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The Company Union Movement, 1900–1937: A Reexamination

¶ *The fostering of worker confidence in the organization has been a major goal of big business for a century. Professor Nelson, a well-known authority on the history of human resource management, here provides a new look at company unions. His view shows that the characterization of these organizations by liberal and labor critics was not always accurate. Some company unions represented noteworthy contributions to the development of a professional approach to labor relations.*

"Now let's get down to some collective bargaining," the grizzled capitalist announces to the half dozen puppets seated before him. "All those in favor of women in cafeteria wearing nets on their hair say aye." He pulls a lever and the puppets' arms shoot up. "Ah, that's sweet unamity (*sic*)." Once again the meeting of the company union ends in blissful harmony.[1]

This caricature, from an AFL recruiting poster, could also serve as a guide to the literature of the company union movement. Obliterated by the Congress and the courts during the 1930s, the company union has fared little better in academe. To the generation of intellectuals that reached maturity during the Depression years and wrote the early histories of that period, it was a pale replica of the conventional trade union, created to exorcise the specter of shared power and higher labor costs. In more recent accounts it has often served as a convenient symbol of the cynicism of employers and the naivete of workers in the 1920s and early 1930s. There were of course exceptions, company unions that were not responses to the appearance of a union organizer or to the end of a strike. But even when the employer's motives were honorable, it seems, the results were feeble. Company unions did not bargain for wage increases, have contacts with other workers' groups, require dues, support officers, strike, or in other ways measure up to trade unions.

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[1] "The Company 'Union' Meets," United Rubber Workers Council, ca. 1934.

Only in the late 1930s and 1940s when government and a reinvigorated labor movement joined hands, did the modern era of industrial relations begin.[2]

A reexamination of the company union movement suggests that these analyses, like the AFL caricature, substantially oversimplify the role of the company union in American industry. "Employee representation" or "works council" plans were quite varied in nature. They reflected a variety of motives and objectives. Many fit the trade unionists' image; many others did not. Above all, the most important and durable of the company unions transcended the familiar stereotype. Their contributions to the evolution of managerial technique far overshadowed their success in decreasing unrest or thwarting the AFL. Embracing several hundred firms and perhaps a half million workers at its peak, this core group was the principal institutional link between the ambitious innovations in production and personnel management of the pre-World War I years and the less sweeping but more inclusive changes in industrial management and worker organization associated with New Deal initiatives and labor militancy in the late 1930s and 1940s. Their activities, obscured in the intellectual onslaught against the remnants of the "New Era," were a prelude to the labor revolution in American industry.

The following tables document the contours of the company union movement between the turn of the century and the 1930s. Table 1 traces the ebb and flow of the movement. Table 2 illustrates the role of manufacturing firms and the considerable impact of public policy on the statistics of company unionism. Table 3 casts this information in a larger perspective. It emphasizes the movement's limited and selective appeal, at least until the passage of the National Industrial Recovery Act in 1933. Table 4 provides a more refined measure of that appeal. Even progressive employers, it is clear, were hesitant to embrace the company union. Together these data emphasize the diversity of company unionism, the fluctuating character of the movement, and the dangers of generalizations that do not take these distinctions into account.

From this information and various contemporary sources it is possible to identify at least three separate but overlapping categories of company unions. First, there were the organizations that owed their existence to overt external pressures, government and trade union influence in particular. They included the 157 or more plans that the War Labor

[2] For early histories, see, for example, Broadus Mitchell, *Depression Decade* (New York, 1947), 273–274; Irving Bernstein, *The Lean Years* (Boston, 1960), 170–173, and David Saposs, "Organizational and Procedural Changes in Employee Representation Plans," *Journal of Political Economy*, 44 (December 1936), 803–811. For more recent accounts, see, Stuart Brandes, *American Welfare Capitalism, 1880–1940* (Chicago, 1976), 119–134; David Brody, "The Rise and Decline of Welfare Capitalism," in *Workers in Industrial America* (New York, 1980), 55–56; also see the brief but illuminating revisionist essay by C. Ray Gullett and Edmund R. Gray, "The Impact of Employee Representation Plans Upon the Development of Manager-Worker Relationships in the United States," *Marquette Business Review*, 20 (Fall, 1976), 95–101. On the modern era of industrial relations, see, Bernstein, *Lean Years*, 172; Robert W. Dunn, *The Americanization of Labor* (New York, 1952), 139–142.

Board, the Shipbuilding Labor Adjustment Board, the Fuel Administration, and other federal agencies mandated during and after World War I, the twenty-five company unions that railroads introduced for their shopmen following a nationwide strike in 1922, and the hundreds of company unions that appeared under NRA auspices in 1933–34.[3] These were the classic company unions, the bogeymen of the traditional accounts. With few exceptions their impact was inconsequential. Eighty percent or more of them, including the most famous wartime organizations, the 45 Bridgeport plans and the more than 200 Loyal Legion of Loggers and Lumbermen's unions, lasted three years or less.[4] Products of external forces, they had minimal internal influence. Unfortunately, there is little information about the company unions formed in response to the NRA. A poorly-executed U.S. Bureau of Labor study of more than 300 such plans underlined the obvious, that most were anti-union in aim and operation.[5] It seems reasonable to conclude that most of the company unions of the 1930s were as ephemeral and short-lived as their World War I predecessors. The intellectual milieu of the New Deal years, together with the mounting political attack on company unionism, foreclosed avenues that had existed earlier. In most instances the new company unions of 1933–37 were probably the sinister institutions that critics made them out to be.

A second group of company unions was an outgrowth of the political and emotional climate of the post-World War I period, a product of anti-radical and anti-union hysteria, "Wilsonian speeches," and "industrial democracy." Responses to neither overt pressures nor conventional business or social calculations, they appeared because businessmen sought to be "in the fashion." Although there is no way to determine how many company unions were of this type, a large percentage of those recorded in the fourth column of Table 1, perhaps 100 in all, undoubtedly would qualify. Their weakness was obvious. When the radicalism of the war period subsided, the AFL surge aborted, the idealism of Wilson and his supporters became passé, and the recession of 1920–21 reduced swollen labor forces and funds for non-essential projects, their

[3] National Industrial Conference Board, *Growth of Works Councils in the United States* (New York, 1925), 7, 10; John A. Fitch, "The War Labor Board," *The Survey*, 42 (May 3, 1919), 192–195; Robert D. Cuff, "The Politics of Labor Administration During World War I," *Labor History*, 21 (Fall, 1980), 551–552, 560–567.

[4] For the Bridgeport plans, see Willard G. Aborn and William L. Shafter, "Representative Shop Committees," *Industrial Management*, 58 (July, 1919), 29–32; also David Montgomery, *Workers' Control in America* (New York, 1979), 127–134. For the Loyal Legion, see Robert L. Tyler, *Rebels of the Woods* (Eugene, 1967), 102–115. Some of the exceptions became notable company unions in the 1920s. These included the union-inspired plans of Swift, Armour and other meat packers and the Pullman company union for sleeping car porters. See David Brody, *The Butcher Workman* (Cambridge, Mass., 1964), 99–102, 155, 171–173; William L. Harris, *Keeping the Faith* (Urbana, 1977), 70. For the Swift plan, one of the most effective and successful, see John Calder, *Modern Industrial Relations* (New York, 1924), 165–173; 295–307. Also Arthur H. Carver, *Personnel and Labor Problems in the Packing Industry* (Chicago, 1928), 149–151.

[5] U.S. Department of Labor, Bureau of Labor Statistics, "Characteristics of Company Unions, 1935," *Bulletin No. 634*, June 1937 (Washington, 1938). Also Richard C. Wilcock, "Industrial Management Policies Toward Unionism" in Milton Derber and Edwin Young, editors, *Labor and the New Deal* (Madison, 1957), 288–289.

raison d'être disappeared. Internal problems often hastened the decline. Company unions precipitated a flood of "requests for raises in wages and rather upsetting socialistic debates;" or "took up too much time;" or evoked little interest from the employees.[6]

TABLE 1
COMPANY UNIONS, 1917–34

	Number of separate unions	Number of companies	Number of new companies	Number of companies that discontinued unions	Number of workers
1917	12[1]	12[1]			NA
1919	196[2]	145[2]	NA	NA	403,765[2]
1922	725	385[2]	317	77	690,000
1924	814	421[2]	173	137	1,240,704[2]
1926	913	432	59	48	1,369,078
1928	869	399	14	41	1,547,766
1932	767	313	7	86	1,263,194
1934	NA	1,491[3]	NA	NA	2,500,000-[4] 3,000,000

Source: NICB, *Collective Bargaining Through Employee Representation* (New York, 1933), 16.
Notes: [1] NICB, *The Growth of Works Councils in the United States*, (New York, 1925), 10.
[2] The 1925 NICB study listed 225 unions and 122 companies in 1919, 240 companies in 1922, and 212 companies in 1924. It also reported 391,000 workers in 1919 and 1,177,037 in 1924. NICB, *Growth of Work Councils*, 5.
[3] Estimated from NICB, *Individual and Collective Bargaining, 1935* (New York, 1935), 9.
[4] Leverett S. Lyon, *The NRA* (Washington, D.C., 1935), 524.

Even if the organization overcame these obstacles, a final, formidable difficulty remained. An employer specified: "At the first considerable interest was shown and quite perceptible savings made, but later on it began to drag, enthusiasm waned and savings vanished; consequently, we have given it up and gone back to the old order of things."[7] National Industrial Conference Board analysts pinpointed the flaw in another plan: " . . . it is evident from the manner in which the meetings were allowed to degenerate into mere 'talk fests' that the management did not devote sufficient attention to the plan to make the meetings of interest to the representatives. It was apparently considered that the plan would work under its own steam . . . Experiences proved this to be erroneous." One disillusioned employer concluded that to succeed "a man of exceptional training and ability must be in control." Another commentator was more hopeful. The manager's responsibility, he wrote, was "to lead and direct."[8]

The third category of company unions was notable for the extent and character of managerial direction. It included survivors of the first and

[6] National Industrial Conference Board, *Experience with Works Councils in the United States*, Research Report No. 50, May 1922 (New York, 1922), 26, 56, 26–28.
[7] *Ibid.*, 28. This problem did not always lead to the demise of the company union. See Herbert Feis, *Labor Relations* (New York, 1928), 68–95.
[8] *Ibid.*, 28, 171.

second groups and organizations that had more substantial foundations. Together they became the backbone of the movement in the 1920s, provided vital services during the Depression, and withstood the turmoil of 1933–37. They had little in common with the ephemeral company unions of the early 1920s and even less with the government-mandated plans of 1918–22 and 1933–35. Any resemblance to trade unions was also misleading. The distinguishing characteristic of these "unions" was their association with innovative plant management and with progressive personnel practices in particular. In its most advanced form, company unionism was a radical extension of the managerial thrust that had transformed the roles of managers and workers in industrial firms durng the pre-World War I years.

Early Development Of Company Unions

"It's purpose," the official "Sketch" of the Filene Cooperative Association (F.C.A.) explains, "is to enable all of the employees of the corporation to have a sufficient voice in the store government and administration to make it just, considerate and effective." The Filene brothers' novel organization, designed for the employees of their Boston department store, dated from the turn of the century (technically from 1898; more realistically from 1905 when a council was elected) and may have been the first company union. It was unquestionably the first *important* company union and a prototype for the handful of pioneering ventures that appeared before 1917. The Filenes confronted no "walking delegates," feared no "outside agitators," sensed no welling of dissatisfaction in the ranks. Their Association was not a bulwark against trade unionism because there was no union and no threat of one.[3] Their concern was not agitation or unrest, but the anomie of a burgeoning corps of female employees. Like many employers in textiles, insurance and retailing, they feared that their women workers, unaccustomed to a large impersonal institution, would lose their moral perspective and fall victim to corruption and scandal. And like other employers, the Filenes introduced an ambitious welfare program to counteract the ill effects of modern economic life. Their objective was a bureaucratic substitute for the personal attention and assistance that was possible in a smaller firm.

Beginning in the late 1890s, the Filenes introduced a panoply of benefits: medical and insurance plans, a library, lectures, a bank, and social and athletic activities. To administer these programs and to provide counsel and assistance, they employed welfare workers. The

[3] "A Thumbnail Sketch of the Filene Cooperative Association," (Boston, ca. 1915), 8. Mary LaDame, *The Filene Store* (New York, 1930), 119. In the 1920s the Filenes encouraged union organization with little success, *ibid.*, 134–138.

F.C.A. was an outgrowth of these initiatives. The "Sketch" traced a critical feature of this evolution:

> . . . in 1900 the firm created the Welfare Manager's Office. In the beginning, the welfare manger engaged and discharged the employees of the store, was educational director, acted as intermediary between the Firm and the people . . . It was her duty to assist all F.C.A. Boards and Committees and in general to promote . . . and oversee the general welfare of employees.
>
> In 1907 this office was changed and the F.C.A. now has an Executive Secretary who is its executive and administrative head, paid by the store, appointed by the President of the F.C.A., and confirmed by five-sixths vote of the entire Council.[10]

In the following years the F.C.A. assumed increasing responsibility for grievance settlements, wage adjustments, and other labor relations functions. By 1912 it had become much more than a welfare association; yet it continued to reflect its origins and early history.

Other pre-war company unions had similar backgrounds. In every instance an ambitious welfare program preceded the company union, or an individual committed to welfare work was instrumental in its introduction. The most notable of these individuals was H.F.J. Porter, an engineer who became a gadfly of the management movement. An early associate of Frederick W. Taylor, Porter chafed at the technical character of scientific management and the restricted outlook of its practitioners. Besides, his forte was public relations, not management. Welfare work, unlike the engineers' reforms, was comprehensible to employers and laymen alike. Porter made a careful study of the welfare program of the National Cash Register Company, the movement's leader, and began a career as a personnel consultant. The company unions he introduced between 1904 and 1907 were extrapolations of an NCR suggestion system. Porter's plans, like the NCR sytem, were designed to elicit cooperation from the employees, not to engage in collective bargaining, settle grievances, or forestall trade unions. Though his company unions were short-lived due to the advent of unsympathetic managers, his career flourished. In 1912 he became the executive secretary of the new Efficiency Society, which sought to exploit Taylor's insights to improve the productivity of individuals and society. In fact the Society, despite superficial ties to the engineering professions, was, like the company unions, an extension of earlier welfare work.[11]

[10] "A Thumbnail Sketch," 24–25.

[11] See American Rolling Mills Co., *The First Twenty Years*, (Middletown, 1922), 207–252, 287–288; H. F. J. Porter, "Industrial Betterment," *Cassier's Magazine*, 38 (August 1910), 303–314; Porter, "Shop Management," *Engineering News*, 60 (September 10, 1908), 288–289; and footnote 25. Daniel Nelson, *Frederick W. Taylor and the Rise of Scientific Management* (Madison, 1980), 185. H. F. J. Porter, "The Higher Law in the Industrial World," *Engineering Magazine*, 29 (August, 1905), 547; Porter, "Discussion," American Society of Mechanical Engineers *Transactions*, 41 (1919), 193; Porter, "Obtaining the Cooperation of the Men," *American Machinist* 33 (October 13, 1910), 670. Porter first devised the "congressional" style company union that John Leitch later publicized. See John Leitch, *Man-to-Man: The Story of Industrial Democracy* (New York, 1919); Nelson, *Taylor*, 185.

The best known of the pre-war company unions was the Employees Representation Plan of the Colorado Fuel and Iron Company. Introduced at the instigation of the company's most influential stockholder, John D. Rockefeller, Jr., after the notorious Ludlow Massacre of 1913, the so-called Rockefeller Plan was highly controversial. To contemporaries and later students of company unions it was a response to labor unrest, an antidote to the union challenge. More than any other single development it was responsible for the association of company unionism with the open shop crusade. But the link was misleading. The Ludlow Massacre was only part of the story of company unionism at Colorado Fuel and Iron. Unquestionably, Rockefeller and his colleagues were eager to prevent further violence. They were also hostile to the AFL. In other circumstances they might have turned to welfare work to solve their problems. But Colorado Fuel and Iron already had an extensive benefit program.[12]

Like other employers, Rockefeller and his colleagues discovered, possibly to their surprise, that employee benefits and welfare specialists did not insure against labor unrest. Some additional step was needed. Of several possibilities that existed, the company union had special appeal. In the short term it would calm passions in Colorado and burnish the company's tarnished image. In the long term it would build on the welfare program to restore "personal relationships" through the "principle of representation."[13] Rockefeller recruited W. L. Mackenzie King, a Canadian labor expert, and Clarence J. Hicks, a welfare worker at International Harvester, to implement the plan. Their contributions were largely in the area of administrative detail. Given the work of the Filenes, Porter, and others and Colorado Fuel and Iron's experience with welfare work, the Rockefeller Plan was a rational solution to a familiar, if hardly routine, problem.

The operation of the Rockefeller Plan, introduced in 1915–16, reflected its origins. Employee-representatives seldom considered strictly economic issues and had little influence on wages, facts that the Plan's critics, writing from a trade union perspective, constantly emphasized. However, they acted as a court of appeal for aggrieved workers, stimulated sweeping improvements in working conditions, and presided over a vigorous expansion of the welfare program. Some workers remained

[12] See Ben M. Selekman, *Employe's Representation in Steel Works* (New York, 1924); Ben M. Selekman and Mary Van Kleeck, *Employe's Representation in Coal Mines* (New York, 1924); Bernstein, *Lean Years*, 157–164; Brandes, *American Welfare Capitalism*, 123–125; George S. McGovern and Leonard F. Guttridge, *The Great Coalfield War* (Boston, 1972). Lawrence Lewis, "How One Corporation Helped Its Employees," *Engineering and Mining Journal* 83 (June 29, 1907), 1233–1238; William Tolman, *Social Engineering* (New York, 1909), 34, 39, 54–55, 96, 246–247, 258–259, 266–267, 290–291; Budget Meakin, *Model Factories and Villages* (London, 1905), 266–269.

[13] Selekman, *Employe's Representation in Steel Works*, 26.

dissatisfied and many continued to be active in outside unions, but even hostile observers conceded that morale at Colorado Fuel and Iron had improved.[14]

There was another effect that friends and enemies alike, preoccupied with worker attitudes and behavior, overlooked. In their haste to salve the wounds of Ludlow, Rockefeller and his associates neglected to introduce a personnel department before the representation plan went into operation. This omission had a devastating effect on superintendents and foremen. Without warning the management stripped them of their most cherished power, the right to discipline and discharge at will, and made the employee representatives co-equal administrators of personnel policy. Many supervisors resigned or were discharged; others covertly tried to sabotage the company union. By the early 1920s, however, a new attitude was evident. The typical superintendent had "gained a new conception of his responsibility for keeping his relations with his men harmonious." The company union had "vitalized" management awareness of the "practical aspects of an employe's life. . . . They are conscious of the interests of the men. . . . In turn the representatives of the men know and respect the officials." By that time the company had made considerable progress toward enlisting the employees in the operation of the plant. Rockefeller, King, Hicks, and the company managers had reason to be pleased.[15]

Most other successful company unions dated from the war boom of 1917–22. Wartime idealism, fears of radical subversion, and union organizing successes played a part in their rise. But labor turnover, another form of wartime labor turmoil, was a more immediate stimulus. Unlike companies that acted because of government pressure, the firms that introduced these plans were not embroiled in labor disputes; unlike companies that acted because of the popularity of the company union, they had had prior experience in the delicate area of managing employees. An increase in turnover and other signs of unrest alerted managers to the limitations of their efforts. Given the climate of the times, many of them turned to the company union to supplement earlier initiatives. The experiences of the Filene Company and Colorado Fuel and Iron continued to provide a basis for understanding company unionism.

Yet there were important differences between the pre-war and post-war phases of the company union movement, apart from the numbers involved. Two vital distinctions resulted from the war boom. First, the exigencies of the munitions business strained the tie between welfare

[14] *Ibid.*, 67–68, 155–157; Selekman and Van Kleeck, *Employe's Representation in Coal Mines*, 32–33, 99–104, 150–152, 237–265.

[15] Selekman and Van Kleeck, *Employe's Representation in Coal Mines*, 106, 144, 194–195.

work and company unionism. War production was concentrated in the metals and machinery industries, which were located in urban areas of the Northeast and employed a predominantly male labor force. Machinery firms had been pioneers of the systematic management movement but had seldom experimented with welfare activities. On the other hand cotton textile firms, which were predominantly rural and southern and employed large numbers of women, were the leaders of the welfare movement. Pre-war experience suggested that these firms would have been among the first to introduce company unions. But with notable exceptions (the Dan River Mills of Danville, Virginia, in particular) they were not.[16] By forcing machinery manufacturers to expand their notion of production management to include personnel work, the war greatly increased the number of firms that were prepared to install company unions and make them work. A few, like International Harvester, had already introduced welfare plans for their employees. Others gained valuable experience by operating wartime personnel departments. The tumultuous state of the labor market led machinery manufacturers generally to oppose all organization; a minority turned to the company union. Table 2 documents the effect. Without this critical development, the company union movement (aside from a brief flurry of government-promoted wartime activity) presumably would have grown no faster after 1917 than before. It would not have been as closely associated with open shop campaigns or with efforts to undermine trade unions in the 1920s. It probably would not have been a factor of consequence in the American economy until the late 1920s when the utilities began to introduce representation plans.[17]

A second change attributable to the war boom was a new association between the large corporation and the company union. Before the war the firms that introduced company unions were small, family-owned enterprises. (Colorado Fuel and Iron, with more than 12,000 employees, was an exception.) The war, however, created disproportionate opportunities for large manufacturers able to command the resources necessary for rapid expansion. Big businesses were also able to employ experts to solve the difficult problems of maintaining an adequate labor force. As a consequence, large corporations played a major role in the growth of systematic employment management. For an ambitious minority of these firms the installation of a company union was the final step in the process of organizing and controlling the labor force. But only

[16] Nelson, *Taylor*, 12. The most notable exception to machinery firms' inexperience with welfare was National Cash Register, which introduced welfare work for its women employees. Also see Robert Sidney Smith, *Mill on the Dan* (Durham, 1950), 262–263.

[17] Robert Ozanne, *A Century of Labor Management Relations at McCormick and International Harvester* (Madison, 1967), 31. See Allen M. Wakstein, "The Origins of the Open-Shop Movement, 1919–1920," *Journal of American History*, 51 (December, 1964), 460–475; Robert H. Zieger, *Republicans and Labor, 1919–1929* (Lexington, 1969), 72–73.

for a minority. It was the degree of commitment to sophisticated personnel practice, not firm size or industry, that was critical. A behemoth like U.S. Steel did not act, despite ties to pre-war welfare work. It resisted the wartime shift to systematic personnel management and rejected company unionism until the NRA period. Its more vigorous rival, Bethlehem Steel, embraced both developments in 1918.[18]

TABLE 2
COMPANY UNIONS BY INDUSTRY, 1919–24

	1919	1922	1924
Metals	175[1]	216	216
Printing	1	5	111[4]
Other Manufacturing	30	165	171
Lumber	4	238[2]	160[2]
Mining	10	53[3]	16
Railroads	0	1	26[5]
Utilities and services	5	47	107
	225	725	814

Source: NICB, *The Growth of Works Councils in the United States*, (New York, 1925), 8.
Notes: [1]Includes 120 government-mandated plans in munitions plants and shipyards.
[2]Includes government-mandated plans of Loyal Legion of Loggers and Lumbermen.
[3]Includes government-mandated Maryland Agreement plans.
[4]Includes plans of American Guild of the Printing Industry, concentrated in Baltimore, and of the Graphic Arts Federation, Boston.
[5]Covered "shopcraft" workers only.

Perhaps the best known example of the tie between personnel work and company unionism was the transformation of labor relations at Standard Oil of New Jersey and its affiliates. In 1917, after strikes at several refineries, John D. Rockefeller, Jr., summoned Hicks from Colorado. Following a survey of the company's plants, Hicks persuaded company oficials to make drastic changes in personnel policy. In 1918, under his direction, Jersey Standard introduced an extensive benefit program, personnel departments in all its facilities and company unions, modeled after the Colorado Fuel and Iron plans, at six refineries and various other installations. Hicks' experiences in Colorado had taught him that systematic personnel administration must precede or at least

[18] See Selekman and Van Kleeck, *Employe's Representation in Coal Mines*, 84–85. John D. Rockefeller, Jr., had sufficient influence to impose a company union, much like the Filenes and Morris E. Leeds. Brody, "The Rise and Decline of Welfare Capitalism;" Bernstein, *Lean Years*, 166–168; Daniel Nelson, *Managers and Workers* (Madison, 1975), 148–156. David Brody, *Steelworkers in America* (Cambridge, Mass., 1960), 209, 226–228; David Brody, *Labor in Crisis* (Philadelphia, 1965), 54–58, 81–83; Charles A. Gulick, *Labor Policy of the United States Steel Corporation* (New York, 1924), 138–184. Also see Gerald G. Eggert, *Steelmasters and Labor Reform, 1886–1923* (Pittsburgh, 1981), 103–125. For the 1930s see Irving Bernstein, *Turbulent Years* (Boston, 1970), 455–457, 459–465. Many U.S. Steel company unions affiliated with the Steel Workers Organizing Committee in 1936–37. Melvin I. Urofsky, *Big Steel and the Wilson Administration* (Columbus, 1969), 266–269, 282–283; Bethlehem Steel Company, *Fourteenth Annual Report*, 1918, 17; Gullett and Gray, "Impact of Employee Representation Plans," 98, 101; John Bodnar, *Immigration and Industrialization* (Pittsburgh, 1977), 140–141.

accompany employee representation. The events of the next year or two confirmed his insight. Despite a "revolution" in the foremen's role, Hicks encountered fewer problems at Jersey Standard than at Colorado Fuel and Iron. Industrial relations experts served as a buffer between the supervisors and the company union. By 1919 Jersey Standard had become a model for the oil industry and Hicks a leading promoter of personnel management and company unionism.[19] The Special Conference Committee, an elite group of big business leaders that he organized in 1919–20, subscribed to the proposition that the "maintenance of harmonious and helpful relationships throughout the organization ranks in importance with production, distribution, finance and other major functions of management." The war period also saw the appearance of innovative, even radical, personnel programs, including company unions, at small firms like Dennison Manufacturing, Leeds & Northrup, and Columbia Conserve, but the trend was clear. While the number of committed firms was relatively small, large corporations were much more likely to sense the potential of the company union.[20]

TABLE 3

COMPANY UNIONS IN AMERICAN INDUSTRY, 1929–34

(PERCENT OF FIRMS SAMPLED)

	1929-1933 surveys	1933-1934 surveys
4,409 small firms (1929)[1]	2.5%	—
1,676 larger firms (1929)[2]	8.7%	—
233 large firms (1929, 1934)[3]	38.6%	54.0%
3,314 firms (1932–33)[4]	17.5%	45.0%
2.975 firms (1934)[5]	—	49.6%

Sources: [1,2]NICB, *Industrial Relations Programs in Small Plants* (New York, 1929), 20.
[3]NICB, *Effects of the Depression on Industrial Relations Programs* (New York, 1934), 8.
[4,5]NICB, *Status of Collective Bargaining in May 1934* (New York, 1934).

Contemporary reports indicated the nature of that potential. At the most elementary level, company union representatives were ombudsmen and problem solvers. Particularly during the hectic post-war period, they often devoted much of their time to the workers' grievances. This activity remained an important function for successful company unions, but it was not their only or even their most critical function.

[19] George Sweet Gibb and Evelyn Knowlton, *The Resurgent Years, 1911–1927* (New York, 1956), 571–577; Bennett H. Wall and George S. Gibb, *Teagle of Standard Oil* (New Orleans, 1974), 131–132; Clarence H. Hicks, *My Life in Industrial Relations* (New York, 1941), 52–59. For Rockefeller's and Hicks's impact on other oil companies, see Henrietta M. Larson and Kenneth Wiggins Porter, *History of Humble Oil & Refining Co.* (New York, 1959), 95–96, 209; Paul H. Giddens, *Standard Oil Company (Indiana): Oil Pioneer of the Middle West* (New York, 1955), 333–348. Also see Gullett and Gray, "Impact of Employee Representation Plans," 98.

[20] "Report of the Special Conference Committee," July 15, 1920, 5; Hicks, *My Life*, 136–137.

A preoccupation with grievances indicated "the failure of management to take an active interest in the Works Council."[21]

In the case of the durable plans, a more complex pattern was apparent. A personnel manager wrote: "The first year this plan was used by the employees principally in airing their grievances, but during the second year a number of practical suggestions were made toward increasing production and improving the quality of the product." Another executive reported that the representatives' suggestions "have been of a rather pseudo-selfish nature." He encouraged such "natural" concerns, yet "tried to guide them into thinking of things from the company's standpoint." Successful company unions provided management with a variety of services. "Assistance was rendered," recalled one executive, "in the improvement of production control, machine improvement . . . [and] engineering betterment."[22]

The ultimate objective was more ambitious. As Henry S. Dennison of Dennison Manufacturing wrote, it was "to put across to the employees the idea that the company — its success, its policies and its reputation — belongs as much to them as it does to the management." To achieve this potential was not easy — as many post-war enthusiasts of company unionism discovered. It required managerial commitment and dedication. The personnel director of Eastman Kodak reported: "We are now receiving many valuable suggestions from employees, the average being at least one good idea every day. Some of these deal with big operations and some with details of a minor character, but we consider the latter fully as important as the former because nothing is too trifling . . . if it promises to make our plant more efficient." Above all, success required constant attention. "Our work is never done. . . . We are keeping at it constantly."[23]

By 1924 the company union movement approached maturity. Most of the government-mandated plans and many of those introduced by manufacturers in the heady days of 1919–20 had disappeared. New groups occasionally emerged — the railroads and printers organizations, for example — but they involved relatively few workers and were primarily anti-union bodies. In general employers who had resisted the post-war contagion remained immune through the 1920s and early 1930s. Even those who adopted advanced personnel work were often wary of company unionism (see Table 4). Perhaps they read the warnings of the NICB against insincere or half-hearted efforts. Or perhaps they perceived that the costs were high and the benefits uncertain. Personnel management was difficult and expensive enough; why push one's luck?

[21] National Industrial Conference Board, *Experience with Works Councils*, 5.
[22] *Ibid.*, 55, 66–67, 70.
[23] *Ibid.*, 104, 74, 71.

TABLE 4
PERSONNEL MANAGEMENT AND COMPANY UNIONISM
(PERCENT OF FIRMS POLLED)

	Centralized Employment	Centralized Discharge	Personnel Department	Company Union
4,409 small firms (1929)[1]	6.2%	4.4%	2.5%	2.5%
1,676 large firms (1929)[1]	41.8%	23.9%	34.3%	8.7%
233 large firms (1929)[2]	85.4%	63.5%	51.9%	38.6%
233 large firms (1934)[2]	85.4%	63.5%	51.0%	54.0%

Sources: [1]NICB, *Industrial Relations Programs in Small Plants* (New York, 1929), 20.
[2]NICB, *Effect of the Depression on Industrial Relations Programs* (New York, 1934), 8, 10, 12.

The most important development of the 1920s was the rise of "white collar" company unions in the utilities. This phenomenon had many similarities with the growth of company unionism in manufacturing. The utilities were in the midst of a boom, hiring thousands of new workers. To cope with this expansion they turned to personnel management. A handful of optimistic and imaginative utility heads went one step further and introduced company unions. It was not that they feared outside unions, just the lack of interest of unhappy workers. Presumably they considered their efforts successful, at least until the Depression forced the curtailment of personnel work, including company union activities.[24]

THE INDUSTRIAL ASSEMBLY AND THE COOPERATIVE ASSOCIATION

The core of the movement, however, remained the manufacturing firms that had introduced company unionism as the capstone to an advanced personnel program. Their experiences, the "best practice" of the time, provide the most accurate gauge of the purpose and potential of company unionism. Fortunately, the records of at least two of the most ambitious and important of these organizations have survived. The Industrial Assembly of the Goodyear Tire & Rubber Company and the Cooperative Association of the Leeds & Northrup Company were among the company union elite. Both were adjuncts of elaborate personnel programs; both spanned the growth years of 1919–37; both became bulwarks against the trials of the Depression years.[25] Yet there

[24] John N. Schacht, "Toward Industrial Unionism: Bell Telephone Workers and Company Unions, 1919–1937," *Labor History,* 16 (1975), 12–21; Jack Barbash, *Unions and Telephones* (New York, 1951), 12–15; Horace Coon, *American Tel & Tel* (New York, 1939), 169–170; Forrest MacDonald, *Insull* (Chicago, 1962), 194–197.

[25] The Leeds & Northrup Company Papers at the Eleutherian Mills Historical Library include the minutes and other records of the Leeds & Northrup Cooperative Assocation. The Goodyear Tire & Rubber Co. Archives has a complete set of the *Wingfoot Clan,* which reported the activities of the Industrial Assembly. Minutes of Industrial Assembly meetings between 1933 and 1937 are available in National Labor Relations Board Papers, Case VIII-C-33, Record Group 25, National Archives.

were also dissimilarities. Goodyear was a large publicly-owned enterprise, the industry leader and a charter member of the Special Conference Committee. The Industrial Assembly represented more than 30,000 employees in its early years. Leeds & Northrup, on the other hand, was a small closely-held manufacturer of electrical measuring instruments and laboratory apparatus. At its peak in 1929 the Cooperative Association embraced 1,200 workers. The Industrial Assembly may have symbolized the tie between big business and company unionism, but the Cooperative Association recalled the origins of the movement in small firms. The histories of these two organizations illustrate the possibilities of the company union under the most favorable circumstances.

Goodyear and Leeds & Northrup approached company unionism from different routes. Goodyear was a product of the automobile age. Founded in 1898 as a manufacturer of bicycle tires, it had become the leading American tire manufacturer by 1916. Employment at its Akron, Ohio, complex rose from 3,500 in 1910 to 15,000 in 1915 and to 31,000 in 1919. Paul W. Litchfield, the factory manager, soon recognized that his greatest challenge was to manage the burgeoning labor force. He responded with an elaborate employee benefit program that made Goodyear a leading practitioner of welfare work before the war. Litchfield's rapid rise, culminating in his elevation to the company presidency in 1926, insured that this program would be enhanced and extended as the 1920s progressed.[26]

Litchfield's pre-war efforts set the stage for the Industrial Assembly. Between 1910 and 1915, as the Goodyear labor force expanded, he won approval for an array of programs to reduce turnover, sustain morale, and ease the transition of migrants to the congestion and turbulence of city life. Unlike most welfare plans, designed to accommodate women workers to industrial employment, the Goodyear program was intended for a predominantly male labor force. It included health and life insurance, social and athletic organizations, a stock purchase plan, and a housing development. By World War I most Goodyear employees were involved in one or more off-the-job contacts with the company.[27]

Litchfield introduced other related innovations. In 1910 he formed a labor department that assumed the foreman's powers to hire and fire. The following year he created a "flying squadron" to eliminate the need for temporary or short-term workers. Squadron members learned every production job so they could fill temporary vacancies in any department. In their spare time they studied production techniques and business management, trained in the company gymnasium, and participated in special social activites. Litchfield gradually realized that he had created

[26] Paul W. Litchfield, *Industrial Voyage* (Garden City, 1954), 120, 128–131.
[27] Hugh Allen, *The House of Goodyear* (Akron, 1949), 166–175.

"not merely . . . a source of supply for substitutes" but "a group of workmen who to an unusual degree perform their tasks with a spirit and bread (*sic*) of vision, an attitude of enthusiasm and cooperation."[28]

This realization had a lasting effect. During the war, when turnover became even more serious, Litchfield sought to expand the welfare program. The flying squadron suggested a mechanism for enlisting the workers in the operation of the enterprise; the Special Conference Committee provided contacts with like minded executives; and the frenzied political climate of 1918–19 supplied a sense of urgency. In the summer of 1919, Litchfield invited the production departments to select men to discuss the possibility of a company union. Their deliberations, guided by Litchfield, led to the formation of the Industrial Assembly, a "congressional"-style organization. The employees elected a House and a Senate, which could consider any issue. "Bills" passed by the Assembly went to the factory manager for consideration. If he signed the bill, it became shop policy; if he vetoed it, the Assembly could appeal to the board of directors. Despite its patriotic trappings, the Assembly was a logical extension of the flying squadron, a "flying squadron" of the rank and file.[29]

On the other hand, the Leeds & Northrup Cooperative Association was solely a product of the war boom. Superficially, its early history resembled that of many wartime company unions. The company's Quaker owner, Morris L. Leeds, believed that personal contacts were the key to the "right spirit." Hence he saw no need for systematic activity before 1915. Only the rapid expansion of the company between 1914 and 1919 led him to reconsider his approach. As personal contacts became impossible he reluctantly embraced institutionalized personnel work. In 1915 he introduced a profit-sharing system based on a plan that Dennison Manufacturing had devised for its employees. Still not satisfied, Leeds inspected the Filene operation in the spring of 1918. He then asked his veteran employees to form a company union "so that the old L & N spirit may be preserved and strengthened." The Cooperative Association at Leeds and Northrup was a replica of the Filene Cooperative Association. The Council, elected by the employees, was designed to administer employee programs as well as to be a point of contact between the executives and the rank and file.[30]

The circumstances surrounding the formation of the Industrial Assembly and the Cooperative Association markedly affected their early

[28] *Wingfoot Clan* 11 (November 23, 1922), 3.

[29] *Wingfoot Clan* 8 (May 3, 1919), 1; (June 7, 1919), 1; (July 17, 1919), 1; Paul W. Litchfield, *The Industrial Republic* (Akron, 1919), 40–57; Allen, *House of Goodyear*, 183–184.

[30] Daniel Nelson, "'A Newly Appreciated Art:' The Development of Personnel Work at Leeds & Northrup," *Business History Review*, 44 (1970), 521–522; Morris E. Leeds, "Plan for a Conference on Cooperation," May 27, 1918, Leeds & Northrup Co. Papers.

performances. Both organizations were preoccupied with grievances in 1919–20, much like other company unions of that period. From all indications they secured concessions for the employees while resisting "irresponsible" demands, as they claimed. The Industrial Assembly won many plaudits for opposing a city-wide machinists strike. An Assembly committee later screened the strikers who asked to be rehired. It paid special attention to "agitators" and "Bolsheviki." The real test, however, came in late 1920 and early 1921 when less "traditional" steps were required. The postwar recession severely affected both companies. As Goodyear's losses mounted, the company's bankers forced a reorganization of the management and wide-ranging cuts. Many executives (but not Litchfield) and two-thirds of the production employees lost their jobs. Despite these obstacles, the Assembly operated throughout the crisis as a link between management and labor, as a guardian of seniority rights in layoffs, and as a coordinating body for private relief efforts. Its activities helped mitigate the disaster. Undoubtedly, the long gestation period of the Goodyear personnel program, culminating in the Industrial Assembly, prepared managers and workers alike to cooperate in a period of adversity.[31]

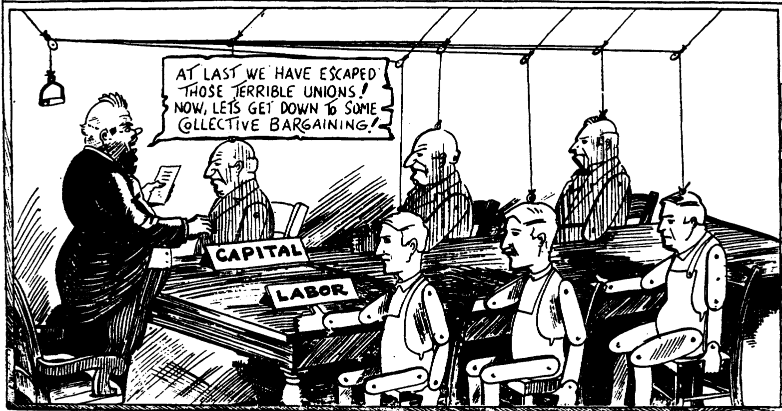
The Cooperative Association was less fortunate. In 1919 it was still a novelty, without antecedents or experience to sustain it. Leeds may have convinced himself that he understood its function, but neither his subordinates nor the workers shared his conviction. The plant managers apparently viewed it as an effort to pacify the workers. When Leeds, encouraged by consultants and the Filenes, introduced a personnel department in 1919, they rebelled. Arguing that the Cooperative Association was sufficient to protect the workers and diffuse unrest, the plant managers urged more vigorous production management rather than personnel reforms to increase productivity. At first Leeds resisted, but with the onset of recession in the summer of 1920 he reluctantly deferred to their judgment. With his approval but without consulting the Council, they dismantled the personnel department, discharged its director, laid off the "least efficient workers," and reduced wages.[32]

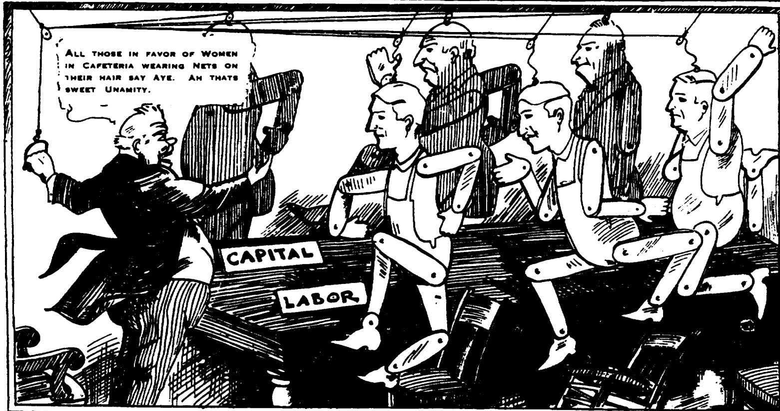
Similar actions occurred in thousands of American plants in 1920–21, including hundreds that had installed company unions. At Leeds & Northrup, as at other companies where the company union had appeared during the war, curtailment exposed the weaknesses of the employee organization. The Cooperative Association seemed powerless; the Council members felt betrayed. To many workers the crisis

[31] *Wingfoot Clan* 8 (October 11, 1919), 1. Litchfield recalled that he had been warned that "young men, radicals and men of foreign influences" would dominate the Industrial Assembly. Paul W. Litchfield to F. A. Seiberling and G. M. Stadelman, May 3, 1921, Goodyear Archives. See *Wingfoot Clan* 10 (January 4, 1921, 1; (January 11, 1921), 1; (March 15, 1921), 2; (March 30, 1921), 2; (April 12, 1921), 1.

[32] Executive Committee to Council, October 7, 1920, Leeds & Northrup Co., Papers.

THE "COMPANY UNION" MEETS





Source: United Rubber Workers Council, ca. 1934

proved that the management was insincere and that the Council members lacked "nerve." Leeds met with the Council repeatedly but was unable to answer the workers' most pressing question: "What should be done . . . to reestablish the Council where it rightfully belongs in the esteem of the employees?"[33]

Unlike many employers, however, Leeds refused to admit defeat. He now grasped the complexity of the task he had undertaken and the critical importance of the managers' opposition to the personnel department. To restore the Cooperative Association, it might not be necessary to create a new personnel department, but it would be essential to behave as if it existed. To regain the employees' confidence, the Council would have to have greater responsibility and independence. Above all it would have to be, and be perceived to be, an essential feature of the management system.

The turning point came in early 1922 when salaried workers protested management decisions to increase dividends and cut salaries. Leeds met with the Council on January 17, listened to the complaints and explained that dividends had been very low while reductions in living costs had meant windfall gains for many employees. He may not have changed many minds, but he impressed the Council members with his frankness and candor. They voted to accept the change. To remove one major concern, Leeds soon approved an innovative new benefit: a Council-administered unemployment insurance fund "large enough to care for any unemployment situation that might arise." This move was as much a response to the managerial as to the social problems of the recession period. It signified the executives' commitment to the employees and their organization.[34]

For the next seven years the Industrial Assembly and the Cooperative Association fulfilled the promise of the company union movement. Their work extended the managerial hierarchy to the shop floor, enlarging the realm of the personnel officials, curtailing the prerogatives of the line supervisors and enlisting lower echelon employees in the operation of the firm. They resolved disputes, encouraged suggestions for technical improvements, promoted safety, and provided other concrete services. Their major achievement, however, was intangible. In the words of Clifton Slusser, the Goodyear factory manager, they engendered a "feeling of confidence in the organization."[35]

The costs were also great. The direct expenses, which included company union facilities and activities and the employees' time away from

[33] NICB, *Experience with Works Councils*, 164. Cooperative Association Minutes, November 22, 1920, Leeds & Northrup Co. Papers.

[34] Cooperative Association Minutes, January 17, 1922, Leeds & Northrup Co. Papers. Executive Committee Minutes, October 17, 1922, Leeds & Northrup Co. Papers. The Plan appears in Bryce M. Stewart, *Unemployment Benefits in the United States* (New York, 1930), 529–531.

[35] *Wingfoot Clan* 18 (November 6, 1929), 4.

their jobs, were considerable. More important, however, was the managerial burden. Company unions required unremitting attention, and managers at both companies devoted countless hours to them. Finally, there was no guarantee against labor unrest. Indeed, because they encouraged workers to take their roles seriously and provided a mechanism for collective action, the company unions probably increased the volume of protest. If, as critics pointed out, they also contained those protests within narrowly prescribed limits, their achievement was small comfort to harried managers in the 1920s. Strikes were virtually unknown in the rubber and instrument industries, and outside unions were nonexistent before 1933.[36]

Both companies introduced changes in the 1920s that enhanced the role of the company union and the management commitment to it. By 1922 Goodyear officials complained that the Assembly's "congressional" structure interfered with its broader goals. Assemblymen lacked information about the operation of the plant and spent too much time debating trivial issues. In 1923 company and Assembly leaders agreed to create management-worker committees to aid the Assembly. Henceforth, joint committees of foremen and assemblymen in each department first considered an issue; if they were unable to resolve it, the assemblymen took it to a plant-wide committee involving higher officials. Only the most critical problems went to the full Assembly, which devoted its sessions to larger matters and to inspiring "confidence in the organization." This revision made the Industrial Assembly more like other company unions, which relied on joint deliberations, and like the industrial unions that appeared in the 1930s. It also made the foreman an "integral part" of the company union organization. But it made the Industrial Assembly no less vigorous or assertive. The joint committees soon became a critical feature of the Assembly's operation. They devised agreements covering piece rates and time studies, the assignment and transfer of employees, and the resolution of the innumerable irritations that arose in an organization of 15,000 or more individuals. Assemblymen increasingly devoted their time to issues that they understood and could discuss in detail.[37]

That was the flaw. The reinvigorated Industrial Assembly proved more costly than anyone had imagined. There were 373 separate cases in 1923–24 and 448 in 1924–25. Assemblymen in the latter period devoted three times as many hours to their work as their predecessors in 1919. By

[36] Managers' exact roles in company unions seem to have been a function of the size of the companies. Leeds & Northrup executives were involved in the day-to-day operation of the Cooperative Association. Goodyear personnel officials handled these duties; but top executives, including the marketing and financial vice presidents, presided at innumerable picnics, banquets, and social outings. For a similar pattern, see Giddens, *Standard Oil Company*, 343–344.

[37] Allen, *House of Goodyear*, 185; "Fourth Assembly, 1922–23." Goodyear Archives. See *Wingfoot Clan* 13 (February 27, 1924), 1.

late 1925 Litchfield was alarmed; in December he called a halt. After February 1926 the company would only pay for 1,500 hours per month, barely half the December level. Many Assemblymen were outraged. Their concern was more acute because of Litchfield's repeated rejections of Assembly demands for a general wage increase. The crisis peaked in February when the House voted not to meet until the management agreed to a more flexible system for compensating Assemblymen. This was the only recorded instance of a company union "strike" in the 1920s. After two weeks and repeated management assurances that the new limit was flexible, the men returned, apparently satisfied. Thereafter, the system operated more smoothly but no less independently. At least until the Depression, most Goodyear employees seem to have viewed the Industrial Assembly as a useful, reasonably assertive organization.[38]

The Cooperative Association also became more energetic and expensive in the 1920s. Grievances were handled by one or more of a plethora of Cooperative Association committees and never posed a serious problem after 1922. When a potentially disruptive issue arose, such as the extension of time studies, Leeds and the Association leaders devised an approach that sustained the "right spirit." The Association's foremost challenge in the 1920s was to keep pace with Leeds, who seemingly sought to compensate for his belated commitment to welfare work by deluging the Council with proposals for new benefit programs such as pensions, group life insurance, and company-sponsored educational activities. The Cooperative Association also joined the Filene and Dennison company unions in a plan of regular systematic visits and consultations. In 1929 the company employed an executive secretary to manage the growing volume of paperwork. By 1930 the Cooperative Association presided over one of the most ambitious and expensive employee benefit programs in American industry.[39]

The Depression created new and difficult challenges for both company unions. Goodyear and Leeds & Northrup lost money every year from 1930 to 1934 and were forced to make drastic reductions. Goodyear curtailed most employee benefit programs, though not, apparently, the Industrial Assembly. Leeds & Northrup, with higher per capita over-

[38] *Wingfoot Clan* 15 (January 20, 1926), 3. "Seventh Assembly, 1925–26," Goodyear Archives. *Wingfoot Clan* 15 (February 17, 1926), 3; (March 10, 1926), 1. The Goodyear employees' satisfaction with the Industrial Assembly is acknowledged by men who later became active in the CIO union, presumably a hostile group. See, for example the statements of two men who served as vice presidents of United Rubber Workers Local 2. Interviews with Ralph Turner, May 10, 1976 and Charles L. Skinner, April 23, 1976. American History Research Center, University of Akron.

[39] Cooperative Association Minutes, September 13, 1927, December 18, 1928, April 18, 1930, December 16, 1930, Leeds & Northrup Co. Papers. Sarah Kirk to Council, April 22, 1930, Leeds & Northrup Executive Committee Report 54; General Wage Committee to Council, July 15, 1930, Leeds & Northrup Co. Papers. Apparently this was as close as the company came to the appointment of a personnel manager. After 1922 the Cooperative Association committees performed most of the duties of contemporary personnel departments.

head costs, abandoned many of its new plans. More critical was the fate of the "members." The company unions had enlisted the workers in the operation of the firm to an unprecedented degree. But after 1930 many of these cooperative and presumably committed individuals became superfluous. Reductions became a more serious matter. Both companies confronted this conundrum with a variety of expedients. Goodyear sought to avoid layoffs whenever possible through work-sharing. In 1930 Litchfield introduced the six-hour day, an innovation that was to become a fixture of the industry for decades. Though some layoffs soon became inescapable, Goodyear persisted in its course. As a result employee earnings declined far more rapidly than employment. The company retained a pool of experienced workers but at a substantial cost. Veteran employees, the backbone of the Industrial Assembly, became resentful at sharing their earnings with less senior workers while the latter, acutely conscious of their insecurity, looked elsewhere for assistance. They became the core of the AFL Rubber Workers union that appeared under the NRA. In this way the logic of the company union movement of the 1920s helped to undermine the company union in the 1930s.[40]

Leeds & Northrup instituted a more flexible policy of selective layoffs. Profiting from their experiences of 1920–21, Leeds and the senior executives worked closely with the Council in making these cuts. For nearly three years the Unemployment Fund eased their task. The problem arose in 1932 when mounting claims exhausted the Fund and business conditions demanded further reductions. Valuable employees who had kept their jobs through three years of depression were left unprotected. The company provided emergency aid to the needy but only an improvement in business would alleviate the crisis. At Leeds & Northrup, as at Goodyear, measures appropriate to the prosperous years of the 1920s and the recession years of 1920–21 were ineffectual, even counterproductive, in the 1930s.[41]

At first executives at both firms welcomed the recovery policies of the Roosevelt Administration. Litchfield and Leeds were backers of the National Industrial Recovery Act, including its collective bargaining provisions. They believed that changes in government policy were necessary to restore prosperity. And like most employers, they saw no inconsistency between the law and company unionism. Though their hopes for recovery soon faded, their assessment of the labor provisions of the law proved more astute. The company unions continued to

[40] Executive Committee to Council, April 29, 1931; Cooperative Association Minutes, May 20, 1931; May 25, 1932; June 23, 1932; August 4, 1932. *Wingfoot Clan* 19 (July 23, 1930), 1; (October 15, 1930), 3. See Brody, "Rise and Decline of Welfare Capitalism," 76. The early history of the United Rubber Workers is traced in Harold S. Roberts, *The Rubber Workers* (New York, 1944).

[41] D. H. Schultz to Leeds, White, Johnson, June 15, 1932, Leeds & Northrup Executive Committee Report 59, Leeds & Northrup Co. Papers.

perform their customary tasks and to command the support of most employees. The Cooperative Association was unchallenged until 1934, when a small dissident faction appeared in the Council. It attracted little support and soon disappeared. The Industrial Assembly faced a more serious threat. The AFL organized local unions in most rubber plants during the summer and fall of 1933, including a local with perhaps 5,000 members at the Goodyear Akron complex. It was the weakest of the unions organized at the major rubber companies. Unable to recruit veteran workers or to win concessions from the management, it dwindled to no more than 500 members by the summer of 1935.[42]

Still, the outside threat did not recede. In Congress, Senator Robert F. Wagner spearheaded a move for more stringent collective bargaining legislation, including a ban on company unions. In 1934 and 1935 representatives of the Cooperative Association and Industrial Assembly testified against the bill. They believed that their presentations were well received. Possibly to their surprise, the National Labor Relations Act of June 1935 included the anti-company union provisions. Although the law was unenforceable until a favorable Supreme Court ruling in 1937, it was a serious blow to both organizations. Bowing to necessity, Leeds & Northrup employees in 1937 established an independent collective bargaining organization that took over the economic functions of the Cooperative Association. Thereafter, the Cooperative Association confined itself to social and educational activities.[43]

The Industrial Assembly met a less happy end. In 1935, as the economy revived and the AFL threat receded, Litchfield moved vigorously to increase earnings. Among other measures, he sought to return to the eight-hour day, which meant the temporary layoff of fourth-shift workers. For reasons that neither he nor subsequent historians ever satisfactorily explained, he disregarded the Assembly at this critical point. To both Assembly and AFL adherents the new policy was a harbinger of renewed distress and a betrayal of the Goodyear pledge to share work. The eight-hour issue became a rallying point for the AFL union. The Industrial Assembly also protested, but to no avail. In early

[42] *Wingfoot Clan* 22 (July 5, 1933), 3–4; (August 2, 1933), Supplement; Bernstein, *Lean Years*, 280, 491. Both men served on NRA advisory committees. Litchfield made the NRA administrator rather than the Goodyear directors the final arbitrator of disputes between the Assembly and the management. Cooperative Association Minutes, March 26, 1934, Leeds & Northrup Co. Papers. *Report of Executive Officers and Research Director to the First Convention, United Rubber Workers of America*, September 14, 1936 (Akron, 1936), 4; Paul W. Litchfield to Ralph A. Lind, January 17, 1935, Goodyear Archives; *Wingfoot Clan* 23 (November 7, 1934), Supplement; (November 21, 1934), 1; 24 (March 27, 1935), 1; Roberts, *Rubber Workers*, 201–203.

[43] Cooperative Association Minutes, March 13, 1934; "Statement of Representatives of the Cooperative Association of Employees of the Leeds & Northrup Company, March 27, 1934"; U. S. Senate, Committee on Education and Labor, *Hearings*, 73 Cong. 2 Sess. (Washington, 1934), 449–456, 551; Cooperative Association Minutes, April 5, 1934; Special Committee on Labor Legislation to C. S. Redding, April 10, 1935; Leeds to J. E. Whisler, April 12, 1935; Cooperative Association Minutes, July 8, 1935, August 15, 1935, Leeds & Northrup Co. Papers; *Wingfoot Clan* 23 (March 28, 1934), Supplement; 24 (April 3, 1935), 1. Cooperative Association Minutes, May 20, 1937; C. S. Redding to Executive Committee, November 26, 1937, Leeds & Northrup Co. Papers.

1936, when the company persisted, the men struck. At the beginning of the strike the Industrial Assembly was still the dominant workers' organization at Goodyear; after five weeks of conflict, it was moribund, a victim of the crossfire between a truculent management and a militant union. The Supreme Court decision of 1937 added the *coup de grâce*. The Industrial Assembly officially died on May 6, 1937. A few months later Goodyear employees voted 8,464 to 3,193 in favor of the Rubber Workers organization.[44]

Conclusion

Thus ended the "sweet unamity" that Goodyear, Leeds & Northrup, and a handful of others had worked so assiduously to cultivate. Their activities suggested that the most striking results of the company union experience were not the containment of militancy or the obfuscation of the workers' economic interests, but a series of managerial and administrative adjustments that anticipated the advent of industrial unionism in the 1930s. Elaborate personnel departments and employee benefit programs were by no means confined to firms with company unions, but they were virtually a *sine qua non* for the successful operation of an employee representation plan. By the mid-1920s the company union had become a hallmark of advanced personnel management.[45] Of equal importance was the acclimatization of plant supervisors to the enhanced roles of personnel specialists and employee spokesmen. In nearly every instance, they initially opposed the company union; in many, they killed it. But if the employer persisted, their obstructionism gave way to acquiescence, resignation, or acommodation. Most notably, perhaps, the introduction of a company union led to an extension of the administrative hierarchy and the creation of a system of communications that bridged, however imperfectly, the traditional chasm between blue and white collar employees. Employers became personally familiar with their employees' interests and vice versa.

In later years it became customary to date the transformation in factory organization and personnel relations from the NRA, the Wagner Act, the CIO, and World War II. A more complete assessment would have added the Filene Corporative Association, the Rockefeller Plan, the Goodyear Industrial Assembly, the Leeds & Northrup Cooperative Association, and other company unions that anticipated the labor revolution in American industry by eliciting the workers' "confidence in the organization."

[44] Roberts, *Rubber Workers*, 212–217; *Wingfoot Clan* 24 (October 24, 1935), 1, 3; (October 30, 1935), 5. "Disestablishment of Goodyear Industrial Representation Plan," National Labor Relations Board Papers, Case VIII-C-33, Record Group 25, National Archives. *Akron Beacon Journal*, August 25, 1937.

[45] Gullett and Gray, "The Impact of Employee Representation Plans," 98.

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