Book Reviews

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In 1947, the General Electric Company¹ (hereinafter GE) created one of the more controversial negotiating strategies of the twentieth century. The nature of this bargaining concept, the background leading to the creation, and the development and application of the tactics that are its essentials are the basis of The Truth About Boulwarism. Although written in 1969, this book remains of timely interest as GE prepares for its impending 1973 labor contract negotiations. The title for the negotiating strategy developed by GE in 1947—Boulwarism—came from the name of the author of this book, Lemuel R. Boulware, who is generally considered to be the founder of this concept. Herbert R. Northrup, who had been a member of the GE employee relations staff and a member of the 1960 GE negotiating team, contended, however, that Boulwarism had its origins deep within the history of GE, long before Boulware himself came on the scene.² Northrup noted that GE, founded in 1892,³ had long sought the reputation of a "good employer," and that to do this it had practiced a form of parentalism which was to become the basis for Boulwarism. This parentalism included the establishment of a pension plan as early as 1912 and, at an early date, encouragement of employee representation plans—a euphemism for company unions.⁴

These early parentalistic policies, as benevolent as GE characterized them had, however, undergone attack with the formation of employee controlled unions. In 1936, the United Electrical, Radio, and Machine Worker's Union (hereinafter UE) was formed by a coalition of various local unions, including several which represented GE employees. After consolidation during the war years, the UE attained a membership of

† Retired Vice President of Employee and Community Relations, General Electric Company.

1. General Electric in 1970 was the fourth largest industrial corporation in the United States. Sales in 1970 were $8,726,738,000. Employees totaled 396,583. FORTUNE, May 1971, at 172-73.

2. H. Northrup, Boulwarism 1 (1965) [hereinafter cited as Northrup].


some 500,000 employees. This growth gave rise to strength. In 1946, the UE went on strike against GE after the company refused to accede to the union’s demands as to the provisions of the collective bargaining agreement, and the eventual terms for the conclusion of this strike were regarded as a significant union victory. GE viewed the 1946 strike as “little short of a debacle” for the company.

This defeat in 1946 led GE to take another look at its employee relations policies. The company was determined to prevent a reoccurrence of the 1946 setback and it selected Lemuel R. Boulware for the position of Vice-President of Employee and Community Relations. Boulware, whose business experience had been in accounting, production, marketing, and general management, rather than employee relations, was instructed to develop a program that would utilize in employee and community relations those principles and practices that had been found successful in other areas of business. Boulware believed that to overcome the “misled resistance” of employees to GE policies and to obtain employee co-operation in attaining productivity increases of some twenty per cent, it would be necessary to improve employee and public relations. To accomplish this goal of employee acceptance of GE programs, Boulware thought that a “job marketing” program would have the greatest chance for success: a program based on those principles and practices employed in product marketing. Research, undertaken to determine what would be required to make this program an effective one, concluded that the GE employees, and possibly employees everywhere, wanted nine basic ingredients in their job package.

5. NORTHROP, supra note 2, at 20.
8. BOULWARE 1.
9. 150 N.L.R.B. at 207.
10. BOULWARE 24.
11. Compensation, which includes:
(a) pay that is right—all things considered—for the skill, care, and full day’s effort as measured by reasonable modern standards, and
(b) extra financial benefits such as pensions, awards for ideas, free life insurance, scholarships, and paid vacations.
2. Working conditions which are as good as they can be made at the moment, which are regularly improved, which are being constantly studied for further improvement, and about which all suggestions as to additional improvements are always welcome.
3. Supervision which is:
(a) competent technically to aid the employee to get the most out of the machine or other facilities with reasonable physical effort, and
(b) competent as a leader to make the employee understand promptly, clearly, and easily the reasons behind the direction or advice given so that he can do his job intelligently and voluntarily, and

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ware professed astonishment at the results of this research because he believed that these nine ingredients were what GE had always sought to grant its employees.\textsuperscript{12} Boulware thought that some employee resentment to GE labor policies could be the result of a lack of understanding by the employees that there were limitations on what the company could supply to fill the nine point job package. Boulware sought to explain these limitations to the employees by pointing out that in private business there are five contributor-claimants to the activities of a corporate enterprise—investors, customers, employees, suppliers, and neighboring or more distant citizens (the public),\textsuperscript{13}—all of whom supplied something essential to the corporation. He also noted that each claimant demanded something in return. Thus, the company in granting these demands had to balance the interests of all five.\textsuperscript{14} If any contributor-claimant did not—or thought he did not—receive his share he would not do his part and all others would suffer. Moreover, any favoritism would result in resentment by the less favored contributor-claimants that would in turn result in diminishment of their efforts.\textsuperscript{15} Boulware argued that management was best suited to make the proper allocation between the five contributor-claimants because "management knows best what should be done for its employees,"\textsuperscript{16} and therefore management should "play God" in determining who received

\begin{itemize}
\item \textit{Job security} to the greatest degree possible through the team-work of employees, management, stockholders, and loyal customers.
\item \textit{Respect} for basic human dignity which is protected along with the rest of the employee's stake as a free, upstanding, good American citizen.
\item \textit{Promotion} as fast as opportunities arise or can be created and on a strictly fair basis in view of the skill, care, and effort of the individual employee, with the employee's own ability and ambition being aided to every extent possible by training on the job.
\item \textit{Information} on management's objectives, plans, problems, successes, and failures, and current expectations for the section, the department, and the company as a whole.
\item \textit{Belief} in the individual job's importance, significance, and challenge, and in the employee's contributions to the great good accomplished by the final GE product.
\item \textit{Satisfaction} that comes from going home to the family after a day's work with the feeling that something important has been accomplished, that the accomplishment has gained the attention and earned the respect and gratitude of one's fellow employees at all levels, and that job is a good one to return to the next and following days.
\end{itemize}

\textit{Id.} at 26-28.

12. \textit{Id.} at 28.


14. \textit{Id.} at 7-17.

15. \textit{Id.} at 29; \textit{NORTHRUP, supra} note 2, at 30.

what portion of the corporate pie, rather than the employees who would only be seeking to increase their share and would not objectively consider the interests of the other contributor-claimants. To cultivate confidence in the employees that management was making the right decision, Boulware thought it necessary to convince the employees that the company was willing to “do right” for the employees voluntarily, that is, without prodding from strikes or threat of strikes.

To sell this nine point job package, and its limitations, a massive communications program was instituted. The program was designed to reach every employee. Middle management was given training programs for instructions on how to communicate GE’s policies to the employees, and the company acquired films and other training aids and granted employees time off from their work to view the films. This instruction was designed to inform the employees of other demands on the revenues of the company and to show that the company was looking out for the interest of all contributor-claimants. In addition to the films the employee newsletter distributed by the company was used as a propaganda tool for selling company policies. Massive advertising in commercial newspapers was also used to present the company’s positions. This program was designed after the advertising program used so successfully in selling GE products, and Boulware emphasized that this communication program was to be a continual one, rather than just a campaign instituted as negotiating sessions neared. This then was how Boulware was going to convince the employees that the company was going to “do right” voluntarily.

Application of this job marketing program necessitated a revision of the company’s approach to collective bargaining. GE believed that it would have to abandon the traditional type of bargaining in which both sides take extreme positions and reach settlement through give-and-take compromises; otherwise, the employees would be convinced that GE was not trying to do right voluntarily and as a result would seek to coerce the company to grant greater benefits. Further, to establish the creditability of its program of doing right voluntarily for em-

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18. 150 N.L.R.B. at 207; see BOULWARE 57.
20. 150 N.L.R.B. at 207; BOULWARE 87.
ployees, GE believed it would be necessary to research very carefully and determine what it could offer to the employees. The result of this research would then be what the company would offer to the employees. If the union provided new information during negotiations then the company could change its offer on that basis, but the company would not change its offer because of such criterion as strike or threat of strikes from the employees because to capitulate from such coercion would indicate that GE was not doing as much as it could for the employees "voluntarily." Thus, the Boulware negotiating strategy was that the company would eschew the usual bargaining methodology in which both parties began negotiating from extreme positions which they knew would have to be modified before a settlement could be reached. Instead, GE would carefully analyze the needs of the five contributor-claimants and the resources available for allocation. This consideration would be made from all available information. Nothing would be held back for later trading or compromising. Instead the company would announce its offer and attempt to convince the employees to accept the offer through a massive advertising program. And, while the company would make modifications in this offer based upon new information brought out in negotiating sessions, it would not change its offer because of any deadline or strike threat by the union.

Boulwarism, in short, is presented as a scientific, good faith, "take it or leave it" package presented by management in which the company's position will be modified only upon receipt of new information that the company did not have in formulating its offer. Stripped of

27. Professor Morris Forkosch found that Boulwarism was a ten point program:
   1. GE would engage in intensive year round research into all "pertinent" facts relevant to its relations with its employees;
   2. Throughout the entire period between contracts, the company would inform its employees of all facts pertinent to their conditions, e.g., wages, company policies, and other efforts;
   3. At the inception of bargaining, and yet still as part of its overall research pattern, GE would listen to the unions' presentations and take into account the additional facts supplied;
   4. Assuming both sides had done their homework properly, then they should
its verbiage, Boulwarism as a negotiating strategy may be viewed as a firm offer by management that it will not reduce.

The first application of Boulwarism was in the 1948 negotiations. GE widely publicized its offer before the negotiations began. Full page advertisements explaining the company’s position were placed in newspapers in the communities in which the company had plants. Union resistance failed to materialize and the GE opening offer was accepted by the UE virtually as it was first presented by the company. This was cause for great celebration at GE and it was believed that Boulwarism was an unqualified success.

The 1948 negotiations, however, marked the end of the UE as the dominant union at GE. These negotiations were only partly responsible for the demise of this union because it had been profligated by internal strife over the issue of communism which subsequently led to a division in the electrical workers. James Carey headed a dissident faction that, after rejecting the ideals and goals of communism, withdrew from the UE and formed the International Union of Electrical, Radio and Machine Workers of America (hereinafter IUE). Competitive strife between the UE and IUE and the independence of the locals of each union prevented the unions from dealing effectively with management. In addition to these woes the UE and IUE were not the only unions at GE, for nearly a quarter of the union members at GE

both desire voluntarily and willingly to cooperate in having each obtain just shares;
5. Assuming there were new and pertinent facts, GE would then evaluate the unions’ demands in the light of the totality of the facts now before it;
6. This evaluation concluded, GE would next make and publicize its own determination of what it considered to be “right”;
7. This determination would embrace everything GE found to be warranted and be presented to the unions without holding anything back for any trading or compromising;
8. The GE offer would be subject to adjustment by GE whenever (but only when) new information from any source or a significant change in facts indicates that its initial offer fell short of being right;
9. On the basis of all of the proceeding, (sic) the traditional method of bargaining would not be required, i.e., the give-and-take compromise need not be used;
10. Assuming no adjustment would be necessitated by new or changed facts, then as a matter of company policy, the determination, ultimately presented to all unions and unrepresented employees, would not be changed. GE would withstand a strike of any duration to resist doing what it considered to be wrong.


28. Northrup, supra note 2, at 51-52; see Boulware 31-57.
29. Northrup, supra note 17, at 90.
were in ten major unions and in many other smaller bargaining units. GE also had other advantages that would assist in the success of Boulwarism.

The General Electric Company today operates two hundred plants in thirty-one states and Puerto Rico, and it has about eighty-four plants in twenty-four foreign countries. It produces consumer products such as air conditioners, color televisions, and other household electrical appliances, aerospace components, power generation equipment, electrical equipment such as transformers, motors, and lamps, military electronics equipment, and medical equipment such as X-ray machines. This diversity made ineffective such union tactics as "key plant strikes,"—a tactic designed to injure as few employees as possible while maximizing economic coercion against the employer—where a key plant is struck rather than all of the employer's operations.

It was believed by some observers that Boulwarism was possibly designed to deepen the divisions in the unions, and that GE was pursuing a divide and conquer strategy in which Boulware's communication program was used as a medium for attacks on union leaders and even the nature of collective action itself. The IUE had quickly become the dominant union at GE, and James Carey, as President of the IUE, received his first taste of Boulwarism in the 1950 negotiations. The company had refused separate negotiations with the IUE and offered the same package to the IUE that had been offered to other unions and non-union employees. Carey, however, rejected the initial GE offer and when the company refused to move from its position he called a series of rolling strikes, which were successive walkouts at various plants. But Carey failed to receive sufficient support from the local unions to make this tactic effective, and an agreement was reached which appeared as another victory for GE.

The next ten years of relations between GE and the IUE were marked by a growing acrimony between James Carey and GE management. But during this period GE scored success after success in nego-

32. STANDARD & POOR'S CORPORATION, CORPORATION RECORDS 8131 (1971).
33. Northrup, supra note 17, at 86.
36. Northrup, supra note 2, at 52-53.
tiating sessions; the company did make some minor concessions in negotiations after receipt of new information but it did not suffer what may be termed a defeat at the negotiating table during this period.\textsuperscript{37} While there were some minor strikes, none were effective. For the most part strikes called by union leaders lacked support from the union membership and GE hailed this lack of support as a victory for Boulwarism. The company pointed out that in other firms strike votes were merely automatic when requested by the union leaders.\textsuperscript{38} As noted, one result of the GE success was an embittered union leadership. James Carey, at least from accounts by company officials, raved as if he were a madman during negotiations.\textsuperscript{39} A National Labor Relations Board Trial Examiner was later to find that Carey did threaten physical violence and that he engaged on occasions in time consuming harrangues and presentations of irrelevant, "but interesting" subjects. The Trial Examiner thought this conduct was due at least in part to frustration in Carey's failure to achieve success in negotiations with GE, and in part to the fact that Carey was "an aggressive, highly articulate, and voluble negotiator with a bent for tough talk and invective." This conduct, however, was found not to have had any influence on the outcome of negotiations,\textsuperscript{40} but GE did seize on it to attack the union leadership in its communication programs.\textsuperscript{41}

Union officials were particularly incensed by the company's communications program\textsuperscript{42} in which GE had stressed the theme that union leadership was selfish, irresponsible, and motivated by political aspirations in their capacity as elected officers. Irving Abramson, General Counsel for the IUE, thought that Boulware was a strong anti-unionist\textsuperscript{43} and that his bias was woven into the job merchandising program

\textsuperscript{37} 150 N.L.R.B. at 208.
\textsuperscript{38} NORTHROP, supra note 2, at 61-69.
\textsuperscript{39} Minutes from negotiating sessions show that Mr. Carey offered to "walk all over" a company official's face, and Carey warned that he was going to "break every bone" in another company negotiator's body. Id. at 83, 84, 168-73.
\textsuperscript{40} 150 N.L.R.B. at 219.
\textsuperscript{41} This communication system was massive. During the 1960 negotiations and strike the company sent 246 separate written communications to workers in its Schenectady plant and 177 items to workers in its Pittsfield, Mass. plant. Gross, Cullen & Hanslowe, \textit{Good Faith in Labor Negotiations: Tests and Remedies}, 53 CORNELL L. REV. 1009, 1026 (1968).
\textsuperscript{42} Boulware had on one occasion stated that Arizona was given a GE plant because the state had passed a right to work law. He had also condemned unions as promoting, "[s]omething for nothing, inflating, foreign, socialist brand of anti-business economics." Blum, supra note 16, at 64.
\textsuperscript{43} Abramson, supra note 19, at 463.
that made up the communication program. To support his contention Abramson pointed to a statement by Boulware that compulsory union membership fostered union monopolies that in time opened the unions to possible control by union racketeers and demagogues. But, even if the GE communication program had been less critical of the union leadership it is doubtful that the union officials' resistance to Boulwarism would have been any less strenuous. The company was undermining the strength of the union officialdom by direct appeals to the employees, by-passing the union leaders. Moreover, injury to union officers was compounded when negotiations resulted in acceptance of the original, or very close to the original, offer of the company. This resentment engendered in union officials by Boulwarism set the stage for a "showdown" in the 1960 negotiations.

In 1958, the union had suffered another defeat in negotiations over adjustments under a wage reopening provision of the 1955 collective bargaining agreement. The union had failed to gain concessions from the company or to acquire sufficient support from the employees for a strike which was a severe setback for the IUE, and the union leaders were determined to gain substantial concessions from GE in the 1960 negotiations. Indeed, James Carey was quoted in 1959 as saying, "I owe GE a strike." The union's preparations for the negotiations were intensive.

Carey tightened his grip over the IUE locals by having the 1958 IUE convention grant him the power to place dissident locals in trusteeship and the IUE also began a communication program of its own. Union officials gave numerous speeches; movies were prepared; and an IUE caravan was dispatched to tour the various GE plants with a large trailer that contained exhibits and propaganda castigating GE's employee relation's programs. To further assure a successful strike, the IUE changed its charter so that a majority vote of the GE conference board could call a national strike instead of the previously required two-thirds vote. The IUE also joined with other unions at GE so that a united labor front could be presented to the company. GE in turn began an extensive communications program to propagandize its posi-

44. Boulware 129.
45. 418 F.2d at 741.
46. Northrup, supra note 17, at 86; Boulware 108-05.
47. 150 N.L.R.B. at 210.
48. See generally Northrup, supra note 2, at 71-76.

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tion stressing the finality of its offer and the fixed policy of the company in not making concessions to avoid a strike. Strike votes were taken by the IUE and a voting majority approved of a strike, though a numerical majority did not. The strike when called became violent in some areas, while in others it was ignored by the workers. A strong back to work movement soon developed and the strike was terminated after only three weeks. GE made only minor concessions and the company was elated by an editorial in the New York Times calling the IUE defeat, "the worst setback any union had received in a nationwide strike since World War II". This defeat, and other prior failures by IUE President James Carey to gain concessions from GE, was apparently in large part responsible for the subsequent loss of his post as President of the IUE in a hotly contested union election.

After the conclusion of the strike the IUE filed an unfair labor practice complaint with the National Labor Relations Board in which the union contended that Boulwarism violated section 8(a)(5) of the Labor-Management Relations Act. That section made it an unfair labor practice for an employer to refuse to bargain collectively with the representatives of his employees.

A provision of the Labor-Management Relations Act defined collective bargaining as the duty to meet and confer in good faith with respect to wages, hours, and other terms and conditions of employment. In *NLRB v. Ins. Agent's Union*, the Supreme Court had stated that good faith bargaining was a process in which the parties deal with each other in a serious and good faith attempt to reach agreement. The Court said it was not simply an occasion for formal meetings between management and labor where each would maintain a "take it or leave it" attitude. This opinion may not indicate, however, that Boulwarism

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49. Forkosch, "Take It or Leave It" as a Bargaining Technique, 18 LAB. L.J. 676, 681 (1967).
50. Forkosch, "Take It or Leave It" as a Bargaining Technique, 3 CALIF. W.L. REV. 43, 50 (1967).
52. Id. at 90.
was a violation of section 8(a)(5), for Boulwarism is a carefully articulated strategy to reach an agreement. GE by its own admission expended over $2,000,000 for a single aspect of its communication program, and untold sums in other areas, to convince employees to accept the company's offer.\(^{60}\) Moreover, GE believed that its firm position at the negotiating table was the best method of reaching agreement. The company also believed that it was not assuming an arbitrary negotiating position since much research went into the preparation of its offer, which, GE professed a willingness to change when presented with information that would show the company's own computation was in error as to what it could offer without injury to the other contributor-claimants to the enterprise. GE had previously made at least minor concessions during negotiations when presented with such information.\(^{61}\) GE believed that section 8(a)(5) did not require the parties to make concessions in collective bargaining.\(^{62}\) The company believed that there was no reason for going through the traditional charade of taking an artificial and extreme position to reach the position which it intended to enter the negotiations with initially, \textit{i.e.}\ the position beyond which it would not go even if struck by the unions.

The NLRB trial examiner, however, found that GE had been guilty of unfair labor practices during the 1960 negotiations\(^{63}\) and the Board upheld his findings stating that GE's overall bargaining strategy evidenced a "take it or leave it" attitude which violated the company's duty to bargain with its employees.\(^{64}\) The Board viewed the one offer aspect of Boulwarism as devitalizing the negotiations and robbing them of their commonly accepted meaning, of an ask-and-bid, or auction form of bargaining. The Board held that each party has the right to play an active role in negotiations which it believed the union could not do under Boulwarism as presented in the 1960 negotiations.\(^{65}\) The Board condemned GE's communication program, holding that an employer must bargain with the statutory representative rather than with

\(^{60}\) BOULWARE 34.

\(^{61}\) But see 150 N.L.R.B. at 208.


\(^{63}\) The trial examiner felt that GE's communication program was an attempt to deal directly with the employees, by passing the union leadership. The trial examiner also based his findings on the fact that GE refused to willingly make concessions in negotiations. NORTHUP, supra note 2, at 94.

\(^{64}\) 150 N.L.R.B. 192 (1964).

\(^{65}\) Id. at 194.
the employees themselves by direct or indirect communication. The Board thought that GE's communication program was designed to disparage and discredit the union leaders in the eyes of their employee constituents. In order to persuade the employees to exert pressure on the union leadership to accept the GE offer and to create the impression that the "employer rather than the union is the true protector of the employees' interests," GE was ordered to cease and desist from these practices.

The NLRB order was enforced by the Second Circuit Court of Appeals in *NLRB v. General Electric Company.* The Second Circuit, however, found three specific unfair labor practices by GE. One was GE's refusal to furnish information to the unions after negotiations began. Another was that GE had dealt separately with several of the IUE locals rather than the national union which was the certified representative of the union: a violation of section 9(a) of the Labor-Management Relations Act, which makes the bargaining representative of a certified union exclusive in this function. The Court found the third unfair labor practice in the "take it or leave it" stance that GE assumed over an insurance proposal. This was true, said the Court, even though the parties had waived the right to bargain over this question, since GE had offered to add to the plan but refused to bargain over the addition.

The Court also addressed itself to the question of whether GE had committed an unfair labor practice from its overall negotiating conduct under its Boulwarism policies. The Board's decision below had been based on GE's overall conduct, even though taken in isolation each specific act would not be an unfair labor practice. The Second Circuit said that the failure to make concessions would not be evidence of bad faith bargaining, but the presence of concessions would raise a strong inference of good faith. The Court did object to GE's communication

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66. *Id.* at 195.
67. GE sought review of the NLRB decision in the Second Circuit but at approximately the same time the union filed a similar petition with the Court of Appeals for the District of Columbia. The NLRB broke the impasse by seeking to enforce its order in the Second Circuit where the unfair labor practice had been committed. Comment, Boulwarism and Good Faith Collective Bargaining, 63 Mich. L. Rev. 1473, 1481 (1965) (The judicial history of this litigation is also set out in *NLRB v. General Elec. Co.*, 418 F.2d 758, 759 (2d Cir. 1969). The broad jurisdictional and venue requirements of the LMRA made these actions possible. See 29 U.S.C. § 160(e)(f) (1970).
69. *Id.* at 750.
71. 418 F.2d at 758.
72. *Id.* at 759.
program in that when the company publicized its offer before the union had opportunity to propose suggested modifications, it was put into the position of taking a stand that would be difficult to retreat from. Thus, the communication program conducted by GE resulted in a "take it or leave it" position, because, by the company's own admission, it branded any compromise a defeat.\textsuperscript{73} The Court, however, did not forbid the use of the Boulwarism "best offer first" and the massive communication program that publicized the offer. Instead, the Court said it was merely forbidding a "take it or leave it" bargaining method resulting from a widely publicized stance of firmness that prevented the employer from altering a stance once taken.\textsuperscript{74} This was not the wholesale censure of Boulwarism found in the NLRB decision.

The Second Circuit was not faced with Boulwarism at its finest in \textit{General Electric} as the company had committed three specific unfair labor practices; it would appear that GE could avoid that part of the Second Circuit's decision condemning its Boulwarism strategy by emphasizing in its communication program that it was willing to compromise, if the union could show the company new information that would allow it to adjust its best offer.\textsuperscript{75} This would merely be a statement of one of the principles of Boulwarism rather than a deviation from this strategy since the company would not be in a purely take it or leave it position.

The decision by the National Labor Relations Board in the interim\textsuperscript{76} had not signaled the death knoll for Boulwarism. GE, apparently undaunted by this decision, continued to apply its Boulwarism policies. In 1969, however, the unions were able to confront GE with a unity they had lacked since 1946, when GE suffered the defeat that led to the creation of Boulwarism.\textsuperscript{77} After GE assumed its "fair but firm" bargaining stance in 1969 the unions went on a strike that was to last for some thirteen weeks.\textsuperscript{78} Aided by the decision of the Second Circuit, \textit{supra}, handed down two days after the strike began, the strikes were successful.\textsuperscript{79} Paul Jennings, President of the IUE, believed that the two elements of strike unity and the Second Circuit's decision were keys to

\begin{footnotes}
\footnote{73. Id. at 759-60.}
\footnote{74. Id. at 762.}
\footnote{75. BOULWARE 89-90. However, Irving Abramson, General Counsel for the IUE had stated that in his opinion the Second Circuit's decision had buried Boulwarism. Courier-Journal, Oct. 29, 1969, \S A, at 1, col. 5.}
\footnote{76. 150 N.L.R.B. at 192.}
\footnote{77. Courier-Journal, Oct. 28, 1969, \S A, at 7, col. 6.}
\footnote{78. COLLECTIVE BARGAINING TODAY, \textit{supra} note 34, at 151.}
\footnote{79. AFL-CIO News, Nov. 1, 1969, at 1, col. 5.}
\end{footnotes}
the IUE's success, but an additional factor was the sympathy boycotts conducted by the AFL-CIO at major department and appliance stores across the nation during the Christmas shopping season. This victory came in the face of a massive GE communication effort, in which the union contended GE had made expenditures at a "$2,000,000 clip" to spread the company's theme that "everyone would be happy to return to work if strikers were not shackled by labor bosses."

The Union victory was claimed to be a victory over Boulwarism. The company was forced to abandon its Boulwarism principle of not granting concessions, and tough give-and-take bargaining was engaged in by both parties. George Meany, President of the AFL-CIO, claimed that the 1969-1970 negotiations were the end of Boulwarism—prior to the strike Meany had declared that the 1969-1970 negotiations with GE were a matter of ideological warfare and that Boulwarism as practiced by GE made the fight one for survival of collective bargaining and the American Trade movement.

Whether Boulwarism has been laid to rest may be determined by future negotiations, but whatever the outcome of those negotiations it will not dissipate the doubts that the 1969-1970 negotiations cast on the viability of Boulwarism as a negotiating concept. One writer noted that where economic pressure was applied to both sides, sufficient to hurt each party, both union and management "were persuaded of the wisdom of compromising their stands to achieve a workable settlement." Thus, when the union achieved sufficient unity to exert real economic pressure against GE the company capitulated just as have other employers in similar circumstances who were not utilizing Boulwarism. Consequently, it would appear that the test for success in labor negotiating may be economic strength rather than idealistic practices by an employer.

GE was successful in its negotiations from 1947 to 1969 and it is true that Boulwarism was inaugurated and applied during this period, but to measure the success of Boulwarism it is necessary to look at other factors that may have contributed to GE's success. The UE was weak-

80. COLLECTIVE BARGAINING TODAY, supra note 34, at 155.
84. AFL-CIO News, Nov. 15, 1969, at 1, col. 5.
85. COLLECTIVE BARGAINING TODAY, supra note 34, at 167.
ened by the division over the communism issue and the IUE was a splinter union that could not have been expected to have reached maturity for several years. Furthermore, GE had widely diverse operations with many different unions and many non-union employees—even a single unified union would have difficulty in exercising control over the GE conglomerate. Therefore, it is possible that GE could have achieved its successes by adoption of any hard line bargaining stance, since it held a position of control during this period. The success of Boulwarism may be measurable here, if at all, by the extent to which Boulwarism retarded union growth, since union strength in 1969 proved that a unified labor force could defeat Boulwarism. But the initial weakness of the unions and the diversity of GE enterprises may make even this formula unworkable. In any event, Boulwarism has yet to be proven to be superior to traditional give-and-take bargaining.

Management is generally opposed to collective bargaining because it entails cooperation, which may in turn require a greater sharing of profits with employees. Boulwarism was designed to avoid the cooperation required in collective bargaining by employing practices successfully used in selling GE products. However, in marketing its products, GE was concerned with demand creation, *i.e.*, a demand was created that the consumer did not have before being confronted with the psychological motivation engendered by the GE marketing techniques. This demand creation had sought market enlargement through upward demand adjustment, but, in Boulwarism, the company was seeking demand diminishment. The employee would be continually expecting greater benefits in succeeding years because of the principle of rising expectations. Therefore, GE had to convince its employees that they needed the benefits offered by management rather than what the employees themselves believed they needed. This was truly an unchartered sea for even the most sophisticated of marketing specialists had their training in demand creation, or demand increase, rather than demand diminishment. To be successful GE had to convince the employee that he would be better off with less. The difficulty of this task is enormous. Other entrepreneurs have succumbed to this obstacle by emphasizing increased productivity in the workers—the worker will be producing more at the same rate as opposed to the GE concept of producing the same amount at a lesser rate, or a rate dictated by the company. GE could not effectively increase productivity by the usual stock option

and profit sharing techniques because of the diversity of its operations. Further, the nature of most of the union employees' jobs was such that the employees would not believe their individual efforts to increase productivity would be reflected in a profit sharing program and consequently would not be motivated to increase productivity efforts. GE believed instead that advertising techniques could be used to motivate workers and to lessen their demands on company revenues. The success of this effort defies measurement, but in 1969 it appears that there was no sale.

*The Truth About Boulwarism* is an attempt to lend creditability to a company's effort to dictate the terms of wages and working institutes to its employees. This book, however, fails to recognize the reality of the collective power of the unions. Power that is unlikely to be relinquished for a program that hinges on the unilateral generosity of management. Prescience may be required to predict the success of Boulwarism but the answer may lie in the 1973 negotiations at GE, for which the parties are girding themselves to do battle. Indeed, skirmishing has already commenced in the United States Court of Appeals for the Sixth Circuit where the court, in *General Electric Company v. NLRB*, ordered GE to relinquish correlated area wage survey data which the court believed the union needed to check the accuracy of GE's claim as to the basis of its wage scales.

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The cuisine of this well-written, authoritative epic is based principally on fact and philosophy and is one of the better books on the subject of drugs to appear this month. It is difficult for a busy book reviewer to keep up with so many drug abuse compendia reaching the lay market; so many authorities saying the same things in different ways!

The back-page promoters of this book made it easy to review. The three quotes on the quality of the book given in summation say: "Read it and assimilate its contents. Every lawmaker and enforcer, and anyone interested in this major domestic issue must read it." I agree with these recommendations. It is one of the better dialogs on the modern drug problem. Chapter One presents an acceptable and easily understood overview of the drug issue. In Chapter Two, the authors explain the public attitudes toward illegal drug use and beg for a change in this attitude toward understanding, as opposed to fear. The authors do inject their own political philosophy into the issue of drug use and users, but this is acceptable because you do know where they stand on the issue. They do an acceptable job on explaining drug use, although it may be difficult for many to understand their technical manner of presentation. The more one knows about pharmacology, psychology, sociology and human behavior in general, the easier it is to understand Chapter Three.

Chapter Five deals at length with the British system of dealing with their drug problem. This chapter explains many of the misunderstandings and poor explanations about the British "success."

The remainder of the book deals with the drug laws, their costs and successes and failures. The most interesting and daring chapter is the last. The authors discuss alternatives for drug control. Regardless of what is done, we will continue to have a drug problem, in my opinion. Regardless of the control mechanisms, some individuals will find ways to bypass the control. The best that we can hope for is a minimization of the problem.

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Book Reviews

The authors suggest a license for drug use. You carry a permit to get drugs! They suggest several methodologies in the licensing model, but I personally consider it bureaucratic and in the permissive direction. I prefer to work toward a drug-free society and not take the easy way out by allowing certain "sins" because "they are going to do it anyway."

The book provides a lot of material for drug debates on both sides. The authors do not provide anything new in the way of solving the drug problem, but they do provide fuel that may stimulate movement in constipated thinking to provide brain waves for mental castrates.

Charles L. Winek*

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