NOTES

ABBREVIATIONS

BL: Butler Library, Columbia University
CC: Coca-Cola corporate archives
CCCB: Central Coca-Cola Bottling Company records, Virginia Historical Society
CCP: Papers of Charles Harvey Crutchfield, Wilson Special Collections Library, University of North Carolina
CED: Committee for Economic Development
CEDA: Committee for Economic Development archives
CWP: Papers of Charles E. Wilson, Anderson University Archives
DBP: Papers of F. Donaldson Brown, Hagley Museum and Library
FFP: Papers of Franklin Florence, Department of Rare Books, Special Collections, and Preservation, River Campus Libraries, University of Rochester
FPP: Papers of Frances Perkins, Rare Book & Manuscript Library, Columbia University
GROH: Gerard Reilly Oral History, Kheel Center for Labor-Management Documentation & Archives, Cornell University
GRP: Papers of Gerard Reilly, Historical & Special Collections, Harvard Law School Library
HQP: Papers of Helen Quirini, M. E. Grenander Department of Special Collections & Archives, University at Albany, State University of New York
ILIR: Files from the Institute of Labor and Industrial Relations Library, University of Illinois Archives
IUE: Records of the International Union of Electrical, Radio, and Machine Workers, Special Collections and University Archives, Rutgers University

JBP: Papers of Joseph M. Bryan, University Archives and Manuscripts, The University of North Carolina at Greensboro

JCPL: Jimmy Carter Presidential Library

JSP: Papers of Joseph N. Scanlon, Archives, University of Pittsburgh

KC: Kheel Center for Labor-Management Documentation & Archives, Cornell University

KHC: Kodak Historical Collection, Department of Rare Books, Special Collections, and Preservation, River Campus Libraries, University of Rochester

LBP: Papers of Lemuel R. Boulware, Rare Book & Manuscript Library, University of Pennsylvania

MFOH: Marion Folsom Oral History, Columbia Center for Oral History, Columbia University

MFP: Papers of Marion B. Folsom, Department of Rare Books, Special Collections, and Preservation, River Campus Libraries, University of Rochester

MPRF: Mark Pendergrast Research Files, Manuscript, Archives, and Rare Book Library, Emory University

PHP: Papers of Paul G. Hoffman, Harry S. Truman Library

PRP: Papers of Philip D. Reed, Hagley Museum and Library

RBFS: Rochester Black Freedom Struggle Online Project, Department of Rare Books, Special Collections, and Preservation, River Campus Libraries, University of Rochester

RGGP: Papers of Ronald G. Greenwood, Special Collections, Nova Southeastern University

RHGP: Papers of Robert H. Guest, Rauner Special Collections Library, Dartmouth College

RHP: Papers of Ralph Hayes, Western Reserve Historical Society

RWP: Papers of Robert Woodruff, Manuscript, Archives, and Rare Book Library, Emory University

SA: Scharchburg Archives, Kettering University

SMA: Schenectady (N.Y.) Museum Archives

TSC: Technology and Society Collection, Manuscripts and Archives, Yale University Library

UAW: United Auto Workers records, Walter P. Reuther Library, Wayne State University

UE: United Radio, Electrical and Machine Workers papers, Labor Archives and Research Center, San Francisco State University

WRP: Papers of William E. Robinson, Dwight D. Eisenhower Library
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PREFACE


3–4 **“Since feudalism”:** Geoghegan, Only One Thing Can Save Us, 23. An important caveat to concerns about inequality is that economic standards of living have still improved over time. Among children born in the 1970s and 1980s, 84 percent had higher incomes (even after adjusting for inflation) than their parents did at a similar age. See “Social Mobility: A Promise That Could Still Be Kept” by Richard V. Reeves and Isabel Sawhill, Brookings Institution, July 29, 2016.


4 **The pretense**: “Why Good News/Bad News For the Middle Class?” by Hedrick Smith, *Reclaim the American Dream* blog, Sept. 15, 2016. This is not at all to say that the private sector is disconnected from politics. Indeed, in the eyes of many political scientists, the business lobby has tilted the rules of Washington heavily in its favor and against the interests of the middle class and working class. See Hacker and Pierson, *Winner-Take-All Politics*, 41–72; 289–306; Reich, *Saving Capitalism*, 168–202; Hacker, *The Divided Welfare State*, 8; “Why Politics Is Failing America” by Katherine M. Gehl and Michael E. Porter, *Fortune*, March 9, 2017.


5 **Ten or twelve**: As noted in “Pension Plans—Private or Public?” by William Haber, *Michigan Business Review*, May 1950; “Job Turnover, Wage Rates, and Marital Stability: How Are They Related?” by Avner Ahituv and Robert Lerman, Urban Institute, Nov. 2004. Most of this turnover occurred when people were early on in their careers. Importantly, Heckscher (*White-Collar Blues*, 24) notes that “at least through the 1970s, half of the men in the U.S. workforce ended in jobs that effectively offered lifetime security.” Also see “Employee Tenure Trends, 1983–2014” by Craig Copeland, ebri.org Notes, Employee Benefit Research Institute, Feb. 2015. **Positive feature:** Recently, economists have become concerned that younger workers are, in fact, not switching jobs enough—a sign of a lack of dynamism in the US labor market compared with thirty or forty years ago. See “Understanding Declining Fluidity in the U.S. Labor Market” by Raven Molloy, Christopher L. Smith, Riccardo Trezzi, and Abigail Wozniak, Brookings Papers on Economic Activity, BPEA Conference Draft, March 10–11, 2016;


6 To be realized: In October 2016, wages rose 2.8 percent from a year earlier, the fastest growth since 2009. See “The Economic Recovery


CHAPTER 1


11–12 Nineteen American businessmen: Minutes of the Industrial Advisory Board of the CED, March 29, 1943, MFP. Found it unseemly: For the group’s response to these concerns, see “Plan Postwar Jobs—Now,” CED, 1943, PHP.

12 Tens of billions of dollars: From June 1940 through September 1944, $175 billion in prime military contracts were let to more than 18,500 companies, according to Koistinen, Arsenal of World War II, 296. Bread lines: Walter Reuther invokes this image in “The Challenge of Peace,” International Postwar Problems, Volume 2, April 1945. 30 million: Schriftgiesser, Business Comes of Age, 14. “Sweep the land”: Schriftgiesser, 14.

Brewing got into the act, as it celebrated its centennial with a contest aimed at “stimulating individual American thinking” on how to spark postwar employment. See “The Story of the Pabst Postwar Employment Awards” (econ.duke.edu/uploads/assets/Conferences/HOPE%20Spring%202012/Curiosities/Pabst.pdf). The top two winners were both renowned economists: Herbert Stein claimed the $25,000 first prize, and Leon Keyserling took the $10,000 second prize. An analysis of the contest entries is presented in Fitch and Taylor, Planning for Jobs. Also see Collins, The Business Response to Keynes, 99–100.

“Enlightened capitalism”: “The CED—A Progress Report,” Tide (magazine), Jan. 31, 1947, PHP. Also see Delton, Racial Integration in Corporate America, 88–89; Judis, The Paradox of American Democracy, 96–98. Liberal conservatism: Schriftgiesser, 70. Paul Hoffman wanted the CED to defy political labels, saying, “I think it is very important that we as a group think of ourselves not as ‘right,’ ‘left,’ ‘conservative,’ or ‘radical’ but as ‘responsible’” (CED Board of Trustees meeting minutes, April 18, 1947, MFP). Hoffman is also quoted in Collins, The Business Response to Keynes, 85. “Most dangerous men”: K. T. Keller, then president of Chrysler Corp., said this of Paul Hoffman, Beardsley Ruml, and Eric Johnston during an address at the Economic Club of Detroit. See Walton, Business and Social Progress, 78; Schriftgiesser, 135; Schriftgiesser, 31–32, points out that many of those on the political left also mistrusted the CED. Chamber or the Manufacturers: Mizruchi, The Fracturing of the American Corporate Elite, 27, 57; Harris, The Right to Manage, 108–109; Domhoff and Webber, Class and Power in the New Deal, 111–112; Bernstein, The Turbulent Years, 663; Phillips-Fein, Invisible Hands, 13–15. Most historians see the Chamber as the more moderate of the two organizations through the 1930s and ’40s—though not as moderate as the CED. “The common good”: “The Economics of a Free Society” by William Benton, Fortune, Oct. 1944, PHP. Also quoted in Mizruchi, 85. The Nation ran: This was Keith Hutchison’s “Everybody’s Business” column for Oct. 27, 1945. Also see Collins, The Business Response to Keynes, 84–87.


“A moral obligation”: “How to Create a Labor Shortage: An Interview by Boyden Sparks with Charles F. Kettering,” reprinted from the

14 Launched the CED: Schriftgiesser, 20–29. Also see “Agenda for June 9, 1942 meeting with the Secretary of Commerce,” MFP; “Report of Meeting with the Secretary of Commerce,” June 9, 1942, CEDA; Board of Trustees meeting minutes, Sept. 11, 1942, CEDA; “Address of Secretary of Commerce Jesse H. Jones to the Conference of the Committee for Economic Development,” April 14, 1943, PHP. Bid to combine: Schriftgiesser, 6–7; “Speech Before the Citizens Board of the University of Chicago” by William Benton, Oct. 26, 1943, PHP. “Hatch a hen egg”: CED Executive Committee meeting minutes, Feb. 8, 1943, MFP. Also quoted in Collins, The Business Response to Keynes, 84.

14 Called to order: Minutes of the Industrial Advisory Board of the CED, March 29, 1943, MFP. Switchgears: See Prince’s biography at the IEEE Global History Network. Prince’s papers can be found at SMA. GE was widely seen: Schriftgiesser, 16. Also see “An Approach to Postwar Planning” by GE’s R. P. Gustin and S. A. Holme, Harvard Business Review, Summer 1942.

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**totalitarianism**: “American Planning and Civic Annual,” American Planning and Civic Association, 1942.


15 **Attended by officials**: Minutes of the Industrial Advisory Board of the CED, March 29, 1943, MFP. **1,000 requests**: May 9, 1943, letter from C. Scott Fletcher, the CED’s director of field development, to Marion Folsom, MFP. **A radical change**: Lee and Samuels, *The Heterodox Economics of Gardner C. Means*, 333.


16 **“Simple-minded man”:** “Postwar: Limited Objective,” *Time*, Sept. 6, 1943. **Hope you didn’t**: June 4, 1943, letter from Sloan to Hoffman, MFP.

16 **More than peace**: In 1943, a Gallup poll found that, when asked what the country’s greatest problem would be from 1945 to 1949, 58 percent of Americans said “jobs and economic readjustment” and 13 percent said “peace” (Wasem, 39). **We believe in**: “Industry’s Plan for Postwar Prosperity,” *Reader’s Digest*, June 1943.

17 **Manipulate the levers**: Schriftgiesser, 102, 114, 224.

17 **Social legislation**: Harris, 182. Allen (*The Big Change*, 252) suggests that by the mid-1940s, those in the business mainstream were no longer reflexive “Washington-haters.” A similar point is made in Mizruchi, 42–43. **First introduced**: Bailey, 46–47; Wasem, 72–73. **Economic Bill of Rights**: Bailey, 41; Wasem, 24–25. **Utopian objective**: Bailey, 140. Still, Chamber president Eric Johnston—a liberal presence during his tenure—made sure that no representative of the organization actually testified against the bill. By 1946, Johnston was pushed out of the Chamber by its more conservative membership (Mizruchi, 56). Also see Collins, *The Business Response to Keynes*, 120–122. **State socialism**: Bailey, 134. **Substantial corporate backing**: Harris, 196;

17 **Vastly watered down:** Wasem, 142–143; Bailey, 225; Uchitelle, 43. The law did establish certain federal structures for economic planning, including the president’s Council of Economic Advisers and the Joint Economic Committee of Congress. **Survival was due:** Judis, 68; Harris, 183; Fones-Wolf, *Selling Free Enterprise*, 33; Mizruchi, 57–58.

17–18 “I like the phrase”: Schriftgiesser, 96–97. Interestingly, Marion Folsom had a different view regarding the idea of full employment, reportedly saying, “A job for every person willing and able to work is absolutely incompatible with the free enterprise system” (Wasem, 28). **“The crucial role”:** Schriftgiesser, 97.


18 **Altruistic**: Julius Rosenwald of Sears put it this way: “Don’t imagine that anything we do for our people . . . is done from philanthropic motives—not in the least. Whatever we do for our employees we do because we think it pays, because it is good business” (Jacoby, *Modern Manors*, 26). **Take root**: Miller, *The Tyranny of Dead Ideas*, 64–66; Mizruchi, 31; Collins, *The Business Response to Keynes*, 81. **Seedbed for**: “A Program for Business in Post War Planning,” an address before the National Retail Furniture Association, Nov. 11, 1943, CC.


Social contract emerging: See Cappelli, 64.

Squeezed the trigger: Brayer, *George Eastman*, 523. Had given America: From “Milestones” on the Kodak corporate website (kodak.com/corp/aboutus/heritage/milestones/default.htm). Kodak camera: This was introduced to the market in 1888. Difficult and painful: Brayer, 517.


$10 million: “History of Kodak” on corporate website; Ackerman, *George Eastman*, 378–381. “Prospect of dying soon”: History of the Kodak Employees’ Association, Inc.,” undated typescript, KHC. “Well satisfied”: Ackerman, 393.


Union Free School: Brayer, 360. Tuition subsidies: “Special Educational Courses: 1922–1923,” KHC. Sports leagues: Team results were
regularly reported in *The Kodak Magazine*. Also see *Jacoby, Modern Manors, 61.* **String quartets:** *Jacoby, Modern Manors, 61.* **Kodak Medical Department:** “More About Our Medical Department,” *The Kodak Magazine,* July 1925, KHC. **Nutrition adviser:** “Information from Mrs. Wintress D. Murray, Eastman Kodak Company’s Nutrition Director,” undated typescript, KHC. **Ten visiting nurses:** *Jacoby, Modern Manors,* 69; “Friendly Visitors,” *The Kodak Magazine,* Oct. 1923, KHC. **“Kodak King”:** Ackerman, 387. **Alongside:** *Jacoby, Modern Manors,* 26–34.

He notes that all of the companies listed were among the “vanguard” of welfare capitalism, meaning that they engaged fully in these practices. Others were “laggards” whose “efforts were less comprehensive,” while still others were “traditionalists” that “adopted few or none of the reforms.” Also see Brandes, *American Welfare Capitalism,* 18–19.

22 **Depression changed:** Harris, 19; *Jacoby, Modern Manors,* 32; Brandes, 142. “We hoped”: April 29, 1932, letter from Stuber to employees, KHC. **The company trimmed:** The layoff and details of the pay cuts are covered in Stuber’s letter. The reduction in pay is also noted in “Eastman Kodak Company Log of General Wage and Salary Rate Adjustments, Rochester Establishments,” July 29, 1947, KHC. More layoffs would come in 1938. **Failed to issue:** “Experience of Eastman Kodak Company with Profit-Sharing,” statement presented by M. B. Folsom to the US Senate Finance Committee, Nov. 21, 1938, KHC; wage dividend tables, KHC; “Eastman Kodak,” undated typescript by A. G. Walker, TSC.

22 **Largely intact:** *Jacoby, Modern Manors,* 71. **Paid vacations:** “Founding Dates for Kodak Benefit Plans,” undated typescript, KHC; Liebschutz, *Communities and Health Care,* 33. **Hospital insurance:** *Jacoby, Modern Manors,* 78; Liebschutz, 34–35. **Led an alliance:** Originally, fourteen companies signed up. For details, see “The Rochester Unemployment Benefit Plan” by Marion B. Folsom, *Proceedings of the Academy of Political Science,* Jan. 1932; “Interview with Marion Folsom: The History of the Unemployment Benefit Plan,” undated typescript, KHC; “The Rochester Unemployment Benefit Plan,” *The Kodak Magazine,* May 1931, KHC; “Will the ‘Rochester Plan’ Solve Unemployment?” *Forbes,* June 1, 1931; MFOH. *Jacoby, Modern Manors,* 73, notes that the plan largely failed in the end: “After 1931, instead of growing the plan shrank, promised benefits were cut, and only seven firms remained when the first benefits were paid in 1933.” **From the reserve:** “Marion B. Folsom and the Rochester Plan of 1931” by Richard E. Holl, *Rochester History,* Winter 1999. Holl writes that benefit payments from Kodak amounted to $21,000 in 1933, $5,000 in 1934, and $150 in 1935. **Separation rate:** *Jacoby, Modern Manors,* 74.


23 “Up against it”: MFOH.

23 Many companies: Jacoby, Modern Manors, 7. “Poison the minds”: Aug. 15, 1919, letter from Eastman to Kodak employees, KHC.

23 “We are helpless”: “May Day,” The Kodak Worker, “Issued Monthly by the Workers (Communist) Kodak Park Nucleus,” May 1928.


24 “Industrial paternalism”: Brandes, ix. “Two generations”: Jacoby, Modern Manors, 49. None ever would: Jacoby, Modern Manors, 86, notes that only one Kodak facility in North America was ever unionized—a small plant outside Toronto shortly after World War II.


25 A lawyer: Jones graduated from the University of Georgia in 1907 and obtained a law degree from the University of Michigan. He then returned to Atlanta and taught at Emory University before joining Coca-Cola (“Coca-Cola Executive Harrison Jones Dies,” Atlanta Constitution, June 19, 1967). Chautauqua tent: Cheatham, “Your Friendly Neighbor,” 147. “Spate of profanity”: Remarks by Ralph Hayes at R. W. Woodruff Dinner, Dec. 6, 1949, RWP. “Steam engine”: Cheatham, 143.


26 “Could feel it”: Pendergrast, 155.


27 Relatively well: Coca-Cola’s factory workers earned an average of $31.75 a week, compared with the average manufacturing wage of $27.07 a week, according to a July 12, 1938 memo, RHP. Stinted somewhat: Executive salaries at Coca-Cola were $31,785, compared with $35,000 noted in a 1936 survey of large industrial companies, according to the same memo. “Three times as much”: Remarks to the Coca-Cola Training School, Dec. 1943, RWP.

27 Occasional grumbling: For instance, an executive named Benjamin Oehlert Jr. complained that compensation “has not kept pace with the demands of increased taxation, the rising costs of living, and the additional expense suffered by employees from repeated geographical transfer” (Feb. 27, 1948, memo by Oehlert, RWP). “Fellow fail”: “Bob Woodruff Lays Success to ‘Shirt Sleeve’ Philosophy,” Atlanta Journal,
Sept. 8, 1940. “Loyalty to”: April 17, 1958, remarks by Hayes, RWP. 
Well-timed: Pendergrast, 156.

28 “Country boys”: The comments by Sharp and Judkins are noted in a Feb. 15, 1939, memo from Ralph Hayes to Woodruff, RWP. “Next year better”: The comments by Brogunier are noted in a Feb. 15, 1939, memo from Ralph Hayes to Woodruff, RWP.

28 “Had been hijacked”: May 8, 1939, letter from Hayes to Woodruff, RWP.


28–29 Made his way: Loth, 31–33; McQuaid, A Response to Industrialism, 124. Mansion would expand: Encyclopedia of Chicago (encyclopedia.chicago history.org), entry for “Hull House.”


30 After merging: Online timeline from the Schenectady Museum (schenectadymuseum.org/edison/a_timeline/03_h01.htm). Number of steps: They are noted in Hammond, 383. Flu pandemic: 1975 interview with Charles Marcy, former head of the personnel department at the Schenectady Works, Hall of History Biographical and Oral History Collection, SMA.

30 Added a bevy: Hammond, 386; Warner, Unwalla, and Trimm, The Emergent American Society, 170–171; 1975 interview with Charles Marcy, former head of the personnel department at the Schenectady Works, Hall of History Biographical and Oral History Collection, SMA. General counsel: Hammond 381–382. Poor farm boy: McQuaid, A Response to Industrialism, 117. Exposed to the thinking: Heald, The Social Responsibilities of Business, 24; McQuaid, A Response to Industrialism, 173. “Liberal notions”: Tarbell, Owen D. Young, 147. Interestingly, Young was the Commerce Department’s first choice to run the CED,
but he said he was unavailable, and the post went to Hoffman (Schriftgesser, 27; Heald, 253).

30–31  **Servant to a master**: Young’s entire speech is reprinted in Tarbell, 153–157. Parts are recounted in Schatz, 15–16.

31  **Rates as high**: Tarbell, 148.  **“Slowly we are learning”**: Tarbell, 153; Schatz, 15.

31  **Two other methods**: These three—welfare capitalism, scientific management, and company unions—were “the key elements in the progressives’ program,” according to Harris, 17.  **Cousin of Fordism**: For a persuasive and nuanced account of the relationship between Taylorism and Fordism, see Brinkley, 139–141.  **Modern Times**: Jurgens, Malsch, and Dohse, *Breaking from Taylorism*, 4. Also see Heckscher, 15.  **Completely different goal**: Weisbord, *Productive Workplaces*, 35–39, 44, 48–49, 59, 66–69. Also see Kaufman, *The Origins and Evolution of the Field of Industrial Relations in the United States*, 22.  **Principal object**: Taylor, *The Principles of Scientific Management*, 9.

31  **Taught GE**: See Brian Price’s essay “Frank and Lillian Gilbreth and the Motion Study Controversy, 1907–1930” in Nelson, *A Mental Revolution*, 70. Also see Schatz, 42–44.  **“Rate-busting”**: Schatz, 44. By the mid-1920s, 75 percent to 90 percent of the production workers at GE were paid on an incentive basis (Schatz, 23).

31–32  **The other tactic**: Schatz, 22, 40–42.  **Not only at GE**: The corporations listed here had company unions that were genuinely popular with employees (Jacoby, *Modern Manors*, 23).  **More than 1,000**: Kaufman and Taras, *Nonunion Employee Representation*, 77.  **“Calculated to deceive”**: Jacoby, *Modern Manors*, 23.  **Given access**: Schatz, 42.  **“Secure sympathy”**: Schatz, 41.  **Ran high**: Schatz, 41–42.  **Turnover was low**: Schatz, 46.


32  **Cut back**: Schatz, 60–61.  **30 percent**: Schatz, 61.  **Payroll shrank**: Schatz, 61.  **Company restored**: Schatz, 67.  **James Carey**: Schatz, 63–64. In 1937, the United Electrical and Radio Workers of America became the United Electrical, Radio, and Machine Workers of America (Schatz, 64).


33  **“Piece of despotism”**: Cited in Jacobs, *Pocketbook Politics*, 149.  **Constructive suggestions**: Swope was concerned, in particular, about whether the bill would outlaw company unions (Domhoff and Webber, 134–138). In the end, the Wagner Act did not ban company unions
outright, but the measure did make it illegal for any employer to dominate, interfere with, or provide financial assistance to a labor organization. As interpreted by the National Labor Relations Board, this provision made it virtually impossible as a practical matter for company unions to exist any longer (Kaufman and Taras, 77). Also see Lichtenstein, Labor’s War at Home, 30. It was inescapable Bernstein, The Turbulent Years, 603. “Who give their lives”: Loth, 259–260.


Decidedly different view: Schatz, 170–171; Harris, 23; Jacoby, Modern Manors, 8.

Sent a squad: The Sales Management findings are the subject of an April 29, 1938, memo from Ralph Hayes to Robert Woodruff, RWP. Middletown: Muncie was the subject of the 1929 classic Middletown: A Study in Modern American Culture by sociologists Robert and Helen Lynd.


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35–36 “Aboveboard discussion”: “How Has Success Been Achieved by General Motors?” an interview with Alfred P. Sloan Jr., corporate publication, 1927, SA.

36 GM hired Pinkerton: All details on and quotations regarding GM’s spying operation, unless otherwise noted, are drawn from the official report and transcript of the hearings on “Violations of Free Speech and Rights of Labor” before a subcommittee of the US Senate Committee on Education and Labor, Feb. 15–19, 1937. Cleaned out: At the individual plant level, the reports from Pinkerton and other spy agencies were destroyed daily.

36 Into its pocket: In addition to the hearings, see Nowak, Two Who Were There, 81–82. Tapped the phone: Pinkerton denied this. Gun-wielding thugs: Brinkley, 382–383, 429. Also see Lichtenstein, Walter Reuther, 82.


37 Breaking the law: Sloan, My Years with General Motors, 393; Brown, Some Reminiscences of an Industrialist, 94. “Higher today”: Sloan’s statement was carried in full by various newspapers, including the Kokomo Tribune of Indiana, Jan. 5, 1937. Also quoted, in part, in Farber, 196.


38 “Sit down! Sit down!”: Lynch, Strike Songs of the Depression, xvii.

38 Pressure mounting: Farber, 197–208; Kennedy, 312–314; Barnard, 89–91; Lichtenstein, Walter Reuther, 78; Johnson, Maurice Sugar, 202–205.

125 cars: Farber, 208.

Johnson, 206. Under the terms of the contract, this exclusivity was for six months. **Monumental**: Kennedy, 308, 314.


**Dynamited a power station**: The perpetrators were said by police to be members of the Mechanics Educational Society, according to the *Ludington Daily News* of Michigan, Oct. 18, 1933.

“**Or will management**”: Part of Sloan’s statement to the 1937 sit-down strikers. **American Liberty League**: Farber, 183–185. Also see Lowenstein, *While America Aged*, 15.

**Bad practice**: It’s not clear where Sloan himself stood on the use of spies. **He had joined**: From corporate biographies of Wilson found in SA.


**Intellect and energy**: Bailey, 136–137; Schriftgiesser, 90; Harris, 183; Collins, *The Business Response to Keynes*, 104. “**A dictum**”: Jan. 11, 1943, memo from Brown to GM’s Post-War Planning Policy Group, DBP. **A thick line**: See, for instance, Mizruchi, 155; Van Elteren, *Labor and the American Left*, 103; Lipsitz, *Rainbow at Midnight*, 165. **GE**: Lem Boulware, who would join GE in 1945 and go on to head labor relations for the company, was a member of various committees of the NAM as well as the US Chamber of Commerce. **Kodak**: As Folsom was helping to found the CED, Kodak President T. J. Hargrave served on the executive committee of the NAM (“The NAM as an Interest Group” by Philip H. Burch, *Politics Society*, 1973). **Coca-Cola**: Ralph Hayes told Robert Woodruff he’d become concerned that “the NAM in large sections of the public mind has come to be associated with arch-conservatism and propaganda campaigns,” and that could alienate the soda-drinking public (Nov. 15, 1944, Ralph Hayes memo to Woodruff, RWP). Nevertheless, the company contributed money to the NAM (July 14, 1943, letter from Hayes to DuPont vice president Japser Crane, RWP). **Corporate schizophrenia**: One who does make this point effectively is Fones-Wolf, 24. Harris, 182, also points out that CED members often found themselves “overlapping with liberal elements” in the NAM and US Chamber of Commerce.

**More than 400,000**: Kennedy, 856.

CHAPTER 2

“Continuing success”: GM republished Wilson’s six principles in different formats. Various versions can be found at SA. Wilson’s principles were also one of three “thought-starters” given out to those participating in the MJC (Evans and Laseau, My Job Contest, 7; General Motors, The Worker Speaks, 145).

Kitts’s composition: General Motors, The Worker Speaks, 116–120. Nearly 175,000: The official tally was 174,854 (General Motors, The Worker Speaks, 9; Evans and Laseau, 12). Entrants had to be on the payroll continuously from Sept. 14, 1947 to the date winners were announced in December (General Motors, The Worker Speaks, 143). Made of gold: General Motors, The Worker Speaks, 115; Evans and Laseau, 13.


“Pyramid of opportunities”: Sloan, Adventures of a White-Collar Man, 153. This quotation is cited as well in Chinoy, Automobile Workers and the American Dream, 5–6.

“Wasn’t as smart”: All quotations and other biographical details in this paragraph are from a 2010 interview by the author with Kitts.

“Receiving good wages”: General Motors, The Worker Speaks, 117. 52 percent: Evans and Laseau, 46. Eighteen broad themes: Evans and Laseau, 46–48. The others were: the importance of the job, pride,
cooperation among fellow employees, the abilities and attitudes of one’s immediate supervisor, policies of management, working conditions, job security, the chance for advancement, fringe benefits, plant safety, holidays and vacations, recreational and cultural facilities, personal achievement, steadiness of work, the company suggestion plan, the chance to partake in the American free-enterprise system, and seniority. “Ask for a raise”: General Motors, The Worker Speaks, 133. “I gets paid”: General Motors, The Worker Speaks, 93. Lived with: From a 2012 interview by the author with Vernon Halliday’s son, Jim. Financial incentives: Within Civic Park, GM limited the price of homes to a range of $3,500 to $8,500, with a down payment of just 5 percent, and it offered credit of $800 on the purchase with a minimum of five years of company service, along with a dollar-for-dollar savings account match up to $300 (“Civic Park Home Preservation Manual,” City of Flint, Michigan, 1981).


48 Met with experts: Evans and Laseau, 17. Statistical Analytics: Evans and Laseau, 18. “Mark-sense”: Evans and Laseau, 19. MJC final judges: In addition to Drucker, the other judges were poet and journalist Edgar Guest, James McCarthy of the University of Notre Dame,


50 “One-sided”: Quoted in “The ‘New’ Labor Relations and the My Job Contest of 1947” by Ronda Hauben, *The Searchlight*, Feb, 11, 1988. Also quoted, in part, in Jacoby, *Modern Manors*, 245. In fairness, GM did give MJC participants a spot on the back of their entry forms to present criticisms, assuring them that anything they wrote there would not be evaluated by the judges. About 7 percent weighed in with various
gripes—most of them about lousy general upkeep and working conditions, a lack of access to product discounts, a dearth of cooperation and coordination, and the absence of a pension plan for hourly workers. See Evans and Laseau, 36, Figure 17.


51 Under the pseudonym: Rosengarten, Urbane Revolutionary, 71. “The biggest liar”: The American Worker can be accessed via libcom.org/history/american-worker-paul-romano-ria-stone. This same passage is also quoted in “The History Corner: The ‘My Job’ Contest at General Motors” by Scott Highhouse, Society for Industrial and Organizational Psychology (siop.org/tip/April10/13highhouse.aspx).


52 Overwhelming majorities: The Senate vote was 68–25; the House vote was 331–83. “Slave-labor”: Margolies, A Companion to Harry S. Truman, 215. Many labor leaders would use the same terminology to describe Taft-Hartley. “Vicious piece”: Lichtenstein, Walter Reuther, 266. “The clock”: Testimony, hearings before the Joint Committee on Labor-Management Relations, Part 2, June 4, 7–12, 706.


53 Grievance arbitration: Lichtenstein, Walter Reuther, 144–153. An “umpire”: One of the first to hold the umpire’s position was George Taylor, a University of Pennsylvania professor and National War Labor Board official who served as a judge in the “My Job Contest.” “There is


Quickie strikes: The average strike lasted fewer than six days—less than half the 1941 average and about a quarter of the 1937 figure (Atleson, 143).


28 million: Lee, Truman and Taft-Hartley, 16. Double the high: The wartime high, reached in 1943, was 13.5 million lost “man days” due to strikes (Lee, 16). The key issue: Brenner, Day, and Ness, 218; Millis and Brown, From the Wagner Act to Taft-Hartley, 302. Also see “Purchasing Power for Prosperity: The Case of the General Motors Workers For Maintaining Take-Home Pay” by Walter Reuther, Oct. 1945, ILIR. For his part, Peter Drucker (“What to Do About Strikes,” Collier’s, Jan. 18, 1947) asserted that the fundamental cause of the labor unrest was psychological, the result of the Depression of the 1930s: “The American worker . . . is conditioned to regard unemployment as the normal state. Hence he cannot feel that the present labor boom will continue. He must try to make hay while the sun shines.”

“Egg labor on”: Nov. 3, 1945, letter from Wilson to Philip Reed, GE’s chairman, PRP. Wilson was referring specifically to remarks that Truman had made just before the opening of the Labor-Management Conference. They were similar in tone and substance to his speech there. **Protracted strikes**: Brenner, Day, and Ness, 220–222. **Scope and intensity**: “Postwar Work Stoppages Caused by Labor-Management Disputes,” *Monthly Labor Review*, Dec. 1946. The most comparable period was 1919, which saw 3,630 strikes involving 4.2 million workers. Also see Zieger, Minchin, and Gall, 161. **At GE**: Schatz, 155; “A Brief History of UE Bargaining With GE: Seventy Years of Struggle,” United Electrical, Radio, and Machine Workers of America; *Facts on File* (sofweb.com/History/MainPrintPage.asp?iPin=TTY430&DataType=AmericanHistory&WinType=Free). “Captiously summed up”: Nicholson, *Labor’s Story in the United States*, 248.


**Thrust himself**: In moving against GM, Reuther had acted against the wishes of the CIO leadership, which thought that it was premature to launch any strikes so soon after V-J Day (Lichtenstein, *Walter Reuther*, 228–232; Halpern 55–56). **Leading 180,000**: Halpern, 51. The total number of GM hourly workers represented by the UAW at the time was 320,000, but 140,000 were on temporary layoff because of delays with postwar reconversion (Barnard, 215). “Time to debunk”: Lichtenstein, *Walter Reuther*, 228. **10 percent**: “UAW-CIO Has Refused 10 Per Cent More Than Wartime Take-Home Pay,” General Motors, background

**So flush**: See “Interrelation Between Production, Wages, Prices and Profits of the General Motors Corporation,” 1945, ILIR. **Without price increases**: Lichtenstein, *Walter Reuther*, 223. By pushing for a 30 percent jump in pay without an increase in the cost of cars, Reuther was really following the CIO’s postwar wage strategy (Lichtenstein, *Walter Reuther*, 223–229). **Widened the circle**: Lambert, 117. **In this struggle**: “Report to European Labor” by Walter Reuther, Nov. 1949, UAW.

**Fallen 12 percent**: General Motors background information sheet, UAW. **Awfully quick**: Transcript of press-radio conference, Oct. 19, 1945, UAW. **Have to be raised**: “Danger on the Production Front: General Motors’ Position on Important Problems Affecting the Entire Country,” 1945, SA. Also see “Business Trend for 1947” a speech by Alfred P. Sloan before the Boston Chamber of Commerce, Dec. 19, 1946, *Vital Speeches of the Day*. In it, he asserts: “The concept that wages—a major component of costs—can be substantially raised without affecting prices, unless offset by increasing efficiency . . . constitutes an amazing lack of understanding of fundamental economic reactions.”

**Open the books**: Lichtenstein, *Walter Reuther*, 223, 238; Fountain, *Union Guy*, 181–182; Zieger, Minchin, and Gall, 163. **Finger in the Pie?**: The ad, which ran in Jan. 1946, can be found in UAW. Also see Sloan, *My Years with General Motors*, 397.


59–60 “Will not tolerate”: “Collective Bargaining: How to Make It More Effective,” CED policy statement, Feb. 1947, PHP. **Even President Truman:** Gross, Broken Promise, 5. “The underdog”: Gross, Broken Promise, 5. Lambert, 120, notes that even Sumner Slichter, “a leading liberal postwar industrial relations scholar,” believed that in many cases strikes were no longer “expresses of legitimate grievances” but, rather, now “pitted the self-interest of labor unions against the broad interests of the community.” **By depicting:** Nashville Tennessean, Oct. 16, 1945. “Had enough?”: McQuaid, Uneasy Partners, 27. Also see Zieger, Minchin, and Gall, 167–169. “Industrial strife”: Keogh, This Is Nixon, 116. **Republican rout:** Republicans gained 13 seats in the Senate to emerge with a 51–45 majority, the largest majority that they’d enjoy there between 1930 and 1980. The GOP also gained 55 seats in the House to give them a 246–188 majority, their largest majority in that body since 1930 (“What 1946 Can Tell Us About 2010” by Michael Barone, The American, April 6, 2010).


61 **This stance:** Expressed in testimony by GM’s Charles E. Wilson, hearings before the Senate Committee on Labor and Public Welfare, Feb 5, 1947; March 10, 1949, letter from GE’s Charles E. Wilson to Representative Andrew Jacobs, member of the House Committee on Education and Labor, LBP. Also see Mizruchi, 86–94. **High-priced:** Reilly charged each of his corporate clients $3,000 a month in the late 1940s—the equivalent of nearly $30,000 today—as reflected in papers found in GRP. Reilly’s service to General Motors and General Electric is noted in Harris, 123; Lee, 66.

61 “Beat the boys”: From a 2012 interview by the author with Heffern. **Scholarship:** From a 2012 interview by the author with Jack Reilly.

61–62 “Mistaken zeal”: June 1, 1937, memo from Reilly to Perkins, FPP. Be-friended many: Jack Reilly interview. Convicted of perjury: “Alger Hiss, Divisive Icon of the Cold War, Dies at 92,” New York Times, Nov. 16, 1996. Donald Hiss, who worked as an assistant to Reilly at the Labor Department before moving over to State, was accused by Whitaker Chambers of being part of the Communist underground in Washington, but was never accused of espionage. For more, see “Donald Hiss’s Story” at files.nyu.edu/th15/public/donaldhiss.html. “Unqualified advocate”: “An American You Should Know: Problems of Solicitor of Labor Department are Manifold,” Washington Star, June 21, 1938. “Correcting these evils”: Aug. 25, 1937, memo from Reilly to Perkins, FPP.

62 House conservatives: The lead antagonist was Republican J. Parnell Thomas of New Jersey, a member of the Dies Committee. His resolution also called for the impeachment of James Houghteling, the commissioner of Immigration and Naturalization. Extensive material on the Bridges case can be found in FPP. “Joan of Arc”: Pasachoff, Frances Perkins: Champion of the New Deal, 107. His vices: Jack Reilly interview. “Their knives”: Pasachoff, 107. “Most disarming”: Feb. 1, 1939, letter from Celler to Perkins, GRP. “Personal friendship”: Nov. 10, 1941, letter from Perkins to Reilly, copy courtesy of Jack Reilly.


63–64 Exaggerated: Gross (The Reshaping of the National Labor Relations Board, 17) notes that in July 1938, it was reported that the NLRB had


As many as 50,000: Mills, White Collar, 91. Staging walkouts: This and all other details of the union’s gains through this period are drawn from “History of the Movement to Organize Foremen in the Automotive Industry: December 1938–May 1945,” BL.


“He gets it”: This and all other quotations by the GM foremen in this chapter, as well as any details about their lives and careers, are taken from typed interview notes found in RHGP. **Cubicle-dwelling**: See Saval, *Cubed*, 226–227.

“Statistical abstractions”: From Drucker’s foreword to Purcell, x. **Yale University researchers**: The research was led by Charles R. Walker, the director of the Yale Technology Project. Robert H. Guest, Arthur Turner, and Frank J. Jasinski later joined the team. **Framingham**: The Framingham plant had opened in 1949. **They talked to**: The interviews were conducted in 1952 and 1953. The researchers also interviewed the wives of production workers, as well as a small number of more senior GM managers.

“In my blood”: This and all other quotations by the GM production workers in this chapter, as well as any details about their lives and careers, are taken from typed interview notes found in TSC. **Was above**: Nationally, average earnings were sixty-nine cents (“Hourly earnings in manufacturing: 1923–1990,” Sutch and Carter, 2–281).

**GM feted**: Details on the banquet, including the menu, are from a copy of the program found in SA. **Have exceeded**: As quoted in corporate news release, Dec. 13, 1947, UAW. **Douglas instantly recognized**: Dec. 28, 1947, letter from Halliday to his parents, copy courtesy of Jim Halliday.

**CHAPTER 3**

“To the stockyards”: “Some Effects of the Taft-Hartley Act” by Dale E. Good, Institute of Labor and Industrial Relations, University of Illinois Bulletin. **Educational drive**: March 18, 1948, letter from UAW vice president John Livingston, to all union locals, included in “Membership Drive Program” packet, UAW. **Telling Any Lies**: Stack of contest fliers can be found in UAW.

“Jeopardizes the welfare”: “Organizational and Educational Program to Be Advanced in General Motors Plants Covered by National Agreement,” undated document, UAW. **In their bones**: Feb. 3, 1948, letter from UAW vice president John Livingston, to all GM union locals, UAW.

A handful: The prize list was sent on Feb. 4, 1948, from UAW vice president John Livingston, to all GM union locals, UAW. **There’s a Ford**: “A Membership Drive Prize, *Detroit Times*, Feb. 20, 1948. **Delphia Baugh**: Baugh’s statement is included as an attachment to a Feb. 11, 1949, memo from UAW vice president John Livingston to union public relations director Frank Winn, UAW.


Fetch a bowl: All details on the assassination attempt are taken from Lichtenstein, Walter Reuther, 271–272. Always suspected: Lichtenstein, Walter Reuther, 275. It also seems that organized crime figures, who were tangled up in union politics and ran assorted illegal activities from various auto company factories, may have been involved. About a year after the assassination attempt on Walter Reuther, Victor Reuther was also hit by a shotgun blast.


76–77 Leon Trotsky: Lichtenstein, Walter Reuther, 277; El-Messidi, 44. Also insisting: Lichtenstein, Walter Reuther, 277. “Prefer to play”: Sloan, My Years with General Motors, 396.


77–78 “Gave me a penny”: “Everything Is Higher” by Ray Glaser, as found in Hille, The People’s Song Book, 107. In the same book, also see “A Dollar Ain’t a Dollar Anymore” by Tom Glazer, 112–113.


79–80 Beginning of the end: See “Outlook For Lull in Big Strikes,” US News & World Report, July 16, 1948. UAW local: This was Chrysler Local 7.


Constitution: Much of this stemmed from periodic government revisions to its cost of living index. See El-Messidi, 72–79; “Development of the New UAW Escalator Formula,” June 1, 1953, UAW. It also didn’t help that, from time to time, the COLA went down, cutting into workers’ pay. The UAW was left to remind its members that this was welcome news “in the fight to stop inflation” (Nov. 24, 1948 statement by union official T.A. Johnston, UAW). Also see “The Truth About GM’s C of L Adjustment: Fair Weather Militants Trying to Capitalize on Price Decline,” GM Facts, Feb. 1949, UAW. Enormous triumph: GM had heretofore resisted negotiating with its unions over benefit plans, saying “the inclusion of health and welfare plans within the area of collective bargaining can only create new and unexplored areas of industrial disputes, difficult—if not impossible—to solve” (Statement of C. E. Wilson before the Senate Committee on Labor and Public Welfare, Feb. 5, 1947, SA).


talk by Louis G. Seaton, American Management Association’s Personnel Conference, Oct. 2–4, 1950, UAW. Also see “Statement by General Motors Corporation Before Wage Stabilization Board Re: Annual Improvement Factor Increases,” May 24, 1951, UAW. Lay at the core: Aronowitz, From the Ashes of the Old, 25, writes: “By 1950 American labor was locked in an uneasy embrace with corporate America and the liberal state. In that year the postwar social compact was symbolically sealed” by the UAW agreement with GM. Also see “Satisfaction at General Motors,” The Nation, June 17, 1950.


81 “Our hope”: “Five Years of Industrial Peace,” a talk by C. E. Wilson, National Press Club, June 8, 1950, SA.


The southern clan: In 1912, Sams was hired as a traveling sales manager for Coca-Cola. He left the company in 1917 to join the Navy, but not before locking in his most important sale: he courted, and then married, Lottie Crass, whose father was well on his way to becoming one of the most successful owners in the Coca-Cola bottling network. After Sams was discharged from the military, he joined his wife’s family’s business and helped it expand well past its Virginia base. At one point, the enterprise owned forty-two separate Coca-Cola franchises. In 1951, family members swapped stocks in various bottling franchises. The Sams faction gained control of thirteen bottling plants and sales centers, including Cumberland.

“Been married”: Transcript of remarks by Sams to the employees of the Cumberland Coca-Cola Bottling Works, June 25, 1951, CCCB.

Late September: The election notice is in CCCB. Mailed letters: The employee list is in CCCB. “You have security”: Sept. 22, 1951, letter from Coca-Cola executive Fred Hobbs to employees, CCCB.

Fourteen to five: The NLRB’s tally of ballots is in CCCB. “Single factor”: Undated note from Coca-Cola executive Fred Hobbs to Teamsters local business manager C. E. Stutzman, in response to Oct. 12, 1951, meeting between union and company officials. The five-cent threshold was long held sacrosanct within the Coca-Cola system (though in the late 1940s, some stores began selling a bottle of Coke for six cents). See, for instance, “Why Coke Cost a Nickel for 70 Years,” Planet Money, National Public Radio, Nov. 15, 2012. “Will not grant”: NLRB Charge Against Employer, Oct. 29, 1951, CCCB. May 10: NLRB Charge Against Labor Organization or Its Agents, July 8, 1952, CCCB.


A 6 percent boost: This was for the lowest-paid laborers in the plant. The route salesmen, who were paid a per-case commission, were subject to a different pay formula. “Wear out”: July 31, 1952, memo from plant manager Roy Lottig to Sams, CCCB.
Wage gains: As calculated by the author based on a copy of the contract and other documents in CCCB. “Until I nail”: Sept. 2, 1952, memo from Lottig to Sams, CCCB.

Company cancelled: As noted in Dec. 22, 1953, letter from Coca-Cola attorney Fred Pollard to Teamsters local business manager C. E. Stutzman, CCCB. After petitioning: Copy of petition, filed Nov. 19, 1953, in CCCB. Out on top: NLRB Certification of Results of Election in CCCB.


Out of the way”: March 15, 1954, letter from Sams to Lottig, CCCB. “Any inkling”: March 12, 1954, memo from Lottig to Sams, CCCB.


Second-Class City”: Handbill found in CCP, JBP. Sterling Hicks also wrote to the Federal Communications Commission, suggesting that WBT’s television license be revoked because “the local outlet is not utilizing the full facilities as granted” (Aug. 6, 1949 letter from Hicks to FCC, CCP). Some 5,000: As noted in Labor Board v. Electrical Workers, No. 15, 346 U.S. 464 (1953).


Since early July”: Copies of Crutchfield’s letters to the employees are in CCP.


Technical grounds: The appeals court found that by using the word “indefensible” instead of “unlawful,” the NLRB had “misconceived the scope of the established rule.” See “Court Reverses Finding of NLRB,” *Charlotte Observer*, Nov. 21, 1952. Then took up: May 4, 1953, letter to Crutchfield from Jefferson Standard’s outside counsel, Whiteford Blakeney, CCP. The Supreme Court, however, denied the company’s request to become a formal party in the proceeding.


“Bite the hand”: Dec. 10, 1953, letter from Hilker to Crutchfield, WBP. “Truly sorry”: March 27, 1954, letter from Richardson to Crutchfield, CCP.


Born in Springfield: All biographical details, as well as Boulware’s quotation in this paragraph, are from typed notes in LBP; Sept. 9, 1957 corporate news release announcing that Jack Parker had replaced Boulware as head of GE’s public and employee relations, LBP. Also see Phillips-Fein, 97–98; Kim Phillips-Fein’s essay “American Counter-revolutionary: Lemuel Ricketts Boulware and General Electric, 1950–1960” in Lichtenstein, *American Capitalism*, 253–254.

92–93 **“Rewarding approach”**: This and all other quotations in the paragraph are from “Then and Now,” a talk by Lemuel R. Boulward, General Electric Employee Relations Meeting, Aug. 31, 1977, LBP. Also see Boulware, 1–3.


93–94 **A 9-point checklist**: The fully worded plan is in Boulware, 26–28. Also see Evans, 48–50; Northrup, 26.

94 **Boulware developed**: Boulware, 32; Evans, 54; Schatz, 172; Phillips-Fein, 100. **“Devoted to overcoming”**: Boulware, 32–34. Also see “Memorandum of Interview with L. R. Boulware,” Dec. 23, 1947, LBP. **“Keeps Trying”**: These and the other headlines are from Boulware, 41–42. **“Hard-hitting”**: Dec. 2, 1947, memo from Peare to Boulware, LBP.

94–95 **Salary structure**: Boulware, 74–75. **15,000 managers**: Boulware, 31. **Unionized workers**: The 120,000 included members of numerous unions. In addition to the biggest, the International Union of Electrical, Radio, and Machine Workers (IUE), and its rival United Electrical, Radio, and Machine Workers (UE), other unions representing GE employees included the International Association of Machinists (IAM), the United Automobile Workers (UAW), the Allied Industrial Workers (AIW), the International Brotherhood of Electrical Workers (IBEW), and more. **“Proemployee”**: “Statement of General Electric Company Prepared For Presentation Before the Senate Committee on Labor and Public Welfare,” Feb. 8, 1954, LBP. **“Essential humanity”**: Boulware, 109.

95 **“Education campaign”**: Phillips-Fein, 100. **Typical quarter**: This breakdown, from the first quarter of 1953, is found in Boulware, 56. **“Toe-to-toe struggle”**: Boulware, 57.

95–96 **“Balanced best”**: Boulware, 29–30; Northrup, 30. Boulware called these different stakeholder groups “contributor-claimants.” GE’s president Ralph Cordiner had a slightly different take in *New Frontiers for
Professional Managers, 23: “A business must be managed in the balanced best interests of all the groups who contribute to its success, but the efforts of all must be focused on the customer. If the customer is well served, share owners, employees, suppliers, dealers, and communities will all prosper.” Also see Reich, Saving Capitalism, 120. “Four parties”: Freeman, Harrison, Wicks, Parmar, and De Colle, Stakeholder Theory, 69. Johnson & Johnson: See “Our Credo Values,” Johnson & Johnson (nnj.com/about-jnj/jnj-credo). Robert Wood Johnson wrote this in 1943. General Motors: “Memorandum on General Motors Profits,” 1950, UAW. Kodak: “SPICE Concept Guides Kodak Business Practices,” Management Letter, Jan. 8, 1971, KHC. The SPICE acronym was coined in the mid-1960s, though the philosophy predated that.


96 Eight years: Evans, 3. “Left and right”: Evans, 239. Reagan would later deliver the same speech, “A Time For Choosing,” on behalf of Republican presidential candidate Barry Goldwater in 1964. A different portion of the same speech is quoted in Perlstein, Before the Storm, 122–123.


97 DuPont course: Boulware, 34; Phillips-Fein’s essay in Lichtenstein, American Capitalism, 257; Whyte, The Organization Man, 121. Additional series: Details on and quotes from the Carothers’s classes can be found in the General Electric Corporate Administration Records: 1892–1983, SMA. Darling of: Various speeches by Carothers on behalf of the American Liberty League can be found in the Jouett Shouse Collection at the University of Kentucky’s Special Collections Library.

97–98 Direct part: Northrup, 53. Carey lost the presidency of the UE in 1941 but became secretary-treasurer of the CIO and would hold that
position until 1955. **He founded:** Schatz, 185; Northrup, 44. **In league:** Northrup, 40–41. **Ardently opposing:** Schatz, 183–185. Also see “Carey and the Communists,” *The Nation*, Sept. 13, 1941; “How Can We Best Combat Communism,” American Forum of the Air, featuring Carey and Rep. Harold Velde, Feb. 15, 1953, IUE. **“Want No Part”:** This is on the back side of a pamphlet, which says on the cover: “The Next Top Communist Captured by the FBI May Be the UE Organizer at Our Plant Gate,” ILIR. Carey often accused GE of favoring the UE over the IUE—something the company strenuously denied. **Five times:** Weir, *Workers in America*, 376. In 1950, the IUE represented about half of all the unionized workers at GE and Westinghouse; the UE, 10 percent. In 1955, the IUE claimed to represent 100,000 GE workers; the IUE represented about 20,000.

98 **Common enemy:** In 1953, in what became known as “the Cordiner doctrine,” GE began firing employees “who admitted to being Communists or failed to clear themselves of charges of Communist affiliations leveled by witnesses before congressional committees or other government agencies” (Schatz, 239). **“Marched triumphantly”:** Northrup, 52–53.

98 **Pejoratively:** Evans, 45; Phillips-Fein, 100. Boulware, ix, said “Boulwareism is a term devised by others . . . largely in an attempt to use a bad-sounding name for that very good thing” GE was trying to do. **“Bunch of thieves”:** GE News Letter, May 28, 1954. **“Feasible and fair”:** “Boulwareism: C.I.O. Cries Foul As ‘Tough but Fair’ Wage Policy Spreads,” *Wall Street Journal*, Nov. 3, 1954. **“Trying to do right voluntarily”:** This is the subtitle of Boulware’s book *The Truth About Boulwarism*. He used the phrase constantly. See, for instance, “Employee and Plant Community Relations,” a digest of the presentation made to operating managers at the Waldorf-Astoria, New York, Oct. 1–2, 1955, LBP. Also see Rothschild, 117–119.


99 **Take-it-or-leave-it:** Boulware bristled at the term “take-it-or-leave-it,” saying that if the company learned of relevant new information in the course of bargaining, it would then change its offer accordingly. **But**


“Scurrilous attacks”: This passage is excerpted from minutes of the negotiations, July 28, 1955, IUE.

Didn’t get: The company did agree to a contract opener in 1958 to again explore the issues of job security and the protection of income of
laid-off workers. **Company agreed:** See “Summary of Major Economic Gains,” Aug. 12, 1955, IUE. Also see Aug. 12, 1955, letter from Carey and John Callahan to IUE locals recommending approval of the agreement, IUE. **“Not happy”:** This quotation, as well as Day’s reply, is from minutes of the negotiations, Aug. 10, 1955, IUE.


### CHAPTER 4


106 **“Get a bonus”:** Rochester *Democrat and Chronicle*, March 13, 1955. **Heinrich Motors:** Rochester *Times-Union*, March 14, 1955. **All held:**


109 “Comparatively simple”: Gerling, 1.

“People’s Capitalism”: Miller and Nowak, 111–112. The term, they note, was coined by the Advertising Council. Also see Saval, 163; Metzgar, *Striking Steel*, 218–219.

109 **Tens of millions:** In the late 1950s, the poverty rate for all Americans was 22.4 percent, or 39.5 million individuals, according to the National Poverty Center at the University of Michigan. “Inequality and deprivation”: Galbraith, *The Affluent Society*, 239. These concerns are also noted in Miller and Nowak, 121–122. “Unskilled workers”: Harrington, *The Other America*, 25. Also see Davis and Wessel, *Prosperity*, 69–72; Miller and Nowak, 123; Weil, *The Fissured Workplace*, 40. Noting that “women and minorities still struggled for political equality and economic opportunity,” Reich (*Supercapitalism*, 16) calls the period from 1945–1975 the “Not Quite Golden Age.”

110 **Fewer than:** Reich, *Supercapitalism*, 29. Over the course of the decade, the portion of the US labor force classified as self-employed shrank from 26 percent to just 11 percent (Miller and Nowak, 116). **Half of the nation’s:** Reich, *Supercapitalism*, 29. **Around the globe:** Miller and Nowak, 116. **For export:** From 1946–78, in nearly every category of capital goods, the United States typically had a trade surplus, which grew substantially beginning in the early 1950s. In consumer goods, the United States typically had a deficit from 1925 to 1938, and then a postwar surplus that lasted until 1959 (“trends in United States International Trade and Investment Since World War II” by William H. Branson, Herbert Giersch, and Peter G. Peterson in Feldstein, *The American Economy in Transition*, 230–231).

110 **Badly damaged:** “Since the true globalization of competition was just beginning in many industries in the 1950s and 1960s, it is hard to overestimate the early mover advantages that accrued to those nations that were in a position to exploit them in the early postwar years because their economies had not been damaged,” Porter writes in *The Competitive Advantage of Nations*, 545. Also see Cappelli, 75. **Military-industrial complex:** This was from Eisenhower’s speech of Jan. 17, 1961, in which he warned: “In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists, and will persist.” **20 percent:** Miller and Nowak, 117. Also see Reich, *Supercapitalism*, 42–43. **Outstripped:** Hall and Rosenberg, *Handbook of the Economics of Innovation*, 696. **Come to rely:** Hall and Rosenberg, *Handbook of the Economics of Innovation*, 696.

110 **Nation’s 16 million:** History and Timeline of the Servicemen’s Re-adjustment Act of 1944, US Department of Veterans Affairs (benefits.va.gov/gibill/history.asp). Not all scholars agree on the impact of the
legislation. “There is still considerable debate over whether the 1944 GI Bill had a large direct effect on education or simply enabled those who were drafted to achieve the education they would have attained had they not served in the military” (Goldin and Katz, The Race Between Education and Technology, 238). “Marked gains”: Hession and Sardy, Ascent to Affluence, 821. The authors cite other factors for enhanced productivity, as well, including the effects of mass production, investments in capital equipment, and advances in technology.

Productivity soared: Labor productivity grew by a robust 3 percent annually during the 1950s, while total factor productivity—a broader measure that accounts for effects in total output not caused by traditionally measured inputs of labor and capital—grew during the decade by an impressive 1.4 percent a year (Nouriel Roubini and David Backus, Lectures in Macroeconomics, Stern School of Business, New York University). Also see Davis and Wessel, 64. Large boosts: Between 1947 and 1958, steel workers saw a 111 percent rise in hourly earnings; those in autos, 80 percent; and those building machinery, 81 percent (from the US Bureau of Labor Statistics data found in CWP).


“Lethal desires”: Galbraith, 115. Also quoted, in part, in Davis and Wessel, 67.


Three crucial elements: Frost, Wakely, and Ruh, The Scanlon Plan, 6–14. Baseline ratio: The formula was meant to be adjusted to fit the situation at hand. A manufacturer, for example, might use the ratio of labor costs to the value of production while a food warehouse might use man hours per ton of food processed. “Like to see”: Lesieur, 42. “Deeply rooted faith”: Lesieur, 5–6.

“Cheerio”: Aug. 6, 1954, letter from Scanlon to E. J. Lever, JSP. Give up that control: See “Worker Participation on Production Problems” by George P. Shultz, Personnel, Nov. 1951. Ripped off: At Industrial Tape Corporation, for instance, the employees believed “quite strongly that they have made a distinct contribution” to enhance productivity, Scanlon said. But their “earnings have been to a great extent extremely limited” because of the mathematical model being used. For more, see the July 20, 1953, letter from Scanlon to Raymond A. Nash of Industrial Tape, JSP.


When everybody: Despite all of the positive press the Scanlon Plan received, it was used minimally. Only about sixty companies had signed up for it by 1955, not one of them a giant of American industry. Advocates contended that the significance of what Joe Scanlon had designed lay not in its numbers, but in how it tore down an unwelcome wall between employer and employee. The Scanlon Plan has “actually solved the question of a stake and incentive for the wage earner with no trace of paternalism or ‘do-goodism,’” said the journalist Russell Davenport. Also see “The Scanlon Plan,” *Time*, Sept. 26, 1955. The limits of the Scanlon Plan are explored in “Forty Years of Scanlon Plan Research: A Review of the Descriptive and Empirical Literature” by Michael Schuster, *International Yearbook of Organizational Democracy*, 1983.


New GE plan: Details are described in “Family Medical Care Under Three Types of Health Insurance” by the School of Public Health and Administrative Medicine, Columbia University for the Foundation on Employee Health, Medical Care, and Welfare, 1962.


Eight in ten: In one survey, more than 80 percent of employees indicated that they were “very well satisfied” or “fairly well satisfied” with the plan. See “Family Medical Care Under Three Types of Health Insurance” by the School of Public Health and Administrative Medicine, Columbia University for the Foundation on Employee Health, Medical Care, and Welfare, 1962. If there was any party left wanting, it was the Electrical Workers union, the IUE. From its perspective, GE’s insurance plan was a big black box, and the union’s inability to peek inside at the financial details was a source of great frustration. Because GE was the legal policyholder, it was also the company—and not the union or the workers themselves—that received millions of dollars annually in dividends, which Metropolitan Life shoveled out as an inducement to buy its products. For more on this, see Klein, 210; “The Politics of Economic Security: Employee Benefits and the Privatization of New Deal Liberalism” by Jennifer Klein, *Journal of Policy History*, Vol. 16, No. 1, 2004; “The Business of Health Security: Employee Health Benefits, Commercial Insurers, and the Reconstruction of Welfare Capitalism, 1945–1960” by Jennifer Klein, *International Labor and Working-Class History*, No. 58, Fall 2000. In June 1957, labor leader George Meany attacked GE before a Senate subcommittee for GE’s possible conflicts of interest, noting that two company directors—Phil Reed and Robert
Woodruff—were also on the board of Metropolitan Life Insurance (July 11, 1957, letter from Reed to Woodruff, RWP). “Been destroyed”: As quoted in “Family Medical Care Under Three Types of Health Insurance.”


119 AFL favored: Derickson, 73–74; Starr, 266. Social-democratic agenda: Boyle, Organized Labor and American Politics, 217–218; Moody, Injury to All, 39; Lichtenstein, Labor’s War at Home, 32. “List of luxuries”: Derickson, 81; Klein, 101. Greenberg was speaking at the National Health Conference, a landmark event, in July 1938.


War Labor Board: Starr, 311; Gottschalk, The Shadow Welfare State, 42.

During the war: Starr, 311.

120–121 Court’s ruling: Klein, 216; Gottschalk, 48; “Management Faces the Pension Problem,” National Association of Manufacturers, Oct. 1950, KC. Prime catalyst: Derickson, 112, 124–125; Starr, 312–313. Not that labor was of a uniform mind on the issue. “In a surprising twist, the AFL craft unions continued to push hard for national health insurance while the industrial unions associated with the CIO quickly accepted the privatization” of medical benefits (Gottschalk, 43–44). “Fringe concern”: “The UAW-CIO and the Problem of Medical Care,” remarks by Harry Becker before the Medical Care Section of the American Public Health Association, Nov. 2, 1950, UAW. By 1954: Starr, 313. Also see Gottschalk, 43. Like Kodak: Derickson, 112; Klein, 227. Made it official: Section 106 was enacted in 1954 as part of a comprehensive revision of the Internal Revenue Code. See Starr, 333; Derickson, 110; “The Tax Exemption of Employer-Provided Health Insurance” by Jeremy Horpedahl and Harrison Searles, Mercatus on Policy, Mercatus Center, George Mason University, July 2013.


121 Remained uninsured: Derickson, 122–127; Starr, 333; Klein, 247. After the passage: See “Building a National Health-Care System,” Committee for Economic Development, April 1973. Had to pay: In 1958, GE paid 43 percent of an average family’s $241 in medical bills—far below the 75 percent to 85 percent promised in its “comprehensive” plan, according to “Family Medical Care Under Three Types of Health Insurance” by the School of Public Health and Administrative Medicine, Columbia University for the Foundation on Employee Health, Medical Care, and Welfare, 1962. Klein, 202, explains one reason for this is that commercial indemnity insurers used “experience rating,” as opposed to the “community rating” system that the original Blue Cross providers used. This meant that workers in the same firm would pay different rates depending on their medical histories. “By necessity, then, coverage had to be limited.” “Full coverage”: Klein, 202. Gottschalk, 48, notes that some industries—namely, autos and steel—did agree to pay the full cost of health benefits by the early 1960s.

121 Some 28,000: “GE Comprehensive Insurance Plan Started 10 Years Ago,” GE Employee Relations News, July 12, 1965. Also see Somers
and Somers, *Doctors, Patients, and Health Insurance*, 383. **Coca-Cola:** The company adopted such a plan in Feb. 1957. See “Brief Summary of Major Medical Expense Plan for Personnel of the Coca-Cola Company,” RHP. “Invitation to larceny”: Somers and Somers, 385. Also see Klein, 202, 228.


March and August: “Seasonality in the Automobile Industry,” union analysis, June 5, 1950, UAW. “Never faced up”: April 1, 1953, interview notes with Laseau, RHGP.


CHAPTER 5

130 Credit for that: As Alfred D. Chandler Jr. wrote in “Management Decentralization: An Historical Analysis,” Business History Review, Vol. 30, No. 2, June 1956: “The fundamental innovations in the major variations of decentralized administrative structures existing in large industrial concerns all came in the 1920s. The first and by far the most significant was that engineered by Irénée and Pierre DuPont in 1921. The two brothers created simultaneously for the DuPont company and for General Motors the organization that is still the model for companies decentralizing their operations along product lines.” Also see Wren and Bedeian, The Evolution of Management Thought, 256. Pushing responsibility: Cordiner, 47. Also see “The Implications of Industrial Decentralization” by Ralph J. Cordiner, General Management Series, No. 134, American Management Association, 1945; “Problems of Management in a Large Decentralized Organization” by Ralph J. Cordiner, American Management Association, 1952; “Scientific Job Design and Development of Professional Managerial and Functional Nomenclature,” Management Consultation Services, General Electric, Feb. 1954, RGGP; Warner, Unwalla, and Trimm, 177. Hundreds upon hundreds: Greenwood, Managerial Decentralization, 22, 58, 40–41. “New arena”: Greenwood, 19. The financial analyst was Edward Currie. Also see Greenwood, 99; Warner, Unwalla, and Trimm, 214. Surpassed: Naisbitt, Megatrends, 12. Also see Saval, 156. In 1959: This was in the book Landmarks of Tomorrow.

130 “Security, complacency”: Greenwood, 18; O’Boyle, At Any Cost, 51. “Manager’s work”: Cordiner, 75–79.

Came to count: From Cordiner’s private memoir. “Very restive”: From Cordiner’s private memoir. Cordiner headed: This and other biographical details are from Ralph J. Cordiner, Ex-G.E. Head, Dies,” New York Times, Dec. 6, 1973; GE’s corporate profile of Cordiner; Dec. 16, 1950, corporate news release about Cordiner’s election as GE president; and his memoir. He launched: Greenwood, 143. Cordiner studied decentralization at General Motors from 1943 to 1950 before pushing forward with his own plan at GE.

Blue Books: Greenwood, 46–47. A fifth volume, Professional Work in General Electric, was drafted but never published. For more background on the Blue Books, see Tichy and Sherman, Control Your Destiny or Someone Else Will, 55–56; Rothschild, 101–114. “Human happiness”: From Cordiner’s introductory letter in the Blue Books.


Would go through: “The Crotonville Story,” Management Development and Business Education Service,” General Electric, Feb. 1965, LBP. The Advanced Management Course was halted in 1961, but Crotonville continued to offer other management classes of shorter duration, as well as other seminars and management conferences. The facility remained the focal point of GE’s management education
No efforts. See Warner, Unwalla, and Trimm, 220–222. Whyte, 119–127, also discusses GE training outside of Crotonville. **Backlog**: Greenwood, 82. **POIM**: Zimet and Greenwood, x, 21–22; Evans, 72; 2011 and 2012 interviews by the author with former GE managers Arthur Stern and Jerry Suran. Lem Boulware’s antiunion agenda was also part of the training at Crotonville. **Outside experts**: Greenwood, 20. “**Acid test**”: Greenwood, 130–131.

“**Tent revival**”: 1979 interview with Neumann, Hall of History Biographical and Oral History Collection, SMA. Also see O’Boyle, 224. “**Cotton-pickin’ mind**”: Greenwood, 42. Phillippe would go on to become GE’s president from 1961 to 1963 and the company’s chairman from 1963 to 1967.


135 **High turnover**: Greenwood, 99. One of the biggest jolts to the system was Cordiner’s elimination of administrative assistants (Greenwood, 54–55). **New breed**: Phillips-Fein, 103; Greenwood, 104–105; Schatz, 236. “**The ticket**”: Goldin and Katz, 169.

135 **We performed**: From a 2012 interview by the author with Suran. For more on Suran, see semiconductormuseum.com/Transistors/GE/OralHistories/Suran/Suran_Index.htm “**Survival of all**”: Whyte, 123. The environment Whyte describes ran counter to Cordiner’s stated intention to enforce “removal for incapacity or poor performance.”

136 **Reams of forms**: A slew of these mind-numbing forms and planning documents can be found in RGGP. **In dogma**: May 13, 1960, letter from Hurni to Smiddy, RGGP.

Electric. “Competitive environment”: From a 2012 interview by the author with Suran.

136 Eight result areas: Greenwood, 60–61. “Chips are down”: Greenwood, 108.


137 Watershed year: The analysis and information in this paragraph, including the magazine quotes, are from “General Motors’ 1958 Reorganization: Transition Away from the Market” by Thomas L. Powers, Conference on Historical Analysis & Research in Marketing, 1993. Also see Hopper and Hopper, The Puritan Gift, 142–143, 190; Lutz, Car Guys vs. Bean Counters, 14.


138 Ticked off: “The Man in the Gray Flannel Suit—As Psychiatrists See Him,” remarks by Ralph T. Collins before the American Management Association, 1956, KHC.

138 “Excluding completely”: Jan. 4, 1976, letter from Jones to Woodruff, RWP.

139 “Without tears”: Whyte, 131.

139 “Are sanguine”: Whyte, 155–156.

139 “Farm system”: This and all other quotes and information from Riland are from a 2012 interview by the author. The list of the alma maters of those employed by Kodak’s Business and Technical Personnel Department from Jan. 1929–July 1952 can be found in KHC.

“You’re not nuts”: From a 2011 interview by the author with Stern. He accepted: In 1961, Stern left GE for a job with even more responsibility at Martin-Marietta.

Something of a robot: Saval, 159, notes that C. Wright Mills “would call the white-collar class a group of ‘cheerful robots.’”


“Relatives and neighbors”: “Good News for Bad,” Time, Feb. 24, 1958. Rate hit: Labor Force Statistics from the Current Population Survey, US Bureau of Labor Statistics. The 7.5 percent is seasonally adjusted. 13 or 14 percent: Economic Report of the President, Jan. 20, 1959. General Electric alone: “Resolution Adopted Unanimously by the IUE-GE Conference Board,” July 19–20, 1958, UE. General Motors: According to notes in UAW, there were 338,000 workers at GM in December 1957 and 310,000 in December 1958. No longer honor: Wooten, 62; “A Method of Increasing the Security of Pension Benefits,” The Journal of Risk and Insurance, Vol. 35, No. 1, March 1968. Wotten, 67, reports: “In October 1959, Studebaker-Packard and the UAW reached a settlement that reduced benefits for retirees to 85 percent of the level prior to the termination. Employees who were eligible to retire when the plan terminated but did not submit pension applications until after September 2, 1958, received a lump-sum payment of about forty-three dollars per year of service. Others got nothing.” Also see Schieber, 139. The workers first hit by Studebaker’s actions were employees of the former Packard Motor Car Co. Eventually, a much bigger group of Studebaker’s hourly workers would see their pension benefits cut (in many cases to zero) when the company shut down its South Bend, Ind., plant in 1963. See Wooten, 73–76; Sass, 183–185; Lowenstein, 29–30; Ferguson and Blackwell, Pensions in Crisis, 3–4; Greenhouse, 78; Hacker, The Divided Welfare State, 80.


Productivity data: Woirol, 8–11. Upon its hands: As quoted in Woirol, 10.


“You can’t stop”: Lichtenstein, Walter Reuther, 290. Also see Serrin, 229–231; Markoff, 73. “Near-paradise”: May 1, 1961, address at City College of New York, IUE.

“More and more”: Statement by Walter Reuther before the US Senate Special Committee on Unemployment Problems, Detroit, Nov. 12, 1959, UAW. They called: See Carey’s May 1, 1961, address at City College of New York, IUE; statement by Walter Reuther before the US Senate Subcommittee on Employment and Manpower, May 22, 1963, UAW.

Computer chip: The inventor was Jack Kilby of Texas Instruments. See “The History of the Integrated Circuit” (nobelprize.org/educational/physics/integrated_circuit/history/).

“Do you suppose”: Vonnegut, Player Piano, 15.


Long ago erased”: “Our Mounting Union Problem,” an address by Lemuel R. Boulware to the Southwest Electric Conference, Chandler,
Ariz., March 30–April 1, 1958, LBP. GE had been railing against “compulsory unionism” since at least 1952.


153 “Our grandchildren”: Nov. 18, 1958, memo from the BURR Agency to United Organized Labor of Ohio, UAW. “Just the opposite”: “Notes for Statement on Right-to-Work,” Nov. 10, 1958, LBP. Also see Fones-Wolf, 266.


“Scratched the surface”: Excerpts from Vinson’s remarks were included in a series of newspaper ads taken out by the Electrical Workers union in GE factory towns in the Northeast—e.g., “GE is Planning a Depression for Pittsfield,” IUE. “Depression”: IUE news release, July 22, 1954, IUE. New investments: Aug. 17, 1954, letter from GE’s Virgil Day to IUE President James B. Carey, IUE. “Getting worse”: Typed notes, Sept. 12, 1956, LBP.

Nearly 34 percent: The precise figure for the fraction of private-sector workers unionized in 1958 was 33.9 percent; the all-time high, reached in 1953, was 35.7 percent, according to Troy and Sheflin, Union Sourcebook, Appendix A, Historical Statistics, 1897–1983. Landslide: The Democrats picked up forty-eight seats in the House and a record thirteen in the Senate. See Lichtenstein, Walter Reuther, 349. “No fleeting fad”: Lichtenstein, Walter Reuther, 350. “Management offensive”: Davis, Prisoners of the American Dream, 121–124. Quoted, as well, in Metzgar, 55. Also see Stebbenne, Arthur Goldberg, 194–203. Losers abounded: Brenner, 62; Lichtenstein, Walter Reuther, 350. Weakest set: Lichtenstein, 296, notes that in 1958, the UAW “had been drawn into a subtle game of concession bargaining.” Also see “Peace at a Sound Price,” Time, Sept. 29, 1958. No real gains: Metzgar, 85, sees the 1959 steel strike as a “dramatic and decisive” union victory. But “many steel historians . . . have come to label the 1959 strike as a ‘watershed’ in the eventual decline of the American steel industry” (Brenner, Day, and Ness, 369). Stebbenne, 220, writes: “Also suffering were the rank and file, many of whom lost their life savings during the strike and saw the union coffers their contributions had filled, drain dramatically.
Although the union intervened with banks to prevent foreclosures on the membership’s homes, many workers went into debt to survive. Some would spend years recovering what they had lost, and quite a few local unions faced similar problems.” 60 percent: “Future of Private-Sector Unionism in the United States” by Seymour Martin Lipset and Ivan Katchanovski, Journal of Labor Research, Vol. 22, No. 2, Spring 2001.


Supermarket owner: All of the examples in this paragraph are from “The Hard Sell vs. Hard Times,” Life, April 14, 1958.


“Arrives a day”: Harrington, Life in the Crystal Palace, 23. Also quoted in Saval, 155.

CHAPTER 6


162 **“Bull” Connor:** Schlesinger, The Cycles of American History, 410. **Ratcheted up:** See “July ’64,” California Newsreel (newsreel.org/transcripts/july64.htm).

162 **In the end:** Figures from “1964 Riots Revisited: 3 Days That Shook Rochester,” Rochester Democrat and Chronicle, July 19, 2014.


163 **Had tripled:** Delton, 33. **White-collar jobs:** Delton, 40. **Plans for Progress:** Dobbin, Inventing Equal Opportunity, 43–49. For more, see Delton, 177–191; Reed, The Diversity Index, 69–83. **Ten times:** Dobbin, 49.


164 **On the books:** “Demolition Means Progress: Race, Class, and the Deconstruction of the American Dream in Flint, Michigan,” a doctoral dissertation by Andrew R. Highsmith, University of Michigan, 2009. The first provision covering racial discrimination in a union contract was negotiated between GM and the UAW in 1961 (Dobbin, 92). **Worst jobs:** Serrin, 15, 234–235. **The 1940s:** See Lichtenstein, Walter
Large numbers: In Detroit, the heart of the industry, blacks made up 4 percent of the auto workforce at the start of World War II; by 1960, that figure had climbed to 16 percent (Sugrue, The Origins of the Urban Crisis, 147). Also see Halpern, 46. “In writing”: Highsmith dissertation. The commission’s finding came in 1966. “To abide”: This was in 1957. Lichtenstein, Walter Reuther, 373; also quoted in Zieger, For Jobs and Freedom, 140. “Hireable blacks”: Wright, On a Clear Day You Can See General Motors, 275. Not one black: Hill and Jones, Race in America, 286.


Find itself charged: Also charged by the Equal Employment Opportunity Commission in the same action were Ford and Sears. As early as: Purcell and Mulvey, The Negro in the Electrical Manufacturing Industry, 31; Reed, 114; Northrup and Rowan, The Negro and Employment Opportunity, 155; “Equal Opportunity: A Long-Standing, Continuing Commitment in General Electric,” Community and Government Relations Bulletin, General Electric, April 17, 1964. Had chaired: The Commission’s report “To Secure These Rights,” can be found at trumanlibrary.org/civilrights/srights1.htm. Also see “Deeds v. Ideals,” Time, Nov. 10, 1947. Pledge its support: Dobbin, 84. Although GE touted its support for the initiative, Reed (114) notes that the company never formally signed on, thereby failing to agree to any of the affirmative action initiatives that other Plans for Progress participants did.


The stories: “At Work in Industry Today,” Management Development and Employee Relations Services, General Electric, 1964. 60,000 copies: Northrup and Rowan, 162. Less than 1 percent: Reed, 182. This was as of Dec. 1962.

Special tune: May 24, 1937, memorandum from DeSales Harrison to Perry Bechtel, RWP.


“Chimpanzee”: Pendergrast, 267. Backing for governor: This was all part of a deal in which Talmadge would support a general sales tax


169 *Sat next to*: Branch, *Pillar of Fire*, 405.

169 “Created equal”: Johnson’s radio and television remarks upon signing the Civil Rights Act, July 2, 1964, LBJ Presidential Library.


173 **Long list**: Horwitt, 466. **Xerox**: Horwitt, 488–489.


the doorstep”: Memo from Florence to Kodak president Louis Eilers, FFP. Also quoted in Horwitt, 495.


176–177 “Other is men”: Oct. 1957 speech by Talley to the overseas vice presidents of the Coca-Cola Export Corporation, RWP. “Many young men”: Undated brochure found in KHC. Less than 20 percent: Reed, 185, notes that just 16 percent of IBM’s employees were female in 1969. At Pepsi, it was 14 percent. “Can you tell me”: Kessler-Harris, In Pursuit of Equity, 189.


178 “Rain or shine”: See “Rosie the Riveter: Real Women Workers in World War II,” Library of Congress (loc.gov/rr/program/journey/rosie-transcript.html). Ephemeral figure: Kessler-Harris, Out to Work, 295; Deslippe, “Rights, Not Roses,” 17. Even earlier: Milkman, Gender at Work, 112. Women were drummed: Milkman, Gender at Work, 113. Left willingly: Deslippe, 14; Kessler-Harris, Out to Work, 295–296. Collins, When Everything Changed, 98, goes so far as to assert that “most of the single women readily complied with society’s demand that they go back


179 “I am sure”: Friedan, The Feminine Mystique, 134.


Agencies circumvented: Hatton, 3–5. Wind up affecting: Hatton (3–4, 12, 14) notes that despite the public image they carefully cultivated, many temp agencies actually hired men all along. By the early 1960s, nearly half of Manpower’s workers were male.

“Radical consequences”: Kessler-Harris, Out to Work, 300.


Painfully slow: Blackwelder, 167–171. Adelaide Oppenheim: All details on, and quotes from, Oppenheim are gleaned from a 1976 interview with her, conducted by the Oral History Research Office at Columbia University.

Only six: According to Oppenheim’s oral history. “Scarcely anything”: Collins, When Everything Changed, 22. Also see Kanter, Men and Women of the Corporation, 17.


183 **1950s guidebook**: “English Know-How: For Women Only . . . Especially Those Who Want to Get Ahead,” SMA. This focus on appearance and grooming for secretaries had a long tradition, including through the curriculum at the Katharine Gibbs School, which through the late nineteenth and early twentieth centuries trained and placed “Gibbs girls” into some of the best secretarial jobs. See Kanter, *Men and Women of the Corporation*, 27.


184 **“Really opened”**: “Discrimination GE Style for 29 Years” by Helen Quirini, typescript, 1997, HQP. This change occurred in 1975. **Took a job**: Biographical details on Quirini are from HQP.


184–185 **Pregnancy Discrimination Act**: Dobbin, 171. **GE did away**: Reed, 186. **The mindset**: Quoted in Reed, 186.


185 **Began contacting**: Horwitt, 496–497. **Wasn’t trying**: Alinsky, 172; Horwitt, 496. **The razor**: Alinsky, 175.


Urban Crisis,” KHC. Also quoted in “Industry Gives New Hope to the Negro,” Ebony, June 1968.

188 **Blacks worked for:** “Scientist With a Cause,” Ebony, December 1969. 4 percent: Kodak had about 47,000 employees in Rochester in 1968.


189 **Entered the workforce:** The labor force participation rate for women increased from 37.7 percent in 1960 to 43.3 percent in 1970. Among married women during that span, the rate jumped from 31.9 percent to 40.5 percent. (“Female labor force, by marital status: 1955–1999,” Sutch and Carter, 2–93.) **Two-thirds:** Collins, When Everything Changed, 98. **Sixty cents:** This figure held remarkably steady through the late 1970s, as noted in “The Gender Pay Gap” by Francine D. Blau and Lawrence M. Kahn, The Economists’ Voice, Vol. 4, No. 4, 2007. Also see “Explaining Trends in the Gender Wage Gap,” a report by the White House Council of Economic Advisers, June 1998. **Glass ceiling:** The term would then enter the popular press in the mid-1980s. See “The Phrase ‘Glass Ceiling’ Stretches Back Decades,” Wall Street Journal, April 3, 2015. It’s important to note that black women often face a particularly pernicious form of discrimination—an “intersectional experience” that is “greater than the sum of racism and sexism,” in the words of Kimberle Crenshaw (“Demarginalizing the Intersection of Race and Sex: A Black Feminist Critique of Antidiscrimination Doctrine, Feminist Theory, and Antiracist Politics,” The University of Chicago Legal Forum, 1989). **Has not resulted:** Kanter, Men and Women of the Corporation, 16–17.

**CHAPTER 7**

191 **The twentieth century:** “Pressures on Management and Management’s Own Initiatives: A Two-Way Street,” remarks by Virgil Day
before the Twentieth Annual Roundtable Conference sponsored by the Industrial Relations Committee of the Edison Electric Institute, Sept. 27, 1967, ILIR. Low voice: From a 2013 interview by the author with Day’s son, John.


196 **Kicking in**: “Address to the Nation on the Rising Cost of Living,” Oct. 17, 1969, found in Nixon, *Public Papers of the Presidents of the United States*, 809–810. **Accelerated less quickly**: Annualized growth in the


197 **Unit labor costs:** From Bureau of Labor Statistics figures published in Cagan, Estey, Fellner, McLure, and Moore, 197 A key reason that this measure started to rise so significantly in the late 1960s is that wages were rising sharply at the same time that productivity was beginning to fall. **“Conveyor belt”:** Samuelson, *The Great Inflation and Its Aftermath*, 146.


“Roger’s Roundtable”: Waterhouse, 100. **Were involved:** Waterhouse, 100; Linder, 198. **Including:** Waterhouse, 116–117. “Of all evil”: Linder, 203. Day served as chairman of the Roundtable’s Coordinating Committee.


“Our conviction”: Sept. 9, 1969, “IUE Negotiations Status Report” from Moore to GE managers, UE.


210 Sign of the fall: Lichtenstein, Walter Reuther, 438; Cowie, 43. Group of luminaries: Lichtenstein, Walter Reuther, 438. “We felt so close”: This
NOTES

quotation and the other details on Reuther’s laying in state are from Memorial Issue, UAW Solidarity, June 1970, ILIR.


211 More than 40 percent: Serrin, 13. “Blue-collar blues”: The term was coined in a July 1970 Fortune magazine piece, “Blue-Collar Blues on the Assembly Line.” For more on the history and use of the term, see Hamilton and Wright, State of the Masses, 20–30. Interestingly, the UAW’s Woodcock hated the concept, dismissing it as “elitist nonsense” that was demeaning to workers. For more on Woodcock’s perspective, see Serrin, 319; “There’s Still a Car in Your Future,” Challenge, May/June 1974. Drugs or alcohol: Cowie, 46; Serrin, 311. “Never make it home”: “The Blue-Collar Blues of the 1970s” by Stephen Meyer, Automobile in American Life and Society, Dearborn and Benson Ford Research Center, University of Michigan.

212 “Working-class militancy”: “The Blue-Collar Blues of the 1970s” by Stephen Meyer, Automobile in American Life and Society, Dearborn and Benson Ford Research Center, University of Michigan. Local demands: Barnard, 353. Played hooky: Figures are from Serrin, 14, 232. Also see “Price Stability—An Attainable Goal?” an address by James M. Roche at the St. Louis Chamber of Commerce Salute Luncheon,


**“Scratch your nose”:** The quotations from the Lordstown workers are from “The Blue-Collar Blues of the 1970s” by Stephen Meyer, *Automobile in American Life and Society*, Dearborn and Benson Ford Research Center, University of Michigan.


**“To the bone”:** Serrin, 13.


**Tripped up:** “Economic Considerations Regarding the First Oil Shock, 1973–1974” by Livia Ilie, May 2006, posted in the Munich Personal RePEc Archive (mpra.ub.uni-muenchen.de/6431/1/MPRA_paper_6431.pdf). Other factors helped trigger the recession, including rising food prices and contractionary monetary and fiscal policies (Blinder, *Economic Policy and the Great Stagflation*, 35–39). **More calamitous:** By most measures the recession was the most serious since 1937. See “The Recession and Recovery of 1973–1976” by Victor Zarnowitz and Geoffrey H. Moore, National Bureau of Economic Research, Oct. 1977 (nber.org/chapters/c9101). **Stock market:** The S&P 500 fell 45.7 percent from January 1973 to December 1974. See “Stock Market Crashes and Their Aftermath: Implications for Monetary Policy” by Frederic S. Mishkin and Eugene N. White, Asset Price Bubbles Conference, April 23, 2002. **8.5 percent:** It would hit 8.6 percent in March 1975, when the recession was officially declared over. **Twice that big:**


219 **Now asked this:** “Can Capitalism Survive?” *Time*, July 14, 1975.


219–220 **Stopped investing:** Hopper and Hopper, 203–207. Also see Melman, 169–170. For a counterview, see Magaziner and Reich, 45–46. **Research and development:** Melman, 170–171. For a counterview, see Baumol, Blinder, and Wolff, *Downsizing in America*, 12. **Coasted off**: This quotation and the one from the executive later in the paragraph are from “Managing Our Way to Economic Decline,” *Harvard Business Review*, July/Aug. 1980. The article notes that American spending on R&D as a percentage of sales in research-intensive industries had by the mid-1970s dropped to about half its level of the early 1960s.


“The unrest”: Cowie, 72–73.


222 “New class”: Sobel (*The White-Collar Working Class*, 132) also notes that “the class and work situations of white collar and blue collar labor have blurred.”

222–223 **Had joined**: “Employment History of J. Paul Austin,” RWP. Also see Pendergrast, 274–275.


223 **Day’s prompting**: Linder, 207; Waterhouse, 101. **Had merged**: The Business Roundtable was formed in 1972 by the merger of three groups: the Construction Users Anti-Inflation Roundtable; the March Group, which was made up of a small number of CEOs, including GE’s Fred Borch, who met to consider public policy issues; and the Labor Law Study Committee, which had been cofounded by GE’s Virgil Day. For more on the Labor Law Study Committee and its early efforts to help keep employers free of unions, see Gross, *Broken Promise*, 200–209, 217–224. **Now surpassed**: Mizruchi, 171–179; “Rehabilitation Project: Once-Mighty CED Panel of Executives Seeks a Revival, Offers Advice to Carter,” *Wall Street Journal*, Dec. 17, 1976; Gross, *Broken Promise*, 235; Cowie, 231–232. Also see Hacker and Pierson, 116–136.


CHAPTER 8


228 Giving advice: As reflected in papers found in Charles L. Schultze Correspondence Files and White House Central File, JCPL. High levels: Consumer prices were running at an annual rate of 6.5 percent in 1977 and 7.6 percent in 1978, while annual unemployment in those years stood at 7.1 percent and 6.1 percent, respectively. Energy crisis: “Oil Shock of 1978–79,” Federal Reserve History (federalreservehistory.org/Events/DetailView/40); Greider, Secrets of the Temple, 13–14; Shojai, 106–108; Piore and Sabel, 178–179; Madrick, 152.


229 “Actually got numbers”: “Carter’s ‘Crisis of Confidence’ Speech, American Experience, (pbs.org/wgbh/americangenexperience/features/general-article/carter-crisis-speech/). Also see Cowie, 301–305.

229 “In a nation”: Speech transcript found at the University of Virginia’s Miller Center (millercenter.org/president/speeches/speech-3402).

229 Brief bump: Greider, Secrets of the Temple, 15; Cowie, 306; Madrick, 154. Accused him: Carter’s ‘Crisis of Confidence’ Speech, American
Experience, (pbs.org/wgbh/americanexperience/features/general-article/carter-crisis-speech/).


230 “**Finds itself challenged**”: Quoted in O’Boyle, 50; Sherman and Tichy, 45. For details on these underlying trends, see “The Productivity Slowdown: Causes and Policy Responses” Background for Statement of Alice M. Rivlin before the Subcommittee on Oversight and Investigations, House Committee on Energy and Commerce, Congressional Budget Office, June 1, 1981. Also see the Business Roundtable’s position papers on capital formation sent by Jones on July 6, 1977, to Charles Schultze, chairman of the Council of Economic Advisers, JCPL.


“Only Herbert Hoover”: Biven, 33.

Jones had offered: These recommendations were contained in a Dec. 20, 1977, draft paper that Jones had his team write for President Carter at the behest of Treasury Secretary Michael Blumenthal, JCPL.

Was trounced: Reagan won with nearly 51 percent of the popular vote and nearly 91 percent of the electoral vote. Formally told: Welch, 87.

Been raised: Welch, 6–7. Union man: From a 2012 interview by the author with Welch; O’Boyle, 47. Five foot eight: Welch, 14–17; Tichy and Sherman, 68.


Thinking about: Welch, 47. “Wasn’t stupid”: From a 2012 interview by the author with Welch.


“Dare to try”: Welch, 450.


First flattening: Tichy and Sherman, 291. Welch noted that before you can really change a company’s culture, “you’ve first got to do the hard structural work. Take out the layers. Pull up the weeds. Scrape off the rust.” Managers made up: Tomasko, Downsizing, 1–2. “Layer on layer”: From a 2012 interview by the author with Welch.

Guy’s shirt collar: Tichy and Sherman, 57. Refined the system: Borch introduced strategic planning into GE and moved the company from being organized around individual product lines into strategic business units. During his tenure, Jones announced a “sector” organization structure, introducing a new level of management that represented a macrobusiness or industry area. For more on these changes, see “GE . . . We Bring Good Things to Life” by James L. Heskett, Harvard Business School case study, revised Feb. 9, 2000; “Jack Welch: General Electric’s Revolutionary” by Joseph L. Bower, Harvard Business School case study, revised April 12, 1994. Also see Rothschild, 149–182. “Dense impenetrability”: Tichy and Sherman, 60.


Until 1987: The jobless rate for 1986 was 7 percent. In 1987 it was 6.2 percent. Having peaked: This was when 19.6 million employees worked in the sector, representing 22 percent of the labor force. See “Manufacturing Jobs for the Future,” Congressional Joint Economic Committee, Dec. 2013; “The Surprisingly Swift Decline of U.S. Manufacturing Employment” by Justin R. Pierce and Peter K. Schott, Dec. 2012. Also see Uchitelle, 139. Had failed: Cowie, 288–296; Rosenfeld, 25–27. Legitimizing the replacement: McCartin, Collision Course, 344. Rosenfeld (84–87) points out that Reagan stressed his support for private-sector work stoppages even as he rejected the right of government employees to walk off the job—a view backed by a 1971 Supreme Court decision that federal employees have no legal right to strike. (See “Strikers and the Law,” New York Times, Aug. 5, 1981. Yet despite that, the air-traffic controllers dispute did set a pattern through the private sector as well. Also see Greenhouse, 81–82; Uchitelle, 39, 142; Madrick, 171; Reich, Saving Capitalism, 129. “Recast the crimes”: The former consultant was Martin Levitt. Quoted in Greenhouse, 247. Reagan accelerated: Harrison and Bluestone, 95; Uchitelle, 129–131. Also see Madrick, 172; Stiglitz, The Roaring Nineties, 101–103. Two decades following: “Deregulation and the Labor Market” by James Peoples, The Journal of Economic Perspectives, Vol. 12, No. 3, Summer 1998. In telecommunications, the decline was from 55 percent to 29 percent; in airlines, it was from 45 percent to 36 percent. The figures are for the period 1978 to 1996. Also see Greenhouse, 82–83.


Nearly 170,000: Tichy and Sherman, 23. Welch, 129, uses a different set of figures: “We went from 411,000 employees at the end of 1980 to 299,000 by the end of 1985. Of the 112,000 people who left the GE payroll, about 37,000 were in businesses we sold, but 81,000 people—or one in every five in our industrial businesses—lost their jobs for productivity reasons.” By 1986: Tichy and Sherman, 204. As many people: Data from the City Mayors Foundation. Didn’t count: Tichy and Sherman, 23.


“Soft landings”: Lane, 179. Lane recounted: Lane, 183–184.


“Think it’s cruel”: Welch, 161–162. Also quoted in Greenhouse, 86–87.

Followed his lead: “‘Rank and Yank’ Retains Vocal Fans,” *Wall Street Journal*, Jan. 31, 2012. Disapproved of: From a 2015 interview by the author with Joseph Maciariello of the Peter F. Drucker and Masatoshi Ito Graduate School of Management. For more on Drucker’s views about Welch, see Krames, *Inside Drucker’s Brain*, 83–89. Welch detested: At the 2010 World Business Forum in New York, journalist Alan Murray was interviewing Welch on stage. When he asked him about “rank and yank,” Welch shrieked, “Don’t say that!” Some worried: Many critics of the vitality curve make at least several of the points raised. See “Grades Are No Longer Just for Students: Forced Ranking, Discrimination,

247 *Watson was born*: All details on Watson’s life and career, as well as direct quotations from him, are from a 2012 interview by the author.


249 *Doyle told*: This was as Watson remembered it.


250 *Company appealed*: A federal jury originally ruled against GE, determining that the company engaged in a pattern or routine practice of firing employees over the age of forty while it was cutting its workforce at the Bloomington plant. GE eventually settled eleven cases, including Hany’s. In 1992 a federal appeals court ruled in GE’s favor, when it found that the evidence used during trial was insufficient to show a pattern of discrimination. The final four cases were settled after the appeals court decision. See Delbert King and Vernon Brickey v. General Electric, 960 F.2d 617 (1992). Also see “Final Age Discrimination Suits Settled Out of Court; General Electric Avoids Trial in Peoria,” *The Pantagraph* of Bloomington, Ill., Dec. 21, 1994.

251 *About 35 percent*: “2 Faces of GE’s ‘Welchism’: One Dr. Jekyll, One Mr. Hyde,” *Los Angeles Times*, Jan. 12, 1988; 2016 interview by the author with former GE labor chief Dennis Rocheleau.

Also see Ulrich, Kerr, and Ashkenas, *The GE Work-Out*, 7. Also see Rothschild, 210–211.

251–252 **“Re-create Crotonville”:** Tichy and Sherman, 237. Also see Rothschild, 212. **Launched a process**: For details on how Work-Out is to be implemented, see Ulrich, Kerr, and Ashkenas, 23–46; Tichy and Sherman, 242. **“Hear their ideas”**: Tichy and Sherman, 301. **Within five years**: Tichy and Sherman, 240.


252 **To dinner**: From a 2012 interview by the author with Welch. **“Relations were good”**: From a 2012 interview by the author with Welch. **“Taken care of”**: From a 2013 interview by the author with Santamoor. His wife had gotten sick in the late 1990s.

252–253 **“Get rid of them”**: From a 2012 interview by the author with Welch. **“Run all over us”**: From a 2014 interview by the author with Rocheleau. **“Automate, emigrate”**: “A Brief History of UE Bargaining With GE: Seventy Years of Struggle,” United Electrical, Radio, and Machine Workers of America.

253 **Welch would contend**: From a 2012 interview by the author with Welch. **Number of walkouts**: Rosenfeld, 88–99. **“A friend”**: From a 2013 interview by the author with Santamoor.


CHAPTER 9


258 Landed in Miami: Hays 75; Greising, 23. “Shouldn’t work”: Greising, 18.


260 “No sacred cows”: Greising, 82; Hays, 93; Allen, Secret Formula, 393; Pendergrast, 336. “Has been said”: Closing remarks at employee presentation, May 8, 1981, RWP.

260 Three-year plans: Greising, 73; Hays, 93; Oliver, 69. “I want you”: Greising, 73. “Facts are facts”: Greising, 73; Oliver, 68.

260 “Got to believe”: Greising, 73. Company veteran: Keough had joined Coca-Cola in 1964 when it purchased Duncan Foods, where he was an executive. See “Secrets of Great Second Bananas,” Fortune, May 6, 1991.

260–261 “Spanish Inquisition”: Greising, 72; Oliver, 69; Hays, 93; Pendergrast, 335. “It would take”: Greising, 76.


261–262 “Racking my brain”: Dec. 6, 1984, letter from Goizueta to Woodruff, RWP. “Run very well”: April 30, 1984, note from Joseph W. Jones to Roberto Goizueta, RWP.

262 Nurse’s hand: Allen, Secret Formula, 408. In his will: Pendergrast, 350.


“It is easy”: Closing remarks at employee presentation, May 8, 1981, RWP.


**The room**: Hays, 67.


**We are dealing**: Berle and Means, 115. Also see Mizruchi, 204.

**Should the corporate leaders**: Berle and Means, 311. Also quoted in part in Reich, *Saving Capitalism*, 119. Also see Stout, 17–18.

**Larger interests**: Berle and Means, 311.


**Who understood**: Khurana, 317. Also see Stout, 34; Fox, 225. **Most cited**: Martin, *Fixing the Game*, 11; Stout, 35.


Followed by layoffs: See Sanjai Bhagat, Andrei Shleifer, and Robert W. Vishny’s “Hostile Takeovers in the 1980s: The Return to Corporate Specialization” in Brookings Papers on Economic Activity, 1990. Institutional investor: Greenhouse, 88. Get ahead: Useem, Executive Defense, 21; Reich, Saving Capitalism, 121–122. Leaner and flatter: Useem, Executive Defense, 79–85, points, in particular, to the downsizing of central management at corporate headquarters. Interestingly, researchers have found mixed results in terms of the stock market’s reaction to corporate layoff announcements. One important study found declines in a company’s share price when cuts were attributed to financial problems, but positive effects when they were attributed to a broader restructuring. See Baumol, Blinder, and Wolff, 54; Useem, Executive Defense, 229; Cappelli, 79–83. “Important to distinguish”: Rappaport, Creating Shareholder Value, 9. Coining the term: Fox, 225.

Received tender offers: Davis, Managed by the Markets, 85; Davis, The Vanishing American Corporation, 69. Also cited by Mizrachi, 210; Cappelli, 79. “Does not mean”: Foster and Kaplan, 139. Also see Lynn, End of the Line, 170–171.

Faster pace: “What Does Fortune 500 Turnover Mean?” by Dane Stangler and Sam Arbesman, Ewing Marion Kauffman Foundation, June 2012. Foster and Kaplan, 11–13, note a similar phenomenon with

270 **Gadflies started:** “U.S. Executive Compensation in Historical Perspective” by Harwell Wells, Legal Studies Research Paper Series, No. 2011–19, Temple University Beasley School of Law, 2011. Wells also references *The Solid Gold Cadillac*.


271 **Highest earner:** Compensation information for executives in 1956 is drawn from company proxy filings, as well as “The Big Money-Earners of ’56,” *Business Week*, May 25, 1957. Also see the statement on corporate salaries by US senator Patrick McNamara as published in the Congressional Record for June 3, 1957.


271–272 **A 1,500 percent jump:** Dorff, 6–7. “Despite the fact”: Dorff, 7. Also see Davis, *Managed by the Markets*, 87.

None of this: See “Performance for Pay? The Relationship Between CEO Incentive Compensation and Future Stock Price Performance” by Michael J. Cooper, Huseyin Gulen, and P. Raghavendra Rau, Social Science Research Network, Oct. 1, 2014. Martin (30–31) notes: “Focusing executives on shareholder value maximization using stock-based compensation was supposed to give shareholders a better deal. . . Yet, it simply hasn’t worked out that way. Total returns on the S&P 500 for the period from the end of the Great Depression (1933) to the end of 1976, the beginning of the shareholder-value era, were 7.5 percent (compound annual). From 1977 to the end of 2010, they were 6.5%—suggesting that shareholders have little to celebrate, despite having been made the clear priority.” Martin’s calculations are also cited by Stout, 53; “How the Cult of Shareholder Value Wrecked American Business” by Steven Pearlstein, Washington Post, Sept. 9, 2013; “When Shareholder Capitalism Came to Town” by Steven Pearlstein, The American Prospect, April 19, 2014; “The Dumbest Idea In The World: Maximizing Shareholder Value” by Steve Denning, Forbes, Nov. 28, 2011. Also see Dorff, 146–149; Stiglitz, 122–123; Bebchuk and Fried, 6–7. For a


273 Opened the spigot: Welch, 191–192; Tichy and Sherman, 42. “What a kick”: Welch, 192.

273 A thousand bucks: Greising, 189. The exact value was $976.


The logic: From a 2010 interview by the author with Yankelovich. Also see “Exploring Business’s Social Contract: An Interview With Daniel Yankelovich,” The McKinsey Quarterly, No. 2, 2007. Also see Stiglitz, 14. 90-plus percent: In 2012, about 9 million US employees held stock options, according to the National Center for Employee Ownership, out of a total workforce of about 143 million. Also see Reich, Saving Capitalism, 92. Going up faster: “U.S. Executive Compensation in Historical Perspective” by Harwell Wells, Legal Studies Research Paper Series, No. 2011–19, Temple University Beasley School of Law, 2011. 20 times: Data on CEO-to-average-worker data are taken from “Top CEOs Make 300 Times More than Typical Workers” by Lawrence Mishel and Alyssa Davis, Economic Policy Institute, June 21, 2015. The 376-to-1 ratio in 2000 marked the greatest disparity ever. In 2014, the gap was 303-to-1. Also see “Supersize This: How CEO Pay Took Off While America’s Middle Class Struggled” by John Alexander Burton and Christian E. Weller, Center for American Progress, May 2005; Blair’s essay in Cornelius and Kogut, 61; Cappelli, 237–238; Reich, Saving Capitalism, 108. For a look at how public policy helped lead to “blank checks in the boardroom,” see Hacker and Pierson, 61–66. Exceedingly debatable: Dorff, 156. “Lucky dollars”: Dorff, 112; Bebchuk and Fried, 123; Piketty, 334–335.


276 **Promote profit-sharing:** “Profit-sharing is the wave of the future,” Conable said in a campaign ad touting his tussle with the Treasury, “because it increases the participation of the American working man and woman in the profit system. . . . It must be encouraged, not discouraged” (*Catholic Courier-Journal*, Oct. 30, 1974).

277 **Expanded rapidly:** Ellis, Munnell, and Eschtruth, *Falling Short*, 15–17. **By organized labor:** Sass, 139–142; Wooten, 34. **About half:** Ellis, Munnell, and Eschtruth, 17; “History of Pension Plans,” Employee Benefit Research Institute, March 1998; Wolman and Colamosca, *The Great 401(k) Hoax*, 48. **No pension plan:** “Pension Policy and Small Employers: At What Price Coverage?” by Emily S. Andrews, Employee Benefit Research Institute, 1989; Ferguson and Blackwell, 184. **As a third:** Wooten, 166. This figure is based on an analysis performed by A.S. Hansen, an actuarial consulting firm, in 1971. Some in the industry argued that this number was overly pessimistic because it incorrectly presupposed that workers wouldn’t move on and receive pensions from a different employer. Meanwhile, critics of the private pension system in the United States, such as liberal Republican senator Jacob Javits of New York, presented reports suggesting a far worse picture than Hansen offered. **“Must be evident”:** April 18, 1991, letter from Articolo to General Electric, HQP. **One of hundreds:** As reflected in HQP. **Pensions vanish:** Ferguson and Blackwell, 7; Ellis, Munnell, and Eschtruth, 17. **“This myth”:** From a 2013 interview by the author with Benna.

277 **The 25 million:** “Large Declines in Defined Benefit Plans Are Not Inevitable: The Experience of Canada, Ireland, the United Kingdom, and the United States” by John A. Turner and Gerard Hughes, Pensions Institute, April 2008. In 1975, about twenty-seven million people had defined-benefit plans and eleven million had defined-contribution plans. **Typically equal:** Zelinsky, *The Origins of the Ownership Society*, 1; Ghilarducci, 3.

278 **You were sunk:** See Hacker, *The Great Risk Shift*, 109–128; “The State of American Retirement” by Monique Morrissey, Economic Policy Institute, March 3, 2016; Ellis, Munnell, and Eschtruth, 47–56; Zelinsky,

Easily move: Ferguson and Blackwell, 172–173; Zelinsky, 37; Ellis, Munnell, and Eschtruth, 25. Employees who were leaving their company also had the option of cashing out of their 401(k) accounts, but if they were younger than fifty-nine years and six months, they would have to roll the money into an Individual Retirement Account or face taxes and a 10 percent penalty. For a well-argued counterpoint to the view that 401(k) plans make sense because of increased worker mobility, see Ghilarducci, 69–71. Often back-loaded: Zelinsky, 35–36. Also see Ghilarducci, 80.

Step in and pay: Ferguson and Blackwell, 108–109; Lowenstein, 45. A portion: The maximum pension benefit guaranteed by the PBGC is set by law and adjusted annually. No more disasters: Ferguson and Blackwell, 7; Wooten, 78–79; Ellis, Munnell, and Eschtruth, 17–18; Greenhouse, 283; Lowenstein, 45. Also see Hacker, *The Divided Welfare State*, 147–153. Assume responsibility: As of 2015, the PBGC paid for monthly retirement benefits, up to a guaranteed maximum, for nearly 826,000 retirees in 4,800 single-employer and multiemployer pension plans that couldn’t pay promised benefits. The PBGC was responsible for the current and future pensions of about 1.5 million people—a figure that includes those who hadn’t yet retired and participants in multi-employer plans receiving financial assistance. Insurance premium: The size of the premium is determined according to the number of workers and retirees covered by a plan. Hassle and expense: Zelinsky, 42–45. Also see “A History of Good Intentions Gone Awry,” *Pensions & Investments*, Sept. 6, 1999.

A third to half: Sass (246) says that after employers pay the operating expenses and a partial match, the typical 401(k) costs about 2 percent to 3 percent of payroll. A traditional pension plan often costs 7 percent to 8 percent of payroll, “plus the hefty financial risk.” Also see Wolman and Colamosca, 155; Ghilarducci, 125; Greenhouse, 278. If they cut: Schultz, 54–57; “401(k): A Flood of Plans, Assets,” *Pensions & Investments*, Oct. 19, 1998. Also see Lowenstein, 56–58. “Newfound tricks”: Schultz, 4. Hundreds of: Schultz, 57. Many of these companies, she notes, cut their pensions by switching to less generous “cash-balance plans,” which are defined-benefit plans but share some characteristics with 401(k)s. On this, see Schultz, 33–38.

Any better: Ellis, Munnell, and Eschtruth, 3, 17. Meanwhile, for employees with lower incomes, things actually got much worse: Many of them were excluded from 401(k) plans because doing so helped higher-paid workers take fuller advantage of IRS rules and maximize their own benefits. See Schultz, 140–142; Ghilarducci, 36. Numerous pitfalls: Greenhouse, 286–288. Less than $400: Ellis, Munnell, and Eschtruth, 3. Also see Lowenstein, 55; “The Champions of the 401(k)


280 **Fired dozens**: Greising, 230; Pendergrast, 336.

281 **More than 150**: Harrigan, *Managing Maturing Businesses*, 68. She reports that in 1988, there were 185 independent bottlers in the Coke system, down from 365 a decade before. **His approach**: Greising, 63–64, 141. **Refranchising**: Greising, 141. **To a minimum**: Greising, 148. **Was presented**: Greising, 140–149. **In the South**: This was JTL Corp. **In the West**: This was BCI Holdings, a division of Beatrice Cos.

281 **Overloaded with debt**: Greising, 147; Pendergrast, 369. **For the answer**: Greising, 149; Pendergrast, 369–370. **Really in charge**: From a 2012 interview by the author with Brian Dyson, the first president of Coca-Cola Enterprises; Greising, 149–150; Pendergrast 369. **Could now dump**: Greising, 149. **Depreciating assets**: From a 2011 interview by the author with former Coca-Cola executive Jack Bergstrand. **Lots of soda concentrate**: Hays, 152–156. **Send dividends**: Greising, 150. **Money machine**: Hays, 157. CCE’s initial public offering was, however, not as successful as Goizueta had hoped it would be. See “Coke Bottler’s Reception on Wall St. Disappoints,” *New York Times*, Nov. 22, 1986; Greising, 152–154; Pendergrast, 369–370. For a critical look at how the “49% solution” played out over the longer term, see “The Real Thing: Bottling Plan Taps Coke’s Profits,” *CFO Magazine*, April 1, 2000. **Has margins**: From a 2013 interview by the author with Ted Highberger, Bergstrand’s colleague at Coca-Cola.

“I didn’t meet”: All quotes from Bergstrand and details on his life and career through the end of the chapter are from a series of interviews with him by the author in 2011, 2012, and 2013.

“Running off information”: From a 2013 interview by the author with Highberger.

String of acquisitions: Between August 1987 and December 1991, CCE bought, among others, Valley Bottlers in Texas; Mid-Atlantic Coca-Cola Bottling; Miami/Memphis Bottlers, Arkansas Bottlers; and the Johnston Coca-Cola Bottling Group for a total of $2.7 billion. It also sold some bottling entities during that period, but its acquisitions greatly eclipsed its divestitures. New efficiencies: CCE annual reports show that right after it went public, the company was doing about $2 billion worth of business annually across thirty-one states. Five years later, CCE was supplying soft drinks in thirty-seven states and its revenues had doubled to $4 billion. And yet its headcount over that period was up by a relatively tiny amount—from 21,000 employees to just 25,000. Also see Hays, 156. “Economies of scale”: “Coke Shakes Up L.A. Bottling Unit—and Area’s Soft-Drink Industry as Well,” Los Angeles Times, Aug. 15, 1987.

Had thought up: Oliver, 49–53; Tedlow, 125–126. “Was reviled”: From a 2013 interview by the author with Highberger.

One of those: All details on Maiocco’s life and career, as well as all quotes from him, through the end of the chapter are from a 2013 interview by the author with Maiocco.


Heir apparent: Greising, 303; Hays, 166.


Check the machine: Greising, 302; Pendergrast, 421.

CHAPTER 10


Sprague had joined: All of the details about Sprague’s life and career are from testimony and documents in Sprague v. General Motors, US District Court, Eastern District of Michigan, 90-CV-70010 (1993); 2013 interviews by the author with Sprague’s sons, Robert Jr. and Bill.

Approached him: Unless otherwise noted, all details throughout the chapter on GM’s early retirement programs and health-care benefits,
as well as employees’ quotations on these matters, are drawn directly from the court record in Sprague v. General Motors, Case No. 90-CV-70010. **Early retirement**: Sprague elected to take part in a program known as “special early retirement.” GM had introduced this program in 1974. **$63 billion**: Fortune 500 list for 1979. **620,000 US workers**: “A Brief History of General Motors Corp.,” Associated Press, Sept. 14, 2008. **Profit stood**: Fortune 500 list for 1979. **Sent a note**: From a 2013 interview by the author with Hartwig.


**GM announced**: “General Motors to Shut 11 Plants; 29,000 Workers Will Be Affected,” *New York Times*, Nov. 7, 1986; “GM’s November Massacre,” *U.S. News & World Report*, Nov. 17, 1986. **It had lost**: GM’s lost market share, as well as the gains made by the other automakers, are reflected in annual figures provided by WardsAuto.


Threatened to eat into: Statement of UAW President Owen Bieber before the US Senate Subcommittee on Labor, Jan. 26, 1987, UAW.


296 “Will be provided”: The company added that major medical coverage, where retirees had always been asked to pay a share of the premiums and an annual deductible and a copayment was required for certain services, would be “continued for a small monthly contribution.”

296 A class action: The court ruled that 34,000 “general retirees”—that is, those who’d retired in accordance with the company’s normal criteria, not through an early retirement program—were not allowed to join the class.


Hot dogs: This detail and the Homer Wiley quote are from “Rage, Relief Mark Decision by GM on Closing Plants,” Wall Street Journal, Feb. 25, 1992. While the Willow Run assembly plant was targeted for closure, a neighboring transmission factory was spared—for a time. In 2010, this other Willow Run facility would also be shuttered as part of GM’s bankruptcy restructuring.


306 **To include men:** Hatton, 38. “Swelling of the Payroll”: Hatton, 53.


a whole did not even double).” Also see Hatton, 67, 90; Cappelli, 140; “Taking the Workers Back Out: Recent Trends in the Structuring of Employment” by Jeffrey Pfeffer and James N. Baron, Research in Organizational Behavior, Vol. 10, 1988; Hacker, The Great Risk Shift, 81.


Nearly all of the growth: Tilly, 14–15. Also see “Short Hours, Short Shrift” by Chris Tilly, Economic Policy Institute, 1990. Also see Greenhouse, 128.

“A second class”: Kathleen Christensen’s essay “Trends in Family-Sensitive Firms” in Barker and Christensen, 125. The term “contingent work,” coined by labor economist Audrey Freedman in 1985, has been defined in various ways. But Baker and Christensen use it to mean “jobs that are done on temporary, self-employed contract, or involuntary part-time bases.” Also see Greenhouse, 117–120; “Part-Time Work New Labor Trend,” New York Times, July 9, 1986. Biting articles: Kelly, Best of Temp Slave. Also see Hatton, 87. Cult classic: Saval, 279. “Soul-sucking”: “Mr. Beavis Goes to Work,” New York Daily News, Feb. 21, 1999. “Permatemps”: See “Rise of The Permatemp,” Time, July 12, 1999. Over time, activists, legislators, and others questioned the temp industry’s definition of employer status. Instead of defining the employer by whose name was on a worker’s check, they wanted it defined by where the work was done, for how long, and who controlled
it. The landmark case in this area is Vizcaino v. Microsoft. The temp workers won, but it wasn’t a total victory for these employees. The court also made clear that, as long as companies were explicit about it, they could exclude temps and other nonstandard workers from various compensation and benefit plans. For a thorough analysis of the ruling and its implications, see Hatton, 100–106. “Not exploiting”: “Disposable Workers,” *Time*, March 29, 1993. Also quoted in Hatton, xxviii.


“No matter what”: From a 2013 interview by the author with Hudson.


310 Found the engineer: Maynard, 90–91; Keller, Collision, 149.


Harvard Business Review, Jan./Feb. 1990. Some experts thought Reich was overstating the matter. For more on this, see Harrison, 222–224.


314 “We seek”: Speech transcript from the NAFTA signing ceremony found at the University of Virginia’s Miller Center (millercenter.org/president/speeches/speech-3927). Although Clinton signed the final agreement into law, NAFTA was initiated by George H.W. Bush.


314 In conflict: “Clinton Pounds Unions’ Tactics Against NAFTA,” Baltimore Sun, Nov. 8, 1993; Uchitelle, 174. “An obligation”: Speech transcript from the NAFTA signing ceremony found at the University of Virginia’s Miller Center (millercenter.org/president/speeches/speech-3927).


Billion dollars: Swasy, 56.


A cartoon: Swasy, 58.

Preside over: Swasy (114) notes that by the time Fisher arrived in late 1993, more than 3,000 jobs already had been eliminated. “Have 1,000 people”: “George Fisher Pushes Kodak Into Digital Era,” Wall Street Journal, June 9, 1995. This was Paul Orfalea, the CEO of Kinko’s. 


Employee cafeteria: Swasy, 91. 

Opposing views: From a 2011 interview by the author with Fisher; Swasy, 132–133. 

“Sit at the table”: From a 2012 interview by the author with Swift. 


Also see Cappelli, 84.

Holding employees accountable: Swasy, 165. 


“Dashed to pieces”: Swasy, 68. “Met him”: Swasy, 76.


Kodak announced: Details on the layoffs, as well as Fram’s quote, are from “Kodak Raises Its Job-Cut Total Sharpily,” New York Times, Dec. 19, 1997. Also see Fraser, White-Collar Sweatshop, 179–180. It’s important to note that just 8,700, or less than 45 percent, of these job cuts were slated for the United States.
Going from: Employee numbers are from IBM’s online archives. Also stepped up: Cappelli, 120. “Its soul”: Mills, *The IBM Lesson*, 208.

Nearly $8 billion: Earnings figures are from IBM’s online archives. “As bureaucratic”: Gerstner, *Who Says Elephants Can’t Dance?*, 23.


“Neutron Lou”: From a 2012 interview by the author with Welch.


Securing Prosperity, 40. “Shedding bodies”: From a 2012 interview by the author with Champy.

321 **Bipolar**: See Osterman, Securing Prosperity, 71–72; Greenhouse, 91.


**Late 1970s**: Harrison, 190. Also see “The Great American Job Machine: The Proliferation of Low-Wage Employment in the U.S. Economy” by Barry Bluestone and Bennett Harrison, Joint Economic Committee, Dec. 1986; “U.S. Earnings Levels and Earnings Inequality: A Review of Recent Trends and Proposed Explanations” by Frank Levy and...


**Companies forced:** Cappelli, 117–118, citing the work of Princeton economist Henry Farber. Also see Greenhouse, 89. “**Difficult to imagine**”: Cappelli, 118.


**Financially sound:** Cappelli, 117; Reichheld, *The Loyalty Effect*, 94; Heckscher, 5. **More likely:** Cappelli, Bassi, Katz, Knoke, Osterman, and Useem, 69; Cappelli, 118, 236–237; Gandolfi, 6–7; Deal and Kennedy, 81; Greenhouse, 79; Uchitelle, 151; Osterman, *The Truth About..."
This trend of white-collar workers being especially vulnerable to downsizing began, actually, in the mid-1980s. **Cope with:** See Cappelli, 126–128; Gandolfi, 79–85; Cappelli, Bassi, Katz, Knoke, Osterman, and Useem, 198–203; Fraser, *White-Collar Sweatshop*, 8–11, 36–38; Deal and Kennedy, 82–85; Greenhouse, 92. **“White-collar sweatshop”:** This is the name of her 2001 book.


**680,000 job cuts:** Fraser, *White-Collar Sweatshop*, 138. Also see Kalleberg, 113.

**Grew solidly:** Real average hourly earnings of private production and nonsupervisory workers rose 1.4 percent annually from 1995–2000. This
and all other figures in this paragraph are from Mishel, Bivens, Gould, and Shierholz, *The State of Working America*, 184. Also see “Earnings and employment Trends in the 1990s” by Randy E. Ilg and Steven E. Haugen, *Monthly Labor Review*, March 2000. **Half a percent**: Real average hourly earnings of private production and nonsupervisory workers rose 0.6 percent annually for this group from 1989–2000. **A quarter**: They rose 2.3 percent annually for this group from 1947–1967. **Reticent to ask**: Cappelli, 234; Fraser, *White-Collar Sweatshop*, 42. Also see Baumol, Blinder, and Wolff, 262.


**Medical inflation**: From 1983–1992, the average annual increase in health-care expenditures in the U.S. was 9.9 percent, according to “History of Health Spending in the United States, 1960–2013” by Aaron C. Catlin and Cathy A. Cowan, Centers for Medicare and Medicaid Services, Nov. 19, 2015. **37 million**: Eckholm, *Solving America’s Health-Care Crisis*, 5. **“Job lock”:** Eckholm, 3. Some felt locked in their jobs because they had a preexisting medical condition; others worried that their new employer might not provide affordable coverage or any coverage at all. **“Of this generation”:** Judis, 282.

**Big business**: The small-business lobby, led by the National Federation of Independent Business, was always dead set against the Clinton proposal. That was principally because of the Clinton mandate that

325 **Directed their employees:** In 1988, 73 percent of insured employees were in traditional fee-for-service plans; by 1998, only 14 percent were, with the rest in managed care. See “Health Benefits In 2005: Premium Increases Slow Down, Coverage Continues To Erode” by Jon Gabel, Gary Claxton, Isadora Gil, Jeremy Pickreign, Heidi Whitmore, Benjamin Finder, Samantha Hawkins, and Diane Rowland, *Health Affairs*, Vol. 24, No. 5, Sept. 2005. **Only 28 percent:** “Why Did Employee Health Insurance Contributions Rise?” by Jonathan Gruber and Robin McKnight, the University of Michigan’s Economic Research Initiative on the Uninsured, Working Paper No. 9, March 2002. Some say that this increase in premium costs to employees is the main reason that a growing percentage of workers declined their employers’ health coverage through the 1990s, leading to an increasing number of uninsured in America. See “Employee Costs and the Decline in Health Insurance Coverage” by David M. Cutler, National Bureau of Economic Research, Jan. 2003 (nber.org/chapters/c9863). At the same time, the full picture is more complicated, as average annual out-of-pocket health insurance costs for those employees who were covered declined through the 1990s. See “Trends In Out-Of-Pocket Spending By Insured American Workers, 1990–1997” by Jon R. Gabel, Paul B. Ginsburg, Jeremy D. Pickreign, and James D. Reschovsky, *Health Affairs*, Vol. 20, No. 2, March 2001. **Their retirees:** The share of employers with 200 or more workers offering retiree health benefits declined from 66 percent in 1988 to just 38 percent in 2003. See “The State of Retiree Health Benefits: Historical Trends and Future Uncertainties” by Patricia Neuman of the Henry J. Kaiser Family Foundation, for a hearing of the US Senate’s Special Committee on Aging, May 17, 2004. Many retirees also dropped their employer-provided health coverage, when it was offered,


CHAPTER 11


329 “The face of”: The book, Wal-Mart: The Face of Twenty-First-Century Capitalism, grew out of a conference held at the University of California at Santa Barbara in April 2004. Also see Greenhouse, 156.


332 **Some Wal-Mart managers**: Greenhouse, 100–101. “**Had to do**”: Greenhouse, 101. Also see Lichtenstein, *The Retail Revolution*, 150.


332–333 “**At one point**”: Ehrenreich, *Nickel and Dimed*, 174–175.

333 “**Manager’s Toolbox**”: This document is from 1997. It is accessible at reclaimdemocracy.org/wordpress/wp-content/uploads/2012/08
Reliably ungenerous: A notable exception has been Wal-Mart truck drivers, a key part of the company’s vast logistics network, who have been treated very well. “Blood-sucking parasites”: Lichtenstein, The Retail Revolution, 205. Walton had hired: Lichtenstein, The Retail Revolution, 172.


Not for long: “Pro-Union Butchers at Wal-Mart Win a Battle, but Lose the War,” Wall Street Journal, April 11, 2000. Partial win: A federal appeals court in Washington, DC, ruled that Wal-Mart should have bargained with the UFCW over how employees would be affected when the company changed from cutting meat to stocking prepackaged meat. But the court also found that because the employees no longer used specialized meat-cutting skills on the job, the Jacksonville meat department itself was no longer an appropriate bargaining unit under labor law. See United Food and Commerical Workers Local 540 v. National Labor Relations Board, Nos. 06–1358, 07–1060, 07–1087 (2008).

336 **They’d lose:** Coca-Cola Bottling Company of Los Angeles d/b/a Yuma Coca-Cola Bottling Company and United Industrial, Service, Transportation, Professional, and Government Workers of North America, SIUNA, AFL-CIO, Case 28-RC-6066, National Labor Relations Board, May 23, 2003. **Michael Crane:** Johnson Technology Inc. and IUE-CWA, the Industrial Division of Communication Workers of America, AFL-CIO, CLC and Working @ GE (W.A.G.E.), Case 7-CA-45747 and 7-CA-45795, National Labor Relations Board Division of Judges, Aug. 4, 2004. The manager denied ever making this specific statement, though he didn’t refute that he told Crane to remove his union paraphernalia.


Were running: “Wal-Mart, After Remaking Discount Retailing, Now Nation’s Largest Grocery Chain,” Wall Street Journal, May 31, 2003. Other analyses have found that Wal-Mart’s grocery prices have been anywhere from 5 percent to 39 percent lower than those of other stores. See Greenhouse, 139; “An Empire Built on Bargains Remakes the Working World,” Los Angeles Times, Nov. 23, 2003. Hold down inflation: “CPI Bias from Supercenters: Does the BLS Know That


340 Under the old: Analysis of the contract is from “Two-Tiered Grocery Contract Leaves Anger, Questions,” Labor Notes, April 1, 2004; “Wage and Health Benefit Restructuring in California’s Grocery Industry” by Arindrajit Dube and Alex Lantsberg, Center for Labor Research and Education, University of California at Berkeley, July 6, 2004. “A career”: Both Renaud and Harrison’s quotes are from “Grocery Workers

**Able to reverse:** “Grocery Union Fought for Unity,” *Los Angeles Times*, July 24, 2007. **Market share:** The Last Grocery Strike Opened the Door for Supermarket Upstarts. What Happens If There’s Another Strike?” *Los Angeles Times*, June 17, 2016. **Made workers wait:** This detail, the annual income figures, and Tilly’s quote are from “Weakened Grocery Companies, Workers Square Off Over Contract,” *Los Angeles Times*, June 14, 2016.


343 A quarter or more: “Percent of Employment in Manufacturing in the United States,” Economic Data, Federal Reserve Bank of St. Louis. Two-thirds: According to the US Census Bureau, 32.5 percent of Americans, ages twenty-five and older, had a bachelor’s degree or higher in 2015. In 2005, that number was 27.7 percent, and in 2000 it was 25.7 percent. High wages: “The Benefits of Manufacturing Jobs” by David Langdon and Rebecca Lehrman, US Department of Commerce,


Employers Suspend Their 401(k) Match?” by Alicia H. Munnell and Laura Quinby, Center for Retirement Research at Boston College, Feb. 2010; “Benefits Leader Reins In 401(k)s,” Wall Street Journal, Dec. 6, 2012; “Companies Are Pitching in More for Retirement,” Bloomberg, April 30, 2015. Regarding health-care benefits, see “Fewer Small Employers Offering Health Coverage; Large Employers Holding Steady” by Paul Fronstin, ebri.org Notes, Employee Benefit Research Institute, Vol. 37, No. 8, July 2016. The article points out that because of the recession, smaller employers (those with ninety-nine workers or fewer) cut back on their health-care coverage, a trend that may have then been exacerbated by the Affordable Care Act.


Make up 37 percent: “2014 Job Patterns for Minorities and Women in Private Industry (EEO-1),” US Equal Employment Opportunity Commission. Larger companies: The EEOC data covers only companies with 100 or more employees or companies with at least 50 employees and a $50,000 federal contract.


**A focus on:** See “At Kodak, Clinging to a Future Beyond Film,” New York Times, March 20, 2015. **Fewer than 9,000:** “Kodak Moments Just a Memory as Company Exits Bankruptcy,” Bloomberg, Sept. 3, 2013.


Best days”: “GM’s $11,000,000,000 Turnaround,” Fortune, Oct. 17, 1994. Remained profitable: Author’s review of GM’s annual income statements for 1993–2004. The company was forced to restate its earnings for a number of those years after discovering that it had made certain accounting errors, but it still remained consistently profitable during that period.


Debbie Werner: Her story and Ramirez’s are from “Autoworkers Earning Less in U.S. Happy to Compete Again,” Bloomberg, Oct. 18, 2012. Daughter of: “General Motors Names Mary Barra as CEO,”

**Eight Years:** “Workers Ratify U.A.W. Contracts With General Motors and Ford,” *New York Times*, Nov. 20, 2015. **Would be lower:** In 2016 dollars, the average hourly wage at GM was projected to be $28.69 from 2015–2019, compared with $30.57 in 1996, $31.85 in 1999, $32.29 in 2002, and $31.83 in 2005–06. These figures were calculated by Kristin Dziczek of the Center for Automotive Research, based on a blended average-wage history, which takes into account the mix of skilled trades, production, and entry-level workers. **Shortfall projected:** At the end of 2014, the trust’s long-term shortfall was estimated at $20 billion. Experts still considered the trust well managed, however, and administrators expressed confidence that it would meet its obligations. See “Health of UAW Retiree Medical Benefits Trust Improving,” *Crain’s Detroit Business*, March 27, 2016; “The UAW Benefits Failure That Wasn’t,” *Bloomberg Businessweek*, Aug. 27, 2015. **Also halted:** Coverage was stopped for retirees age sixty-five and older, many of whom used their GM benefits to supplement their Medicare. The company did boost pensions as a way to help those affected pay for new coverage. See “Retiree Benefits Take Another Hit,” *Wall Street Journal*, July 16, 2008; “Some G.M. Retirees Are in a Health Care Squeeze,” *New York Times*, Nov. 9, 2008. **Tried to buy out:** “U.S. Automakers Cut Retirees Loose,” *Bloomberg Businessweek*, June 28, 2012. **“Run leaner”**: “Retirees Wrestle With Pension Buyout from General Motors,” *New York Times*, July 18, 2012.


have criticized GE for buying back its shares when the price was too high—a poor use of capital. See, for example, “GE’s Value Destroying Stock Buybacks” by Steven Towns, Seeking Alpha, Sept. 26, 2011.

“The essence of”: From the back jacket of Hoffman, Casnocha, and Yeh, The Alliance. LinkedIn: In 2016, the company was purchased by Microsoft.


“Acknowledging that”: Hoffman, Casnocha, and Yeh, 27–28.


About 300,000: The breakdown was as follows: Amazon, 152,000; Apple, 76,000; Alphabet (Google’s parent company), 62,000; and Facebook, 13,000. These figures are based on federal financial filings for 2015, as well as information from Apple’s corporate website and “Full-Time Jobs at Amazon Grow at Rapid Pace in First Quarter,” Seattle Times, May 9, 2016. If anything, the 300,000 total is on the high side, as Alphabet and Facebook don’t break out US employment. Apple makes most of its products in China, using subcontractors. See “How the U.S. Lost Out on iPhone Work,” New York Times, Jan. 21, 2012. In January 2017, Amazon announced that it would hire 100,000 jobs over the next 18 months. Amazon, meanwhile, has been heavily criticized for the way it treats its warehouse workers. See “Brutal Conditions in Amazon’s Warehouses Threaten to Ruin the Company’s Image,” Business Insider, Aug. 5, 2013; “How Amazon Shames Warehouse Workers for Alleged Theft,” Bloomberg Businessweek, March 7, 2016; “Inside an Amazon Warehouse, the Relentless Need to ‘Make Rate,’” Gawker, June 6, 2016. General Motors: It employed more than 618,000 people in the United States in 1979. See “A Brief History of General Motors Corp.,” Associated Press, Sept. 14, 2008.


Lakeside house: From a 2014 visit by the author to Rocheleau’s Wisconsin home. Cutting of: For years, GE had offered employees over sixty-five years of age several health plans to supplement Medicare. Then, in 2012, the company announced that it would no longer cover retirees who had not turned sixty-five by January 1, 2015, and that it would require those who had reached sixty-five by that date to assume half the cost of certain plan benefits. The company subsequently decided to terminate these plans altogether and give all retirees the option of purchasing supplemental medical coverage through a private exchange. Retirees who were already over sixty-five would receive a $1,000 subsidy. About $1000: From a 2016 interview by the author with Rocheleau.

Hourly retirees: “GE Labor Unions to Join Brawl Over Retiree Health Care,” *TheStreet*, Nov. 6, 2015; “Unions Sue GE Over Retiree Health Benefits Cut,” *Courier-Journal* of Louisville, Ky., Nov. 10, 2015. “Can afford it”: “GE Ex-Labor Chief Switches to Defend Retirees’ Benefits,” *Bloomberg*, Sept. 12, 2013. On a promise: The crux of Rocheleau’s lawsuit against the company was that two months before it terminated its post-sixty-five medical plans, it issued a handbook to retirees saying that it “expects and intends to continue” the coverage indefinitely. The company also said that it “reserves the right to terminate, amend, or replace” the plans. But Rocheleau and his coplaintiff argued that GE had a fiduciary duty to act in the interest of plan participants—and saying that it expected to continue the plans when it must have known otherwise at that point in time was a violation of that duty. For its part, GE has maintained that the language in the handbook was neither inaccurate nor misleading, and that the company had no intention of deceiving anyone. It also said that the changes it made have
helped—not hurt—tens of thousands of GE retirees. Under its new private-exchange system, the company noted, 70 percent of them paid lower premiums in 2015 than they did under their old plans in 2014. See Evelyn Kauffman and Dennis Rocheleau v. General Electric, US District Court, Eastern District of Wisconsin, 14-CV-1358, 2014.

359 **Grew up:** All biographical details are from a 2014 interview by the author with Rocheleau. **“Schooled in”:** Remarks by Dennis Rocheleau to a meeting of the Labor and Employment Relations Association in San Francisco, Jan. 4, 2009.


359–360 **More than 140,000:** From a 2014 interview by the author with Rocheleau. **To 24,000:** This and the 2015 figure are from GE’s federal financial filings. **“Always maintained”:** “GE Ex-Labor Chief Switches to Defend Retirees’ Benefits,” Bloomberg, Sept. 12, 2013. **“Ass-kissed”:** From a 2014 interview by the author with Rocheleau.

360 **“My faith in”:** Dec. 2, 2012, letter from Rocheleau to Immelt. **For forty years:** As noted by Immelt himself. See “Transcript: GE CEO Jeff Immelt on Fortune’s The Chat,” *Fortune*, June 3, 2015. **To back off:** From a 2014 interview by the author with Rocheleau.

360 **Spoke out at:** The quotes are from meeting transcripts on the GE corporate website.


361 **New tools:** See, for example, “American Workers Try to Organize—One Click at a Time” by Rick Wartzman, *Fortune*, Feb. 16, 2016. Also see “New Frontiers of Worker Power: Challenges and Opportunities in the Modern Economy” by Michelle Miller and Eric Harris Bernstein, Roosevelt Institute, Feb. 15, 2017. **Fight for $15:** See “Eyeing the Trump Voter, ‘Fight for $15’ Widens Its Focus,” *New York Times*, Nov. 29, 2016. **Never again see:** Some argue that we can, in fact, find ways to forge a new kind of labor movement that will help restore prosperity and strengthen democracy. See, especially, Geoghegan, 195–255.
Others, meanwhile, are especially concerned about what a Trump presidency will mean for organized labor. See “Donald Trump Can Kill the American Union” by Harold Meyerson, Washington Post, Nov. 23, 2016.


362 **More training:** ManpowerGroup’s 2016/2017 “U.S. Talent Shortage Survey” did find a sharp upturn in on-the-job training during the most current year with 48% of employers offering training and development to their workers—up from just 12% in 2015. What’s unclear is if this is just a short-term blip. Peter Cappelli points out that, while accounting rules treat purchases of capital equipment as “assets,” training programs are typically described as “overhead costs.” “So we have the irony,” he writes, “that business is rewarded for investments in capital that raise productivity by eliminating jobs but punished for investments in people... that raise productivity and save jobs.” See his essay “How to Save Good Jobs,” *Washington Post*, Feb. 10, 2017.


362 **Was so honored:** Wal-Mart was number fifteen on the list of fifty.

“The American people”: “The Economics of a Free Society” by William B. Benton, reprint from *Fortune*, Oct. 1944, PHP. “Sons and daughters”: According to the Equality of Opportunity Project, “children’s prospects of achieving the ‘American Dream’ of earning more than their parents have fallen from 90 percent to 50 percent over the past half century.” This decline, the group says, has occurred for children from both low- and high-income families.