>
<td>99</td>
<td>107</td>
<td>59</td>
</tr>
<tr>
<td>1933</td>
<td>60</td>
<td>92</td>
<td>22</td>
<td>62</td>
<td>37</td>
<td>30</td>
</tr>
<tr>
<td>1934</td>
<td>102</td>
<td>120</td>
<td>28</td>
<td>78</td>
<td>55</td>
<td>40</td>
</tr>
<tr>
<td>1935</td>
<td>129</td>
<td>135</td>
<td>35</td>
<td>110</td>
<td>34</td>
<td>51</td>
</tr>
<tr>
<td>1936</td>
<td>169</td>
<td>180</td>
<td>44</td>
<td>156</td>
<td>133</td>
<td>76</td>
</tr>
<tr>
<td>1937</td>
<td>190</td>
<td>218</td>
<td>50</td>
<td>213</td>
<td>207</td>
<td>108</td>
</tr>
<tr>
<td>1938</td>
<td>153</td>
<td>123</td>
<td>32</td>
<td>128</td>
<td>150</td>
<td>66</td>
</tr>
<tr>
<td>1939</td>
<td>179</td>
<td>176</td>
<td>44</td>
<td>168</td>
<td>174</td>
<td>79</td>
</tr>
<tr>
<td>1940</td>
<td>211</td>
<td>213</td>
<td>57</td>
<td>234</td>
<td>207</td>
<td>96</td>
</tr>
<tr>
<td>1941</td>
<td>297</td>
<td>237</td>
<td>96</td>
<td>413</td>
<td>316</td>
<td>173</td>
</tr>
<tr>
<td>1942</td>
<td>102</td>
<td>42</td>
<td>121</td>
<td>614</td>
<td>356</td>
<td>171</td>
</tr>
<tr>
<td>1943</td>
<td>17</td>
<td>25</td>
<td>170</td>
<td>842</td>
<td>279</td>
<td>149</td>
</tr>
<tr>
<td>1944</td>
<td>24a</td>
<td>6b</td>
<td>191b</td>
<td>533b</td>
<td>209b</td>
<td>138b</td>
</tr>
</tbody>
</table>

**Source:** NEMA, from Electrical World.

a. These "actual" dollar figures were estimated by the writer from the index numbers and base values in Exhibit 10.

b. Preliminary.
EXHIBIT 12
MEMBERSHIP OF LOCAL 201, UER & MWA, 1934-1945

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Average Dues-Paying Membership</th>
<th>Average No. of Monthly Unemployment Stamps Issued</th>
<th>Total No. Initiated</th>
<th>Total No. Reinstated</th>
<th>Average No. in Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>1934</td>
<td>1,473d</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>1935</td>
<td>1,807d</td>
<td>787^c</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>1936</td>
<td>2,737d</td>
<td>644^c</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>1937</td>
<td>4,852</td>
<td>311^c</td>
<td>2,237</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>1938</td>
<td>3,308</td>
<td>490</td>
<td>286</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>1939</td>
<td>4,492</td>
<td>1,336</td>
<td>354</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>1940</td>
<td>5,625</td>
<td>1,925</td>
<td>1,860</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>1941</td>
<td>9,851</td>
<td>711</td>
<td>8,464</td>
<td>250</td>
<td>250</td>
</tr>
<tr>
<td>1942</td>
<td>14,753</td>
<td>371</td>
<td>10,184</td>
<td>1,287</td>
<td>1,000^e</td>
</tr>
<tr>
<td>1943</td>
<td>19,048</td>
<td>434</td>
<td>6,707</td>
<td>290</td>
<td>2,900^e</td>
</tr>
<tr>
<td>1944</td>
<td>21,558</td>
<td>114</td>
<td>4,624</td>
<td>42</td>
<td>4,800^e</td>
</tr>
<tr>
<td>1945f</td>
<td>20,442</td>
<td>21</td>
<td>947</td>
<td>29</td>
<td>5,200^e</td>
</tr>
</tbody>
</table>

a. Source: Records of Local 201, UER & MWA.
b. Ending on November 1 of the year stated.
c. Unemployment stamps or Dues Credits are issued without charge to members unemployed due to illness, lack of work, or other legitimate reason.
d. Estimated from total dues receipts.
e. Data incomplete; based on average of available figures.
f. First six months only.
### EXHIBIT 13

**MEMBERSHIP OF UER & MWA, 1936-1945**

<table>
<thead>
<tr>
<th>Year</th>
<th>Dues-Paying Membership(^a)</th>
<th>Employment Under UE Contracts(^b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1936</td>
<td>16,548</td>
<td>n.a.</td>
</tr>
<tr>
<td>1937</td>
<td>53,789</td>
<td>n.a.</td>
</tr>
<tr>
<td>1938</td>
<td>43,964</td>
<td>n.a.</td>
</tr>
<tr>
<td>1939</td>
<td>54,967</td>
<td>140,000</td>
</tr>
<tr>
<td>1940</td>
<td>82,060</td>
<td>155,000</td>
</tr>
<tr>
<td>1941</td>
<td>156,644</td>
<td>316,000</td>
</tr>
<tr>
<td>1942</td>
<td>226,350</td>
<td>435,000</td>
</tr>
<tr>
<td>1943</td>
<td>381,460(^c)</td>
<td>575,000</td>
</tr>
<tr>
<td>1944</td>
<td>457,813</td>
<td>686,000</td>
</tr>
<tr>
<td>1945</td>
<td>475,266(^d)</td>
<td>700,000</td>
</tr>
</tbody>
</table>

\(^a\) Average number of members on which monthly per capita tax was paid to the UE national office for calendar years stated. Source: Calculated from monthly financial reports of the UE national office.

\(^b\) Number employed under UE contract for fiscal years ending July 31 of years stated. Source: Estimates of UE national office.

\(^c\) Data incomplete. Based on average of available figures.

\(^d\) First six months.

n.a. Not available.
EXHIBIT 14

GENERAL ELECTRIC AND WESTINGHOUSE
EMPLOYEES, PAYROLLS, AND AVERAGE ANNUAL EARNINGS
1926-1944

<table>
<thead>
<tr>
<th>Year</th>
<th>General Electric</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th>Westinghouse</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of Employees</td>
<td>Payrolls (thousands)</td>
<td>Average Earnings</td>
<td>No. of Employees</td>
<td>Payrolls (thousands)</td>
<td>Average Earnings</td>
</tr>
<tr>
<td>1926</td>
<td>75,711</td>
<td>$134,003</td>
<td>$1,770</td>
<td>48,877</td>
<td>$ 79,318</td>
<td>$1,623</td>
</tr>
<tr>
<td>1927</td>
<td>72,981</td>
<td>130,796</td>
<td>1,792</td>
<td>42,801</td>
<td>72,655</td>
<td>1,702</td>
</tr>
<tr>
<td>1928</td>
<td>73,526</td>
<td>134,056</td>
<td>1,823</td>
<td>41,509</td>
<td>73,761</td>
<td>1,777</td>
</tr>
<tr>
<td>1929</td>
<td>87,933</td>
<td>163,090</td>
<td>1,855</td>
<td>49,985</td>
<td>88,303</td>
<td>1,767</td>
</tr>
<tr>
<td>1930</td>
<td>78,380</td>
<td>140,905</td>
<td>1,798</td>
<td>43,827</td>
<td>81,921</td>
<td>1,869</td>
</tr>
<tr>
<td>1931</td>
<td>65,516</td>
<td>106,656</td>
<td>1,628</td>
<td>31,276</td>
<td>55,980</td>
<td>1,790</td>
</tr>
<tr>
<td>1932</td>
<td>46,943</td>
<td>61,414</td>
<td>1,308</td>
<td>25,756</td>
<td>36,532</td>
<td>1,588</td>
</tr>
<tr>
<td>1933</td>
<td>41,560</td>
<td>55,287</td>
<td>1,330</td>
<td>31,568</td>
<td>38,698</td>
<td>1,226</td>
</tr>
<tr>
<td>1934</td>
<td>49,642</td>
<td>75,227</td>
<td>1,515</td>
<td>36,918</td>
<td>50,175</td>
<td>1,359</td>
</tr>
<tr>
<td>1935</td>
<td>55,706</td>
<td>88,746</td>
<td>1,593</td>
<td>36,284</td>
<td>55,075</td>
<td>1,518</td>
</tr>
<tr>
<td>1936</td>
<td>61,781</td>
<td>106,784</td>
<td>1,728</td>
<td>41,490</td>
<td>73,199</td>
<td>1,764</td>
</tr>
<tr>
<td>1937</td>
<td>75,212</td>
<td>143,358</td>
<td>1,933</td>
<td>52,249</td>
<td>102,957</td>
<td>1,971</td>
</tr>
<tr>
<td>1938</td>
<td>59,917</td>
<td>101,511</td>
<td>1,694</td>
<td>42,402</td>
<td>70,460</td>
<td>1,662</td>
</tr>
<tr>
<td>1939</td>
<td>62,797</td>
<td>120,130</td>
<td>1,913</td>
<td>43,732</td>
<td>80,916</td>
<td>1,850</td>
</tr>
<tr>
<td>1940</td>
<td>76,314</td>
<td>155,497</td>
<td>2,011</td>
<td>52,725</td>
<td>109,743</td>
<td>2,082</td>
</tr>
<tr>
<td>1941</td>
<td>109,689</td>
<td>257,364</td>
<td>2,346</td>
<td>71,073</td>
<td>168,723</td>
<td>2,374</td>
</tr>
<tr>
<td>1942</td>
<td>139,939</td>
<td>382,039</td>
<td>2,730</td>
<td>88,945</td>
<td>239,634</td>
<td>2,694</td>
</tr>
<tr>
<td>1943</td>
<td>171,133</td>
<td>471,650</td>
<td>2,756</td>
<td>105,702</td>
<td>316,859</td>
<td>2,998</td>
</tr>
<tr>
<td>1944</td>
<td>167,212</td>
<td>463,564</td>
<td>2,772</td>
<td>115,425</td>
<td>388,093</td>
<td>3,362</td>
</tr>
</tbody>
</table>

a. Source: Annual Reports of each corporation.
CONSTITUTION, RULES and BY-LAWS

of the

LOCAL 201
LYNN, MASS.

Electrical Industry Employees Union
248 South Common Street
LYNN, MASSACHUSETTS

Originally passed September 18, 1933
Amended January 11, 1935
Amended May 18, 1937
Amended May 6, 1941
Amended July 1, 1943

Affiliate of
Committee for Industrial Organization
(C. I. O.)
APPENDIX F

BIOGRAPHICAL NOTE

Name: Finn Theodore Malm.

Date and Place of Birth: November 2, 1919, Santa Cruz, Calif.

Marital Status: Married to Virginia Margaret Ferguson, June 3, 1943.

Educational Institutions Attended:
(1) Public School, Hongkong, China.
(2) Peralta Elementary School, Oakland, Calif.
(3) Claremont Junior High School, Oakland, Calif.
(4) University High School, Oakland, Calif.
(5) University of California, Berkeley, Calif.

Degrees and Scholastic Honors:
(1) B.S. "with honors," University of California, May, 1941.
(2) Sophomore Scholarship Cup, College of Commerce, U.C., 1938.
   (Awarded annually to the sophomore with the highest scholastic standing in the College
   of Commerce.)
(3) Marietta C. Mastick Scholar, U.C., 1939-1940.
(4) William Clare Anderson Scholar, U.C., 1940-1941.
(5) Frank G. Drum Scholar in Commerce, U.C., 1941-1942.
(6) Graduate Fellow in Industrial Economics, MIT, 1942-1943.
(7) Member of Phi Beta Kappa (liberal arts honor society) and Beta Gamma Sigma (commerce honor society), U.C.

Teaching Experience:
(1) Teaching Assistant in Economics, MIT, 1943.
(2) Instructor in Economics, MIT, 1943-1946.
   Courses taught: Ec 11, Economic Principles.
   Ec 12, Industrial Economics.
   15.73, Management Laboratory.
(3) In charge of course in "Public Speaking and Labor Relations" given for members of Local 201, UER & MWA, 1943-1944.
(4) In charge of course in "Elementary Motion and Time Study" given for members of the Nashua Foremen's Club by the University of New Hampshire ESMWT program, 1944-1945.
SELECTED BIBLIOGRAPHY


Note: There apparently was no formal publication of contracts containing the modifications agreed on in 1939 and 1940, although GE mimeographed a "Supplement to Contract between the General Electric Company and the United Electrical, Radio and Machine Workers of America covered by GEQ-131 dated April 1, 1938; Includes changes agreed upon in 1939 and 1940." The Company evidently began annual publication of the contracts with GEQ-131A(1941). Local 201 and the UE have also published some of the contracts.


"Technological Change in the Electric Lamp Industry." Unpublished MS, MIT Industrial Relations Section, 1945.


*Apprentice System of the Lynn Works.* West Lynn, 1941.


The Facts as We See Them. Cleveland: GE Lamp Department, undated.

G.E. Employees Relief and Loan Plan of the West Lynn Works—Constitution, GEQ-114B. West Lynn Works, 1941.


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The Shop Steward on the Job. 1944.

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When You Come Back. UE's orientation handbook for returning servicemen. 1944.

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Abstract of
LOCAL 201, UE-CIO
A CASE STUDY OF A LOCAL INDUSTRIAL UNION

By
FINN THEODORE MALM
B.S., University of California
1941

SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF
DOCTOR OF PHILOSOPHY

at the

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

1946
Local 201 of the United Electrical, Radio, and Machine Workers of America (a local industrial union bargaining with the Lynn plants of the General Electric Company) was established as the unaffiliated Electrical Industry Employees Union in 1933. This development resulted from: (1) accumulated dissatisfaction with depression conditions and the GE Plan of Representation; (2) Section 7-A of the NIRA; (3) the leadership of Alfred Coulthard (a former GE employee who became the first Business Agent of Local 201 and held that post until he resigned in 1945); (4) the refusal of the A.F. of L. to grant a federal union charter without preserving the jurisdictional claims of the craft unions.

The Lynn EIEU won a representation election in March, 1934, and collective bargaining began at about the same time. The peaceful establishment of this bargaining relationship was due to: (1) the willingness of GE Management to "move with the times" and deal cooperatively with an independent union; (2) the capable leadership and gradualist bargaining philosophy of Local 201 officers; (3) the experience of GE supervision and employees in adjusting grievances through the Plan of Representation.

In 1934, the Lynn EIEU established contacts with other independent electrical unions, and they formed a loose federation (the national EIEU) to coordinate their activities. Finding local plant negotiations often ineffective, Lynn (and
other) leaders desired a stronger national union which could establish company-wide bargaining with GE. The independents founded the Electrical and Radio Workers Union in 1935, which cooperated with the National Radio and Allied Trades (a council of A.F. of L. federal locals in the radio industry) in unsuccessful attempts to win a national industrial charter. The two groups merged in March, 1936, to form the United Electrical and Radio Workers of America, which has expanded rapidly and established bargaining relations with most major electrical manufacturers.

Local 201 admits to membership all non-supervisory employees of the Lynn GE plants, and is free of any racial or religious discrimination. The organization is characterized by rank-and-file control and a wide variety of activities. Union members elect Councillors, who make up the General Council; this body elects an Executive Board, the central governing committee which presents grievance cases to Management (with the assistance of the Business Agent and his staff). Nearly all decisions of the Board are subject to review by the Council and the membership. The Business Agent and his assistant are elected full-time employees, subject to the instructions of the Board, Council, and membership. Other officers of the Local are paid by the Union for time lost from work due to Union activities, including the negotiation of grievances; this policy resulted from the desire of early members to "pay their own way."
Grievances are adjusted: (1) at the Councillor-Foreman level; (2) by the Executive Board and a business agent with local Management; (3) by the UE with top GE Management; (4) by arbitration. A Union member dissatisfied with the settlement of his case may ask the Council to instruct the Board to press the case further.

The judicial procedure of Local 201, which leaves final decisions to the membership, has been used only once in the last 10 years. In elections, although there is considerable apathy among the membership, no political "machines" exist, and campaigning is based mainly on personal rather than factional issues. There is a moderate turnover among elected officials. Local 201 has remained aloof from city politics; it has attempted to influence state and national legislation, and in 1944 first participated as an organization in a political campaign. The Local's educational program has been relatively limited, but a wide variety of social and recreational activities (dances, theatricals, outings, etc.) as well as community and social projects (war bond, war fund, community fund, blood donor, and other drives) have been guided by the Activities Committee. The Local publishes an attractive weekly newspaper, the Electrical Union News.

Company-wide bargaining with General Electric was initiated by the UE in March, 1937; a contract was negotiated, but it was rejected by the local unions because not enough bargaining demands had been won. The first UE-GE agreement became
effective on April 1, 1938, and many contract modifications have been worked out peacefully during the next seven years. The main bargaining problems which have developed are these: (1) The locus of "authority to settle" (both sides grant only provisional authority to the negotiating committees). (2) A worsening of relations during the war, traceable to (a) disagreements over a general wage increase and a broad incentive plan for indirect labor in 1942, (b) alleged reluctance of GE to modify the application of a federal executive order relating to premium pay on Saturdays and Sundays, (c) a trend toward more centralization and less local flexibility of Company authority over labor relations.

Concerning wage policies, before the war the UE pressed for a better standard of living, based on: (1) increasing productivity; (2) wage trends; (3) ability of the Company to pay. During the war, the Union sought wage rate increases proportionate to changes in the cost of living. Local 201 accepts job evaluation, but functions only as a critic in its administration. The Union negotiated a "step-rate plan" in 1945 which reduced the "excessive" number of GE wage rates and provided for automatic progression within rate ranges. (Automatic progression was sought to avoid employee rating, which is distrusted, and to get increases from seniority alone.) As a long-run policy, the Union wishes to eliminate sex differentials in wage rates; since wage discrimination persists, however, the UE has insisted that when women are
placed on "men's jobs," the local union must be notified and male rates must be paid. The UE favors properly-administered incentive systems, although it objects to unduly complicated ones; it has negotiated many protections for incentive workers.

Concerning other policies, Local 201 leaders originally favored the open shop and voluntary check-off, but wartime conditions caused the Union to negotiate maintenance of membership and compulsory check-off. (The Union pays the Company for the actual bookkeeping costs of the check-off.) The Union has not sought to make seniority govern promotions, but considerable stress has been laid on it in shift choices, downgrading, and lay-offs. On technological change, the Local's policy is that displaced workers should be transferred to other jobs with equal earnings, but that "job values" should be set by job evaluation. Union-management cooperation on production problems in Lynn, inaugurated during World War II, has so far been rather ineffective, due to lingering distrust on the workers' side. The Union sometimes seeks modification of Company disciplinary measures when these appear to be unduly severe.

Local 201 has given GE workers an effective voice in the control of their working conditions, wide opportunities to participate in recreational and community affairs and to work for social and economic improvements through legislative and political activity. Local 201 has been credited with improving the formerly bad labor reputation of Lynn with its 12-year
record of no strikes and very few unauthorized walk-outs. The
UE has changed considerably the framework within which GE
Management can work, but it has not sought to usurp Manage-
ment functions; the exact effect of the Union on GE's competi-
tive position or on the ability of GE Management to operate
efficiently is impossible to measure in the absence of data
available only from the Company.

There have been two significant developments affecting
Local 201 since the end of World War II: (1) The resignation
of Alfred Coulthard as Business Agent. It remains to be
seen what effect the loss of his broad experience and thought-
ful guidance will have. (2) A strike began on January 15,
1946, to enforce a Union demand for a general increase of $2
per day. Properly conducted, the strike may serve well to
"clear the air" of wartime tensions; improperly handled, it
may leave a strained relationship for years to come.