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Approximations to the Industry Council Plan in American Industry

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APPROXIMATIONS TO THE INDUSTRY COUNCIL PLAN
IN AMERICAN INDUSTRY

by
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Isabelle Gladys Morello was born in Marseilles, Illinois, December 18, 1924.

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PREFACE

This thesis was written to show how some of the purposes of the Industry Council Plan have spontaneously emerged as part of organizations which today exist in the United States. The original inspiration for the plan of this study was prompted by the editor of Work, Ed Marciniak, of the Chicago Catholic Labor Alliance. The writer wishes to acknowledge the advice and direction of Mr. Marciniak and to state also that the interpretation within the body of the thesis is primarily that of the writer.
I. THE INDUSTRY COUNCIL PLAN

The need for united effort by labor and management—Solution in the Industry Councils—Definition, structure, purposes, proposed functions and anticipated results of Industry Councils—Importance of the Industry Council Plan—The bond of unity among workers and employers—Unions and employers associations need not be excluded—Relationship of the State to the Councils and legal aspects of the Councils—How the Councils will come about—Contributions to the promotion of the Plan—How close to the realization of the Plan we are.

II. APPROXIMATIONS TO THE INDUSTRY COUNCIL PLAN: MEANING OF THE TERM

The criteria Father Musier used to measure an approximation—The criteria Father Williams used to measure an approximation—An approximation as it is meant in this study when applied to a specific industry—An approximation as it is meant in this study when it is applied to an organization with differing occupational groups as its components.

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CHAPTER I

THE INDUSTRY COUNCIL PLAN

The condition of workers within industry is today much improved over that of the laborers fifty years ago; and the outlook for the managers of industry is far brighter than it was a half century ago. Many changes have taken place in the socio-economic picture since the turn of the century. One who foresaw the need for better relations between employers and employees was Pope Leo XIII, who recognized that a united effort on the part of labor and management was a natural arrangement.

It is a capital evil... to take for granted that the one class of society is of itself hostile to the other, as if nature had set rich and poor against each other to fight fiercely in implacable war. This is so abhorrent to reason and truth that the exact opposite is true; ... nature has commanded in the case of the State that the two classes mentioned should agree harmoniously and should properly form equally balanced counterparts to each other. Each needs the other completely; neither capital can do without labor, nor labor without capital.¹

In this respect Pope Leo XIII's encyclical, Herum Novarum or

The Condition of Labor, has a depth of wisdom far in advance of its time.

In 1891, unions themselves had not as yet reached prominence. He spoke of the development of such associations which at that time were really only pioneering.

In our present age of greater culture, with its new customs and ways of living, and with the increased number of things required by daily life, it is most clearly necessary that workers' associations be adapted to meet the present need. It is gratifying that societies of this kind composed either of workers alone or of workers and employers together are being formed everywhere, and it is truly to be desired that they grow in number and in active vigor.

Forty years after Pope Leo XIII's memorable encyclical, The Condition of Labor, Pope Pius XI elaborated eloquently concerning the earlier papal pronouncement and further explained how society should be reconstructed to meet still existing needs. In his encyclical, Quadragesimo Anno or Reconstructing the Social Order, Pope Pius XI describes what has come to be known in the United States as the Industry Council Plan, a means for establishing harmony in all industries and professions.

What exactly is the problem that remains to be solved? It is this: there is a lack of stability and certainty in human society because there are within society two

2 Ibid., paragraph 69.
classes—employers and employees—which are hostile to one another.

As the situation now stands, hiring and offering for hire in the so-called labor market separate men into two divisions, as into battle lines, and the contest between these divisions turns the labor market itself almost into a battlefield where, face to face the opposing lines struggle bitterly. 8

In the United States today the outlook is brighter than it was when industry assumed prominence and began to replace what had been a predominantly agricultural economy. Notable progress has been made in industrial relations; nevertheless, the Pope’s declarations are still readily applicable to our economy. There definitely is social disharmony in our occupational world; for we do have a class of workers and another class made up of employers, and these two groups unfortunately are not united solely by a common purpose—the promotion of the good of their respective occupations and the ultimate fostering of the common good.

That this unrest may become tranquilized a solution is available whereby men within the same industry or profession may unite their efforts through the formation of associations whose purpose it would be to promote cooperative endeavor.

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3 Pope Pius XI, Quadragesimo Anno or Reconstructing the Social Order, paragraph 83, National Catholic Welfare Conference translation, 1942. This translation is used throughout this study.
But complete cure will not come until this opposition has been abolished and well-ordered members of the social body—Industries and Professions—are constituted in which men may have their place, not according to the position each has in the labor market but according to the respective social functions which each performs. For under nature’s guidance it comes to pass that just as those who are joined together by nearness of habitation establish towns, so those who follow the same industry or profession—whether in the economic or other field—form guilds or associations, so that many are wont to consider these self-governing organizations, if not essential, at least natural to civil society.4

It is therefore natural that men who pursue their livelihood within the same industry or profession should find common interest and be united by a bond which will promote harmony.

No specific outline is given for the guild-like associations which the Pope suggests. In the United States these associations have been given various names; they are called occupational groups, vocational groups, industries and professions, or industry councils. The name Industry Councils was chosen by a committee of the American Catholic Sociological Society as being most appropriate at this time.5 This name was also accepted by the Administrative Board of the Welfare Council of the American Hierarchy.6 Therefore, it will be used

4 Ibid.


consistently throughout this study even when a reference used employed other terminology, for only in this way will there be uniformity and understanding of meaning.

The origin of the Industry Councils is, then, the encyclical, On Reconstructing the Social Order. The essence of the Industry Council Plan has been given as it was presented in the encyclical itself. With this as a basis, American scholars and authorities have developed the Industry Council Plan.

There are many apt definitions of the Industry Council Plan available. One of the most comprehensive is that offered by the Industry Council Committee of the American Catholic Sociological Society, a definition which is the result of several years of careful consideration. It embodies the most fundamental principles which may be incorporated into the Industry Council Plan:

The Industry Council Plan is a proposed system of social and economic organization which would be functional, democratic, legally recognized but not government controlled, and balanced to achieve the recognition of both individual rights and general welfare.\(^7\)

The definition is a descriptive one and it continues with an explanation of what the structure of the Industry

Council Plan will be. This is the structural organization which many authorities seem to agree is a practical one:

Basic in the Industry Council Plan are the councils which would be set up for each industry, profession, and agricultural group on the local, regional, national, and international levels. In some fields of production or service, local councils would not be necessary; in others, regional councils perhaps could be dispensed with. Besides these councils, there would also be inter-industry councils at the local, regional, national, and international levels to provide discussion and action agencies to harmonize the interests of all the industries, professions, and agricultural groups at specific levels.

It can readily be seen that there will be flexibility in the structural arrangement of the Industry Councils. In each industry that system will be put into operation which will best fulfill the needs of that particular industry.

Further explanation of the Industry Council Plan as presented by the committee of the American Catholic Sociological Society is noteworthy:

Membership on a council would be determined by democratic elections, the voters being all individuals (or their delegates) whose interests are the concern of a council. Thus, a local industrial council would be composed of an equal number of representatives of the workers and an equal number of representatives of employers in a given industry, together with one or more representatives of the public. The latter could either be elected by the other members of the council, or, if the council so desired, be appointed by an appropriate unit of government. Again, a regional council would be composed of delegates of all local councils in that industry in that region; and the national industry council would be made up of regional delegates.

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8 Ibid..
The national inter-industry councils, which would be made up of representatives from the national industry councils, would not be a political congress, but would have advisory powers and would make socio-economic legislative recommendations to the Congress. 9

Pope Pius XI intended that the Industry Councils should fulfill a two-fold purpose. They should promote the good of the particular industry in which they were established, and they should further the common good. This is expressed quite plainly in Quadragesimo Anno and specifically in the passage where the Pope says the following:

It is easily deduced from what has been said that the interests common to the whole Industry or Profession should hold first place in these guilds. The most important among these interests is to promote the cooperation in the highest degree of each industry and profession for the sake of the common good of the country. 10

This is indicated again when he says that "those engaged in the same industry or profession will combine with one another into associations equally free for purposes connected in some manner with the pursuit of the calling itself." 11

A more general outlook on the purposes of the Industry Council Plan is stated by Charles Bruehl, who saw the purposes as five-fold. First, the Industry Councils should

9 Ibid.
10 Pope Pius XI, Reconstructing The Social Order, paragraph 85.
11 Ibid., paragraph 87.
more important tasks. In consequence, the Industry Councils must have a measure of autonomy so that they may decide for themselves regarding their own internal affairs. Second, they will serve as a corrective measure to capitalism which separates labor from the instruments of production. Therefore, they will cause a modification of ownership and generally bring about a wider distribution of property.12

Third, says Charles Bruehl, the Industry Councils intend to eliminate the proletarian class. The Councils will include employers and employees and thereby harmonize the interests of capital and labor which will abolish the labor market which is the basis for much class conflict. Fourth, their purpose is to put an end to class distinctions arising from profession by introducing the functional principle whereby a person is classified according to the social and economic functions he performs; this will remove class distinctions and impart to every occupation a position of dignity in the social organism. Fifth, the Industry Councils will put off state socialism in that while regulating production, they will preserve liberty and human dignity.13


13 Ibid.
What specific functions will the Industry Councils perform? Proposals have been made by various authorities, and we shall examine some of these. It can be stated at the outset that there is great diversification in the proposed functions of Industry Councils. The exact degree of practicality of these can not be determined until the Industry Councils are in operation. Even then, all Industry Councils in all industries may not perform identical functions, but, rather, these functions may vary from industry to industry depending upon the respective need.

John A. Ryan spoke of the Industry Councils as having the authority "to fix wages, interest, dividends, and prices, to determine working conditions, to adjust industrial disputes, and to carry on whatever economic planning was thought feasible."14 Francis J. Haas has said somewhat the same thing, that wages, hours, and working conditions would be considered by the Industry Councils.15 He has suggested further, that the Industry Councils should aim at the full production of goods so that the needs of all the people will be met.16


15 "Bishop Haas Offers A Solution," Ave Maria, LXXIV, November 3, 1951, 548.

Raymond J. Miller has grouped the functions of the Industry Councils under four headings: self-regulation; self-pacification; self-support; and self-provision. Under self-regulation, the Industry Councils will devise regulations regarding technical requirements of membership; regarding wages, hours and working conditions; regarding the amount of goods that will be produced and the manner in which they will be produced and distributed; regarding prices; and regarding fair competition. Self-pacification will entail the voluntary settling of internal disputes. Self-support involves paying of dues or paying taxes to the government. It is assumed that this will not increase the amount of taxes paid because this will supplant much of what is now paid to the State in the way of taxes. Self-provision will involve the technical education of prospective members; and it will also include the care of the sick, disabled, retired, or unemployed members from funds gathered through dues and taxes levied on the members.17

Karl J. Alter writes of three separate categories of decisions over which the Industry Councils might have jurisdiction. First, decisions affect certain personnel policies used in an industry; these would include such things as hiring, firing, upgrading, seniority rights, and the like.

Second, decisions refer to social policies of an industry; specifically these would be pensions, sick benefits, unemployment compensation, accidents, vacations, and, generally speaking, social security. Third, decisions about economic policy, including such areas as what, where, when, and how much to manufacture and, also, such things as wages, prices, profits, investment policies, reserves for contingencies and expansion. Karl Alter believes that those decisions in the first two categories are accepted by most students of the Industry Council Plan but that there is a difference of opinion as to whether or not those decisions in the third category should be incorporated as functions of Industry Councils.  

Howard Bowen treats each level of the Industry Councils separately in stating what their functions will be. He says that at the plant level they would consider problems concerning production, markets, and expansion of business. Industry Councils for whole industries or groups of industries would be concerned with problems of fair competition, codes of ethics, trade practices, sources of raw materials, and labor standards. Regional Industry Councils would study regional planning and development and consider problems related to land use.

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transportation, and diversification. On the national level, Industry Councils would coordinate the activities of the Industry Councils at lower levels, would plan for economic stability and would advise the government in regard to economic programs. Industry Councils on the international level would be concerned with international trade, regional development and like subjects.19

From the examples given, it can be seen that the Industry Councils could fulfill many and diverse functions. As has been said, in actual operation it will be readily discerned which of these functions are practical and which are not.

When the Industry Councils have been put into operation, certain results should follow; certain benefits should come as a consequence of the socio-economic changes which will have taken place. Indeed, it is because of these anticipated results that the Industry Council Plan will be promoted.

Some of the expected results of the Industry Council Plan have been elaborated by authorities in the field. Francis Haas speaks of three benefits which will come about through the adoption of the Industry Council Plan. First, he says, there would be an increased national output, because employers

and employees would have a greater incentive to work than they now have. The Plan would cause the worker to adhere to his "trade rule," to do a "fair days work." It would enforce professional honor and discipline so that neither employer nor employee would shirk. As a consequence, goods will be produced in greater volume and of better quality than they are now. Second, Francis Haas says, there will be a better distribution of goods. The weaker economic classes will undoubtedly have greater economic strength than they now have and will thereby obtain a greater share of the national wealth than they have under present conditions. Third, it will reduce class conflict, by bringing workers and employers together. The distance that separates them will be bridged and they will come to know each other and each other's problems.

Thomas J. Higgins also writes of the benefits that will come from the Industry Council Plan. He says that the Plan will produce economic order, will help to remove social injustices, and will provide for social organization.

Economic order will be brought about in a number of ways. Production will be more stable and employment steadier,

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20 Haas, Man and Society, 564-565.

21 Thomas J. Higgins, Man as Man, Milwaukee, 1948, 588-590.
because production will be regulated by actual need and not by unlimited profit. No man will be able to go into a business with the idea of making large, quick returns; instead, he will have to abide by the rules within the industry as set up by the Industry Council of that industry regarding how much is to be produced and what is reasonable profit. Money will be the servant of industry and not the reverse.22

Social injustices will be mitigated. Under present conditions unlimited competition offers great wealth to a small number of persons, and as a result many workers do not even make a living. The proletarian class are dependent on a few. Industry Councils would diminish the size of the returns at the top so that all persons would make a living. The proletarian class would gradually disappear. The worker would make a living wage and would be protected from unemployment; and, if he is thrifty and progressive, he would be able to attain the status of small ownership and would have a share in the profits. The Industry Councils would be for all of its members and not against anyone. This would result in two things; it would no longer be normal to have contrasts of great wealth and utter poverty; and, there would be cooperation among classes so that labor would receive recognition of its contribution to the production of

22 Ibid.
The workers' social status would depend on the value of his social function and not on the amount of possessions he had. 23

The Industry Councils will offer social organization. The State would have an organic form it now lacks, for each Industry Council would function under a supreme economic council, dependent on civil authority. Each industry would provide for its own personnel in the way of cultural and recreational activities, unemployment insurance, old age pensions, and the like. The State could then become the impartial guardian of the good of all. 24

Charles Bruehl speaks of two results of the Industry Council Plan. These have been advanced by other authors, but he elaborates them to a much greater degree than has any other authority.

It is believed by Charles Bruehl that the Industry Council Plan will alleviate unemployment. He holds that, since production will be based on need and not on profit, business fluctuations found in our present economic scene will be prevented. There will be no overproduction of goods for which there is no purchases. Depressions which go hand in hand with a competitive market will not occur where there is production for

23 Ibid.
24 Ibid.
use. Steadiness in employment will result from steadiness in production. The industrial scene will be regulated, and, though there may be fluctuations, they will remain within reasonable limits.25

Another principal purpose of the Industry Council Plan, according to Charles Bruehl is to eliminate the present distinction between worker and employer under which the worker is simply a wage-earner and not a partner of his employer in fulfilling an important social function. Industry Councils are founded on the principle of social function; they recognize the partnership between worker and employer and give the employee an honorable social status. Both employer and employee are working for society, and the worker is as indispensable as the capitalist. There is no important difference between the two from the social point of view. The Industry Councils are organized on the basis of function which gives recognition of the fact that a worker performs valuable social service and should be rewarded appropriately. It removes the stigma from him and affirms that he is an essential part of the process of production.26

Thus far we have examined rather minutely the origin of the Industry Council Plan, its meaning, structure, functions, and purposes. We have been particularly concerned with what

26 Ibid.
the Industry Council Plan has come to mean in the United States. As yet there is no hard and fast blueprint showing how these principles may be applied here; however, serious consideration has been given to the possibilities for application of the Industry Council Plan to the conditions which exist in the United States.

The purpose of this study is to see to what degree some of the already existing organizations in the United States resemble the Industry Council Plan as it has been envisioned for usage in this country. Before continuing with this comparison, however, it is wise to discuss some of the implications of the Industry Council Plan so that we may have a fuller understanding of it.

How important is the Industry Council Plan? Moreover, how important does the Pope consider it to be? Oswald Von Nell-Breuning, who is one of the foremost authorities on the Papal Social Encyclicals, has given us some insight into the answers to these questions. First, he refers to the encyclical Reconstructing the Social Order wherein Pope Pius XI says, "These groups, in a true sense autonomous, are considered by many to be, if not essential to civil society, at least its natural and spontaneous development." 27 Oswald Von

27 Pope Pius XI, Reconstructing the Social Order, paragraph 83.
Nell-Bruening says that this brings out the fact that Industry Councils are not an absolute necessity for human society; the State can exist without these groups, but to do so is unnatural. Nature will endure this but will eventually take revenge.

Nell-Bruening believes that this gives us an explicit definition of exactly how necessary Pope Pius XI thinks his program to be. It is not an absolute necessity, but the Pope considered that the real welfare of society cannot be attained without it. To adopt the program has become essential; it should not be postponed as the means of correcting the ills brought about by class conflict.

It can be clearly seen from the data presented here that the formation of the Industry Council Plan comes essentially from Catholic sources. Yet sound reasoning of persons, no matter what their training, might lead to similar conclusions. People of many denominations have, in fact, agreed to the principles found in the Industry Council Plan.

This is evidenced by statements which are quoted by Raymond J. Miller in Forty Years After. For instance, the American Bishops in their 1940 statement on "The Church and Social Order," discussed cures for the social and economic ills

in American life saying, "In the first place, there must be re-established some forms of guilds or vocational groups which will bind men together in society according to their respective occupations, thus creating a moral unity." 29

Raymond Miller also records that on February 26, 1942 the Central Conference of American Rabbis issued a, "Message on Industrial, Agricultural, and Social Conditions," in which they state that:

For many years the Social Justice Commission of the Central Conference of American Rabbis has advocated democracy within industry. We have always believed that the productivity of industry would be enhanced if management took counsel with labor. ... We recommend that industry instead of resisting shall welcome this new source of insight into its problem. We believe that such democratic participation of workers in the councils of management will not only increase efficiency as the knowledge and experience of workers will be available to management, but it will also prevent many of the tragedies, such as irregularity of employment, and the speed-up, which are the consequences of the operation of industry from the viewpoint of management alone. 30

"A Message on the Churches and a Just and Durable Peace," issued by the National Study Conference of the Protestant Federal Council of Churches on March 5, 1942, included the following statement:

Industrial democracy is fundamental to successful political democracy, and we therefore recommend that labor

29  Miller, Forty Years After, 166.

30  Ibid.
be given an increasing responsibility for a participation in industrial management. The principle of democracy in economic relations should be accorded wider expression by the development of stronger voluntary producers' associations, farm organizations, and their integration into some form of national economic council, for planning in cooperation with government for maximum production and consumption, and the abolition of unemployment. In each industry, also, industrial councils should be developed, representative of management, labor, and consumers, for democratic direction of industries towards these same ends.31

From these statements we can see that Jewish and Protestant leaders realize that all is not well on the socio-economic scene. Their suggestions for remedies for the present social disorders are in keeping with the recommendations of Catholic leaders.

Much can be said about the actual bond of unity that should bind together the interests of capital and labor. There are a number of mutual concerns which employers and employees have which may be a stable foundation for the Industry Council Plan. It is interesting to note what these mutual interests are.

Pope Pius XI said regarding the bond of unity:

A true, genuine social order demands that the various members of society be united together by some strong bond. This unifying force is present not only in the producing of goods or the rendering of services—in which the employers and employees of an identical Industry or Profession collaborate jointly—but also in that common good, to achieve which all Industries and Professions together

31 Ibid.
ought, each to the best of its ability, to cooperate amicably. 32

Joseph Husslein says that this means that, "the common bond for each Occupational Group Industry Council is the common industrial object of that group itself together with the common good of all, to which it must contribute in its own distinctive way, but in perfect harmony with all other groups." 33

Raymond Miller takes cognizance of the fact that Pope Pius XI said that the bond of union "is only present in the sense of being ready for use; but it has not actually been put into use by employers and employees. They have their common interest, but they have usually paid more attention to their conflicting individual interests." 34

Wilfred Parsons says that the common interest of those in the same industry or profession comes from the fact that they are performing a common function:

All those, for instance, who are engaged in the making of automobiles, be it the stockholders, the management, or the workers, whether in one company or in the whole industry, belong to the same order, with all seeking the same end. From the president down to the janitor, they have a common good, and therefore form one organization. This vertical association we have not allowed to function,

32 Pope Pius XI, Reconstructing the Social Order, paragraph 84.
34 Miller, Forty Years After, 168.
for we have split it asunder horizontally by the conflicting claims of classes on the labor market. Social justice, which seeks the common good can be attained only by joint action. 35

People, therefore, who are performing a common function should be united in purpose. Since they are performing the same social function, they should be working together and not against each other.

Andrew Gordon suggests that it will prove beneficial to all working within an industry, workers and employers alike, to have their individual plant and the industry in which they are engaged prove successful. 36

John F. Cronin tells us that all those in business, industry, and labor agree that they have a common concern in stable, high prosperity. Even so, no organization in existence furthers this common interest. 37

In summary, these social theorists hold that workers and employers have a bond of unity in they perform a common social function; they have the same industrial object and together they should be working for the common good. It would

35 Wilfred Parsons, "What Are Vocational Groups?" Thought, XVII, September, 1942, 469-470.


37 John F. Cronin, Catholic Social Action, Milwaukee, 1948, 208.
prove beneficial to all those in an industry to have that industry be successful; therefore workers and employers should seek to maintain a stable, high prosperity. With these mutual objectives in mind, it does not seem unreasonable that they should be able to unite in the performance of their common function to further the betterment of their respective industry and to solve their mutual problems.

This does not mean that employers' associations and labor unions should die a natural death and let the Industry Councils supplant them. It is still recognized that the individual groupings of workers and employers have some interests which are distinctive and that they have individual problems which they may best solve without the assistance of their partners in industry. Pope Pius XI makes this clear:

Concerning matters, however, in which particular points, involving advantage or detriment to employers or workers, may require special care and protection, the two parties, when these cases arise, can deliberate separately or as the situation requires reach a decision separately. 28

What will the relationship of the State be to the Industry Councils? It has already been stated that the Industry Councils will relieve the State of many of its present burdens and give it more opportunity to devote its time and

28 Pope Pius XI, Reconstructing the Social Order, paragraph 85.
talents to issues more in keeping with its true purpose. This is made explicit by Pope Pius XI:

The supreme authority of the State ought, therefore, to let subordinate groups handle matters and concerns of lesser importance, which would otherwise dissipate its efforts greatly. Thereby the State will more freely, powerfully and effectively do all those things that belong to it alone because it alone can do them: directing, watching, urging, restraining, as occasion requires and necessity demands.39

And, further:

First and foremost, the State and every good citizen ought to look to and strive toward this end: that the conflict between the hostile classes be abolished and harmonious cooperation of the Industries and Professions be encouraged and promoted. The social policy of the State, therefore, must devote itself to the reestablishment of the Industries and Professions.40

This would define the role of the State as promoting and encouraging the establishment of the Industry Council System.

Karl Alter offers further insight into the relationship of the State to the Industry Councils. He explains that opinions differ as to whether or not the State should have official representation in the Industry Council System as one of the three partners, the partners being labor, owner-management, and the public. Actually the social encyclicals do not definitely say that the public should have official representation in the Industry Councils, yet some hold that to

39 Ibid., paragraph 80.
40 Ibid., paragraph 81.
assure the common good the public would have to have a voice in the Councils.41

Therefore, the State should promote and encourage the formation of Industry Councils and possibly it will have actual representation on the Industry Councils. It should perform its proper function of directing, watching, urging, and restraining.

Throughout all of this the principle of subsidiarity would govern. Lesser groups should perform the tasks for which they are suited; lesser groups in this case are the Industry Councils. And a larger group, in this instance the State, should execute its own respective functions, not interfering with the lesser organizations but merely ascertaining that they are maintaining the common good. Pope Pius XI says:

Just as it is gravely wrong to take from individuals what they can accomplish by their own initiative and industry and give it to the community, so also it is an injustice and at the same time a grave evil and disturbance of right order to assign to a greater and higher association what lesser and subordinate organizations can do. For every social activity ought of its very nature to furnish help to the members of the body social, and never destroy and absorb them.42

Thus, the importance of subsidiarity is not to be underestimated.


42 Pope Pius XI, Reconstructing the Social Order, paragraph 79.
The significant aspect of the Industry Council System is that the Councils are strictly non-political. Charles Bruehl notes this and says that a sharp line is drawn between the political and social regimes by the System. The Industry Council Plan may be adjusted to any political arrangement where the government does not have complete control of all aspects of social life. Pope Pius XI did not have a particular type of government in mind when he suggested Industry Councils. In time experience will show which kind of State is most readily compatible with the Industry Council System. 43

The legal aspects of Industry Councils deserve special consideration. Charles Bruehl has considered this problem at length and his views are relevant to the present study. It is his opinion that the Industry Councils must be provided by law with effective safeguards so that they will have security; and, at the same time, the law should restrict them adequately so that they will not assume more rights than they really have and endanger the welfare and freedom of others. The Industry Council, Bruehl says, should be a corporation, a moral person which assumes the responsibility of its corporate actions and represents the interests of its constituents. The State would have to make certain that the

corporation fulfilled its proper function and that it enjoyed the privileges which the general condition of society warrants and makes available for everyone. 44

We can see, then, that there are definite legal considerations for the evolution of the Industry Council Plan. When Industry Councils exist in full scope, their position under the law will have to be more clearly defined than is possible at present.

Let us consider one other thought before proceeding to the question of how the Industry Council System could be brought into effect. The people within an industry, and not the State, are the ones who are best equipped to solve the problems of that industry. Andrew Gordon mentions this and points out that no one could possibly have a better working knowledge of the problems of an industry than those who are a part of it. 45

Now the question arises: how can the Industry Council System be brought into being? It is obvious that it will not be installed overnight on the socio-economic scene. Pope Pius XI has said that the State and the citizens should help to promote the Plan. In all likelihood it will be a

44 Ibid., 347-349.
45 Gordon, Security, 151.
gradual development.

John F. Cronin has said that once the general principles involved in the Industry Council Plan have been accepted, steps can be taken toward bringing it into being. In such situations men usually do not draw up a plan for social life and then try to fit everything into the plan. Instead, they decide upon main objectives and develop logical conclusions from these in terms of common action. From thence they proceed by trial and error toward preliminary goals. Finally, the ultimate goal is reached.46

Thomas J. Higgins has declared that the organization of the Industry Council System must be brought about by the people themselves. If it were superimposed on society by the State, it would be artificial and there would be absent from it the natural development which it must have to serve men's economic needs.47

An entire study could be made of the actual steps that have been taken to promote the development and eventual adaptation of the Industry Council Plan. The Plan and all of its ramifications have been scrutinized; its potentialities have been thoroughly examined, and the best means of

46 Cronin, Catholic Social Action, 203.
47 Higgins, Mark as Man, 535.
incorporating it into the American scene have been studied. Scholars and authorities have devoted much time and effort to the study of the plan.

Some of the men who have promoted the Industry Council Plan are mentioned by Father George C. Higgins in a recent issue of the American Catholic Sociological Review. They include Monsignor John A. Ryan; Father Raymond McGowan; Bishop Francis J. Haas; Father Joseph Husslein; Father John F. Cronin, S.S.; Father Raymond Miller, C.S.S.R.; Father William Ferree, S.M.; Father Wilfred Parsons, S.J.; Father Joseph Munier; Father Harold Trehey; and an increasing number of Jesuit economists, especially those who are developing the Institute of Social Order and its monthly publication, Social Order. These and many others have discussed the Industry Council Plan and have helped American Catholics toward a better understanding of it.48

Organizations have done much to implement the Industry Council Plan also. One very notable one is the Industry Council Association, Inc., which publishes monthly the Cooperator. Its characteristics and purposes are stated by Father William J. Kelley, O.M.I., the founder of the organization:

The Association, which was chartered in September 1950, is nonprofit, nonpolitical, and nondenominational. Its purposes include the following:

To discuss, explain, and advocate plans consistent with the social encyclicals of the Popes to facilitate cooperation and to reduce wasteful or demoralizing conflicts in economic life and industrial relations.

To discuss, encourage, foster, and aid in the formation and establishment of independent and separate industry councils as defined by papal social encyclicals pursuant to a plan for social and economic order based on justice, charity and civic anomy.

To recommend standards for the joint functioning of industry councils so far as consistent with (1) law, (2) due respect for the proper sphere of Government, and (3) the common good of the United States on the one hand, and industry and labor on the other.49

A suggestion offered by Father George C. Higgins should be mentioned here. He suggests that Catholics take careful note of the work of non-Catholic social scientists who are moving in the direction of the Industry Council Plan even though they never have used that name for their respective plans and do not accept Catholic teaching as such. He says further that what economists, Catholic and otherwise, in this country say about the Industry Council Plan and approximations to it is less important than what they actually do about it. It is they who will finally decide if, when, and how the system will be established and how it should function. Everything

possible should be done to encourage labor unions, employers' associations, etc., to think along lines of the Industry Council Plan. The approach of these groups to the Plan will be much more pragmatic than that of the social scientists; but this may prove to be an advantage. It may be a guarantee that when the plan is adopted in the United States, it will be adopted voluntarily and will not be imposed through government intervention.50

How close are we to the realization of the Industry Council Plan? Brother Gerald Schnepp, an ardent advocate of the Plan and co-author of Industrialism and the Popes, perhaps the most thorough study of the Industry Council Plan now available, does not believe that the Industry Council Plan is close to realization in this country. Workers, employers, consumers, professional people and the like must be taught that the plan is feasible and also that it is for their best interests. He also believes that a profound change in social thinking and practice is a prerequisite to its acceptance. This supports the belief that the Plan will not come about overnight, that it must come gradually and will probably be adopted piecemeal by various social and economic groups.51


That gradual adoption of the principles found in the Industry Council Plan seems to be under way. There now exist in the United States some organizations which, to a degree, resemble the Industry Councils. The purpose of this study is to examine such organizations to determine in what ways they do approximate the proposed Industry Councils. It is important that we should investigate what these organizations mean in the light of the Papal Plan. In a letter to the writer in regard to this study, Brother Schnepp said, "The kind of study you have in hand is badly needed by all those interested in the Industry Council Plan."52

52 Letter from Brother Gerald J. Schnepp, S.M., Saint Louis University, July 6, 1953.
CHAPTER II

"APPROXIMATIONS" TO THE INDUSTRY COUNCIL PLAN:

MEANING OF THE TERM

The meaning and potential scope of the Industry Council Plan have been discussed at length. It is very evident that at present an Industry Council Plan is not in operation in the United States; nor is it likely that one will evolve in the immediate future. Yet it is pertinent at this time to examine with care some of the organizations now in existence which do resemble the proposed Industry Councils. An effort will be made to determine in what ways and to what degree these organizations are like the proposed Councils and, similarly, in what manner they fall short of the ideal.

In speaking about "approximations" to the Industry Council Plan, it is necessary to define exactly what we mean by "approximation." In a loose sense, many organizations are similar to the Industry Councils in some respect; for example, any organizational effort among those who have the same occupation or profession is somewhat like the proposed Industry Councils. However, in this study we are interested mainly in a particular kind of approximation, that
industries.

Before defining approximation as it is used in this study, mention may be made of two other dissertations dealing with approximations to the Industry Council Plan. Generally these studies covered areas different from that of the present discussion, but for comparison it would be wise to indicate what criteria were set in each instance as the basis for comparison of the organizations with the Industry Councils and also to indicate briefly the scope and conclusions of these other studies.

The studies referred to are Joseph Munier's dissertation on Some American Approximations to Pius XI's "Industries and Professions" and Leonard Williams' thesis on The C.I.O. Industry Council Plan As An Approximation to Pius XI's "Industries and Professions". The four criteria according to which Munier appraises the approximations within the scope of his dissertation are (1) the common good, (2) organization and representation, (3) relationship with the government, and (4) legal status. Common good means, in this case, that the parties concerned subordinated their own interests to the welfare of the country and of the particular "Industry" or "Profession." Organization and representation implies that the groups concerned are represented democratically within the body which is the approximation. Relationship with government
infers that the government is encouraging joint efforts by worker and employer groups so that they may solve their own economic problems and those of the entire country; it means also that the government does not interfere except when required by the common good. Legal status, as the words imply, merely means that the organizations have a definite legal status.¹

Using these four criteria, Joseph Munier examined four different institutional approximations which approach the characteristics of the Industry Councils. These approximations were found in the railroad industry, the bituminous coal industry, the Industry Committees of the Wage and Hour Division of the Department of Labor and the National War Labor Board.²

The objective of the Industry Committees set up by the Fair Labor Standards Act of 1938 and of the National War Labor Board was the common good both of the nation and of the industries under their jurisdiction; these organizations by their very nature were to bring about the general welfare. The railroad industry and the bituminous coal industry were found to have as their purpose something other than the attainment

² Ibid.
of the common good.\textsuperscript{3}

Each of the institutions, to a greater or lesser degree, has both organization and representation in keeping with the proposed aims of Industry Councils, though no one of them has complete collaboration. Organization and representation has reached an advanced stage in the railroad industry in the sense that collective bargaining is becoming nation-wide. Joint settling of disputes is carried on by the National Railroad Adjustment Board and this is the only example of collaboration by the interested participants. There is almost complete organization in the bituminous coal industry, but representation has been thwarted by undemocratic activities within the United Mine Workers structure. There is no real collaboration of miners and operators since the Bituminous Coal Act of 1927 because the seven man Commission failed, the Industry Advisory Committee of the Bituminous Coal Division is inactive and there is unequal representation on the District Boards. There is a rough approximation to the Pope's specifications for organization and representation in both the Industry Committees of the Fair Labor Standards Act and in the National War Labor Board; but collaboration covers only a narrow area, recommendations for a minimum wage in the former and settling disputes in war industries and wage

\begin{footnote}{Ibid., 129-130.}\end{footnote}
stabilization in the latter. 4

Relationship with the government in the four institutions was considered and it was found to be not entirely in keeping with the papal proposals. During the period of transition to the Industry Council System, the government should encourage joint efforts on the part of workers and employers. Once the collaboration is in effect, the government should protect the common interest of the country but not dictate policy. The government allows workers and employers to come together in the National Railroad Adjustment Board but only for the settling of disputes and, if an agreement is not reached, the government appoints an impartial referee to step in and help settle the grievance. In the bituminous coal industry there has been, on the whole, progressive intervention on the part of government, action which is contrary to the purposes of the Papal Program. Generally speaking, the tripartite machinery of the Industry Committees set up by the Fair Labor Standards Act is in keeping with the Pope's specifications, but these committees have a restricted function and importance. The National War Labor Board was set up by Executive Order; therefore, it would always be dependent on

4 Ibid., 139-131.
the Executive for its existence and enforcement of its decisions.5

The Industry Councils, according to the Pope's Plan, should have legislative recognition so that the functioning of the organized society will be both autonomous and responsible. Because of the unorganized state of our economy the approximations meet this requisite to only a negligible degree. The National Railroad Adjustment Board has an autonomous legal status, although its functions are very much limited. There is no law that gives the bituminous coal industry autonomous functioning. The Industry Committees of the Fair Labor Standards Act and the National War Labor Board cannot be considered autonomous bodies because they are too close to government agencies.6

Thus, Joseph Munier set criteria for measurement of various institutions to see to what degree they approach the ideals and principles of the Industry Council Plan. He described the history and development of each institution and finally drew conclusions as to how well they fit the criteria prescribed.

In the thesis written by Leonard Williams the three

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5 Ibid., 132-133.
6 Ibid., 134.
basic social principles which are used to evaluate the C.I.O. Industry Council Plan as an approximation to the Papal Plan are (1) directing principle of economic life, (2) principle of subsidiarity and (3) principle of organic structure.  By the directing principle of economic life is meant social justice and social charity which, when applied to a particular firm or industry, will result in the common good. The principle of subsidiarity implies that those functions which can be performed by a lesser organization should not be undertaken by a greater one. The principle of organic structure refers to "a fusion of occupational groups into a harmonious unity."  

A complete description of the C.I.O. Industry Council Plan is given by Leonard Williams. The plan is a blueprint for national economic planning with councils operating in the basic industries to keep the planning democratic and to insure the participation of labor, management and government. We need not give a detailed explanation of the C.I.O. Industry Council Plan as an Approximation to Pius XI's "Industries and Professions", Unpublished Master's Thesis, Catholic University of America, Washington, D. C., 1950, 16.

8 Ibid., 21.
9 Ibid., 26.
10 Ibid., 31.
11 Ibid., 39-40.
Council Plan here, since our purpose is merely to illustrate how the criteria set were found to be evidenced in this specific approximation.

Leonard Williams decided that there is a definite similarity between the C.I.O. Industry Council Plan and the Papal Plan as set forth in the Encyclicals. Although the C.I.O. Plan does not state social justice and social charity as specific aims, these principles seem to be implied.\(^{12}\) When the C.I.O. officials ask for some social control of free competition, this approximates the directing principle of economic life.\(^{13}\) The C.I.O. Industry Council Plan has always been opposed to central control by government and to some extent has approached the principle of subsidiarity.\(^{14}\) The scope of the organic structure as set forth by the C.I.O. Industry Council Plan is limited because the plan includes not all occupational groups but only industries and, then, just those industries which are basic. Yet to a degree it does approximate the principle of organic structure.\(^{15}\)

Leonard Williams concludes that, though the plan for

\(^{12}\) Ibid., 79.
\(^{13}\) Ibid., 81.
\(^{14}\) Ibid., 81-83.
\(^{15}\) Ibid., 84.
Industry Councils set forth by Pope Pius XI and the C.I.O. Industry Council Plan are not in complete agreement, the C.I.O. Plan is a significant approximation to the Papal Plan. The approximation is evident, but it is not in full harmony. 16

Now, we have surveyed the use of the term approximation as it has been used elsewhere. We have illustrated briefly how approximation was defined by various criteria and how these criteria were used as the basis for measurement to determine to what degree various institutions have been approximations to the Industry Council Plan as proposed in Reconstructing the Social Order.

The present approach to the definition and exemplification of approximations will be somewhat different from that employed in the studies cited. The writer will use a broad definition which describes what shall be considered sufficient qualification to establish a given institution as an "approximation." We will explain why those organizations which are in keeping with this definition do so to a degree approach what Pope Pius XI meant when he spoke of "Industries and Professions." Then, in the next chapter, various organizations, which upon examination have been found to fit this definition, will be described.

16 Ibid., 91.
The "approximations" which will be examined here include organized efforts—i.e., boards or councils—made up of representatives of labor and management within a representative portion of an entire industry, generally regional in scope though sometimes local or national, for purposes of solving the problems of the industry and, thereby, directly contributing to the good of the industry itself and indirectly at least to the welfare of the country as a whole. By saying that indirectly these organizations contribute to the welfare of the country as a whole means that through the promotion of the prosperity of an individual industry, these organizations contribute to the welfare of the entire nation.

In what way will the organizations which fit this definition compare with the proposed Industry Councils? Workers and employers are acknowledging their common bond of unity; they have mutual interests and problems and are working together for the solution of those problems. The basis for their organization is the social function which they perform, an occupational group interest.

There is democratic representation of those within the industry—or portion thereof. Workers and employers alike are represented on the industrial councils as shall be noted. They are working for the common good of those in the industry.

Class conflict as such is not a part of these groups.
They have a horizontal and not a vertical arrangement. It is true that labor unions and employers' associations are still functioning actively in the industries to solve the individual problems of the respective groups, but where it is beneficial for those performing a like social function to unite through their democratic representatives to attack mutual problems, this is being done.

Because of the reasons just given, the organizations about to be described which do fit the definition given are considered to be approximations to the proposed Industry Councils. Each is a step toward the ultimate realization of the Industry Council Plan brought about, not by coercion, but rather by voluntary organization. These organizations were not formed because their founders had heard about the Industry Council Plan and decided to attempt an approach toward its realization. They have come about through an organic growth, a natural development to meet an existing need—the promotion of common interests of those performing a like social function.

Particular note will be taken of those characteristics of organizations which are in keeping with the definition of an approximation given; at the same time, mention will be made of other characteristics of the various organizations which qualify the organizations as being like the proposed
Industry Councils in that these characteristics have been prescribed by various authorities as those which are typical of the prospective Industry Councils.

These characteristics include primarily three features which are like those which have been suggested as either a necessary part of an Industry Council System or at least a possible feature of an Industry Council. The three features are self-government, self-support and organization in keeping with social function. By self-government is meant that these organizations have complete jurisdiction over their own activities. By self-support is meant that these organizations finance their own operation and activities. By organization in keeping with social function means that those who participate in the organizations represent persons who perform a like function, are in a like occupation or industry. Where these characteristics are present, mention may be made of their existence. They are not characteristics which are requisite for inclusion of an organization, but their presence may be noted.

The spontaneous development of the boards and councils which will be described here is a salutary sign. Men within the same industry have come to realize their mutual dependence and their common concern. By working together they may help their respective industry to prosper, and all those within the industry will benefit.
Besides the kind of approximation which has already been indicated and which will be the subject matter of the major part of further discussion, there is one other kind of approximation which should not be overlooked here. This is the kind of approximation which is found not in individual industries or professions but, rather, is inter-professional in scope and embraces virtually all kinds of occupations. The necessity for such inter-professional councils is implied when Pope Pius XI says that the most important of the interests of the Industries and Professions is "to promote the cooperation in the highest degree of each industry and profession for the sake of the common good of the country." 17

The necessity for inter-professional councils is made more explicit in the Encyclical Atheistic Communism:

If, therefore, we consider the whole structure of economic life, as we have already pointed out in Our Encyclical Quadragesima Anno, the reign of mutual economic relations can only be achieved by a body of professional and inter-professional organizations, built on solidly Christian foundations, working together to effect, under forms adapted to different places and circumstances, what has been called the Corporation. 18

17 Pope Pius XI, Reconstructing the Social Order, paragraph 55.

As the Industry Council Plan has taken form in the minds of Americans, inter-professional or inter-occupational cooperation has seemed a necessary part of the promotion of the common good of our country. In the descriptive definition set forth by the Industry Council Committee of the American Catholic Sociological Society it was found that the structure of the Council System should include not only councils for each industry, profession and agricultural group but also that there should be inter-industry councils at various levels for discussion and action to harmonize the interests of all the industries, professions, and agricultural groups at various levels. Let us quote this again:

Basic in the Industry Council Plan are the councils which would be set up for each industry, profession, and agricultural group on the local, regional, national, and international levels. ... Besides these councils, there would also be inter-industry councils at the local, regional, national, and international levels to provide discussion and action agencies to harmonize the interests of all the industries, professions, and agricultural groups at specific levels. 19

Generally, then, there should be cooperation among not only those in the same occupation—industry, profession, agricultural group, etc for the common good of that group, but there should be all-embracing councils at various levels

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made up of representatives of each occupation. These councils would help to coordinate the activities and purposes of all interested parties, would give ready advice to all concerned on matters of economic and social problems, and would serve to check any undue efforts on the part of any one of its constituents which might hamper the general welfare. Specifically, these inter-professional councils would have as their primary purpose the promotion of the common good of the nation and the individual welfare of those in occupations of varying kinds who contribute to our national economy.

Several authorities have written about these inter-professional councils and, to clarify the thinking that is being done along these lines, their points of view will be included. It is to be noted that several designations are used for these councils including such terminology as "inter-professional councils" and "inter-industry councils," and by the men in the field they are generally thought of as existing on principally a national level and are referred to as either a national economic congress or a national economic council. Yet, primarily, no matter what various writers call these councils, all refer to the same kind of council as far as structure, function, and purpose are concerned. Therefore, the writer will refer to them at times as inter-occupational councils since this term seems to include all those concerned.
Francis Haas has been quoted as saying that not only would each industry have its own council, but also each council would be represented in a National Economic Congress. Government representatives, according to Haas, would preside over such congresses and ascertain that no injustice is practiced by one industry over another; and the primary purpose would be to keep wages and prices at a proper level throughout the whole economy.20

Thomas J. Higgins tells us that occupational councils may be harmonized and coordinated through a general economic council on which all occupations are represented. Such an organization would be capable of advising the State on economic matters which are national in scope. It would be unlike the political congress; it would be nonpolitical and would never dominate the State because the government must be apart from every interest but the common good.21

John F. Cronin also sheds some light on the meaning of these inter-occupational councils which include representatives from all of the industries and professions—labor, business, management, and agriculture. He suggests that one step toward the realization of industrial democracy would be

20 "Bishop Haas," Ave Maria, 548.
21 Higgins, Man as Man, 587-588.
the establishment of a national economic council made up of representatives of industry, finance, business, labor and farm groups which would have as its task the promotion of the common interest of all in maintaining full and stable employment. Complete economic planning would not be its function, but, rather, it would be concerned with solution of problems which can be best solved on a national level. One advantage of this kind of arrangement is that, if it were not for such a council, problems would be handled by government only; and those most concerned would have only the right of protest.22

Howard Bowen speaks of a permanent national economic council with representatives from business, labor, agriculture, the professions, consumers and others to consider broad problems of public and private economic policy. He says that this council would be a forum in which such economic issues as monetary policy, taxation, fiscal policy, foreign-trade policy, labor legislation and similar items could be discussed and debated, and through which recommendations could be formulated. It might consider the duties and responsibilities of businessmen and others with regard to wages, prices, employment stabilization, collective bargaining, advertising, lobbying, and many

Therefore, it is widely agreed that there should be councils not only within respective industries and in professions, agriculture, etc., but that these groups should combine their efforts and on a local, regional, and national level solve economic problems and make recommendations for the common good of our country.

There is, of course, no inter-occupational council as such on any level in existence in the United States at the present time. Actually, for such an organization to qualify completely as an intricate part of an actual Industry Council System, there would first have to be councils in each industry, in each profession and in agriculture, and then each of these councils would send representatives to the inter-occupational councils which, in turn, would deal with problems of concern to all these groups and of the entire nation. The required degree of organization in each occupation is presently lacking, so there is no real beginning for a true Industry Council System. Yet, one can define that which approximates such an inter-occupational council and see to what degree any organization now in existence approaches this ideal.

Therefore, the second kind of approximation with

23 Bowen, Social Responsibilities, 174.
which we are concerned is the following: an organizational effort on the part of those from different kinds of occupations—professions, labor, business, and agriculture—on a local, regional, national, or international level for purposes of united action in the solution of economic problems as a whole and the promotion of both the common good of our nation and the common good of those occupations whose representatives comprise the council.

How will an organization which fits this second definition of an approximation compare with the inter-occupational councils which are considered to be a necessary part of the Industry Council System as proposed by Pope Pius XII? The twofold purpose of the Industry Council System is the common good of each industry or profession and the common good of the nation as a whole. An organization whose purpose is this twofold objective is in keeping with the proposed Plan. The Pope in *Atheistic Communism* spoke of inter-professional councils. An organization which fulfills our definition of an approximation would be inter-professional. Therefore, an organization that fits this second definition of an approximation would be an approximation to the Industry Council Plan.

This study is concerned primarily with councils in industry even though the proposed Industry Councils are to be in agriculture, the professions, and all occupations generally.
However, in the second kind of approximation it shall be concerned with inter-occupational councils because industry is to have a part in these.
CHAPTER III

"APPROXIMATIONS" TO THE INDUSTRY COUNCIL PLAN:

SPECIFIC EXAMPLES IN AMERICAN INDUSTRY

Since "approximation" has been defined, it is now possible to proceed to the description of those organizations which are approximations according to the definition given. The fundamental approximation to be discussed here is the one defined as follows: it is an organized effort—i.e. a board or council—made up of representatives of labor and management within a representative portion of an entire industry, generally regional in scope though sometimes local or national, whose purpose it is to solve the problems of the industry; and thereby it contributes directly to the common good of the industry and indirectly at least to the welfare of the country as a whole. These organizations contribute indirectly to the welfare of the nation as a whole in that they promote the prosperity of the individual industry which is for the most part beneficial to the entire country.

The following organizations are considered to be approximations in the sense defined:

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The Committee of Twelve of the Anthracite Coal Industry
The Council on Industrial Relations in the Electrical Industry
The Industrial Relations Council of the Plumbing and Pipe Fitting Industry
The National Coat and Suit Industry Recovery Board
The National Coordinating Committee of the Beverage Industry
The Millinery Stabilization Commission
The New York City Trucking Authority
The Motion Picture Industry Council
The Federation For Railway Progress

A. The Committee of Twelve of the Anthracite Coal Industry

This Committee is an approximation to the Industry Council Plan. It came into existence in August 1930 as a result of the anthracite agreement made at that time and it has existed until the present time, although it has not always met at regular intervals. In the agreement it was designated that there should be formed immediately a permanent committee of twelve men made up of: six officials of the United Mine Workers of America (the President, Vice President, and the Secretary-Treasurer, and the Presidents of Districts 1, 7, and 9); six officials of the operating companies who would be appointed by the operating companies and one of whom would be the Chairman of the Committee of Twelve and would have the right to vote. The operators would fill any vacancy that should occur.

The purpose of this Committee, as specified in 1930, is to consider and discuss all questions arising under the contract which have relation to the cooperation and
efficiency and performance of the contract by the union and operating companies and their relations which either one may advance for discussion and consideration. The Committee may employ skilled and expert assistance at any time that it needs facts or information. Each group pays one half of the expenses involved.

In May 1939 there was made an amendment to the agreement concerning the Committee of Twelve. At that time it was stipulated that the Secretary of the Board of Conciliation for the industry would serve as permanent Secretary of the Committee. Also, the Committee would meet after that at least once in three months at a time and place fixed by the Chairman either at the discretion of the Chairman or on written request of any five members of the Committee.

The functions of the Committee would be the same as prescribed in 1930. In addition, by a majority vote they may direct the Secretary to refer to the Board of Conciliation any difficulty or disagreement in relation to the interpretation or application of the agreement which cannot be settled otherwise. The Board of Conciliation will then consider any such question which has been referred to it. The Committee may also request its secretary to give the Board of Conciliation any facts or information relative to any question which has been given to the Board.
That section of the 1939 agreement was interpreted by a resolution adopted by a Joint Conference of the Anthracite Operators and the United Mine Workers of America in May 1941. It said that the Committee of Twelve would have jurisdiction to consider, discuss and refer to the Board of Conciliation all complaints in relation to discriminatory rates, practices and working conditions in any operation as well as all other complaints of violation of the contract.

The negotiations made in 1952 brought agreements outside the actual contract that the Committee of Twelve would consider penalizing, or dockage rates against miners in the anthracite region.\(^1\) Also, the Committee would meet to consider remedying delinquencies in payments by the operators to the Anthracite Health and Welfare Fund.\(^2\)

An example of how the Committee of Twelve of the Anthracite Coal Industry operates is furnished by an account of one of its meetings held in Pottsville, Pennsylvania on May 7, 1953. After the meeting of the Committee a news conference was held wherein Mr. John L. Lewis, Mr. H. J. Connolly,

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1. In the anthracite coal industry miners are paid by the ton and a miner may be docked according to the amount of impurities in a ton of coal.

2. All of the data given above concerning the Committee of Twelve is taken from a letter written by Justin Mc Carthy, Director of United Mine Workers News Bureau, to Ed Marciniak, editor of Work, July 16, 1953, and is used with the permission of Mr. Marciniak.
president of the Pennsylvania Coal Company and Chairman of the Committee of Twelve commented on the current activities and purposes of the Committee.

Mr. Lewis explained the general composition of the Committee and said that from time to time it meets to discuss questions of general policy and not necessarily to discuss details of joint relationship or the ordinary terms of the agreement itself.

There were three questions that had been considered in the meeting that day. The first of these was the demoralizing effect on the anthracite industry of the coal produced in marginal, irregular and non-union mines in the anthracite industry. This coal is below standard and is sold at any price which necessity demands at the time of the sale, thus lowering the amount received for coal sales from the stable investments which are inherent in the anthracite industry. Such a situation imperils the stability of the investment and causes greater unemployment among mine workers and affects the community as a whole and ultimately the entire country. Such irregular production is a matter of proper concern for both the union and the operating companies.

The second problem considered was a better way to allocate coal tonnage and thereby help stabilize the markets and create opportunities for comparative equality of employment
of men who work in the industry. The third question considered was the need for having all signers of the agreement and others similarly situated make proper payments, according to the agreement, to the Anthracite Health and Welfare Fund in the industry. The fund relieves the nation's taxpayers from the care of the old, injured, and distressed victims of the industry; and it is meritorious in every way.

The meeting on that day involved analyses of these three problems and reports on progress made to solve them. Arrangements were made to investigate these conditions further with joint participation and cooperation by both the union and the operating companies.

This meeting was an example of the efforts made through the Committee of Twelve by both labor and management to discuss mutual problems and to cooperate amicably to bring about the solution of these problems in a way that will best benefit the anthracite industry. Also, the work of this Committee should serve to bring about the comfort and well-being of the population and the stability of the state and nation.3

The Committee of Twelve of the Anthracite Coal

3 Information regarding this news conference in which the purposes of the Committee of Twelve were discussed and problems considered at the meeting of that day were revealed was obtained also from the letter in which the general purposes of the Committee were disclosed.
Industry is an approximation to the Industry Council Plan because it measures up to the standards in the above definition of an approximation. It is a committee of representatives of both labor and management within an industry whose purpose it is to solve the problems of the industry and to benefit that industry directly and indirectly to promote the welfare of the entire country. The functions of the Committee of Twelve correspond to those which have been suggested by authorities on the Industry Council Plan as proper functions for Industry Councils. Its purpose is to facilitate the carrying out of the agreement in the industry in a cooperative and efficient manner. It helps to prevent and to minimize industrial disputes. It is concerned with problems of discriminatory rates and practices and working conditions in any operation, as well as all other complaints regarding violation of the contract. It considers penalizing or dockage rates against miners in the anthracite region and remedying delinquencies in payments by the operators to the Anthracite Health and Welfare Fund. Generally, then, it is concerned with fair practices in the industry and its functions correspond to those which advocates of the Industry Council Plan consider to be appropriate functions for an Industry Council.

Its recent efforts during the May 1953 meeting are
typical of those with which an Industry Council might be concerned. It is working to stabilize the industry economically, to prevent unemployment in the industry and to assure assistance to its aged, disabled, and distressed citizens. By bettering the circumstances of those in the industry and promoting the economic welfare of that industry as a whole, it is contributing directly to the common good of the industry and indirectly to the common good of our country as a whole. It exemplifies cooperative effort by those whose social function is identical. Without distinction regarding class, its members work together in unity as part of the same industry.

B. The Council on Industrial Relations
in the Electrical Industry

The second approximation to the Industry Council Plan to be considered here is the Council on Industrial Relations in the Electrical Industry. It was founded by L. K. Comstock and Charles P. Ford, one an employer and the other a worker—both of whom despised unruly settlements of industrial disputes. The Council was organized after the first World War in January 1920. Now, after the second World War it is receiving wide acceptance. It has heard and rendered decisions on 214 cases, and in addition its very existence has prompted ready adjustment of many other disagreements before they have reached the Council.
Both employers and unions formulated the principles on which the Council is based. The Council insures democracy by dealing with the voluntary society of the workers; it protects management by making it the central source of strength in the industry; it provides for industrial government without assistance from the federal government; it insures stability without fixity; it places craftsmanship and technology in positions of prominence.

Previous to the organization of the Council in 1916 plans were being made for it. Actually, in November 1916 the plan for the Council was initiated. Then, in March 1917, a Joint Committee of the International Brotherhood of Electrical Workers and of the Conference Club—made up of a small group of electrical contractors—met in New York in March 1919 to draft a "National Labor Agreement" and decided that they did not want an agreement in the old sense of the word, for that connotated antagonism. Rather, they would plan a future in which their relations with one another would be those of co-workers with a single interest, and they agreed that the important requirement was to have an understanding between workers and employers which would provide for close cooperation between them so that they might work together in solving the problems in the industry brought about by the changing order. Therefore, the Committee, instead of preparing an ordinary Labor Agreement, set forth a joint Declaration of Purpose
which prescribed a program for future joint action.

Because the membership in the Conference Club was limited, it was decided that it would withdraw in favor of representatives from the National Association of Electrical Contractors and Dealers so that there might be wide application of fundamental principles and that the greatest possible number might secure the benefits of cooperative action. Therefore, the joint signators became the International Brotherhood of Electrical Workers and the National Association of Electrical Contractors and Dealers.

In July 1919 the Convention of the National Association of Electrical Contractors and Dealers adopted a Declaration of Purposes, later called a Declaration of Principles. They acknowledged in the Preamble to the Declaration that the important interests of the public and the worker and employer in industry are closely bound together; everyone will benefit if industry operates peacefully and if the means of production are devoted to the common good.

The Principles set forth were quite comprehensive. They were these: service to the public by the electrical industry will be enhanced by recognition that overlapping of functions by groups is wasteful and should be stopped; cooperation and sympathetic understanding between labor and management will improve production; strikes and lock-outs are
detrimental and should be avoided; agreements to obstruct trade or to give privileges to special groups are harmful to public interest; it is a protection for the public to require certain minimum skills for a person to engage in the electrical contracting industry; electrical work should be done by the electrical industry for both the good of the public and of the industry; cooperation between workers and employers acquires constructive power as both become better organized; nothing should be done to infringe on the rights of workers and employers in local areas to establish local wage rates and working rules.

At the close of the Convention, a committee of five was appointed to work with a committee from the International Brotherhood of Electrical Workers for the realization of the Principles. The Convention of the International Brotherhood of Electrical Workers in September 1919 adopted the Principles and also appointed a committee of five to meet with the representatives from the National Association. The first joint meeting was held in January 1920 and resolutions were adopted as follows: a National Council would be created with five accredited representatives from the International Brotherhood of Electrical Workers and five from the National Association of Electrical Contractors and Dealers; officers would be selected by the Council including a Chairman, Vice Chairman,
and a Secretary; the Chairman might call a meeting of his own volition or upon written request by three Council members; all meetings would be open to the public; the Council would provide for transaction of business and adopt procedural rules which seem necessary; the Council would appoint committees which seem advisable; for a quorum there would have to be a majority of representatives of each organization, and those present might cast votes for those absent, and if a quorum were not present an alternate might be appointed to act for an absent representative; the Council when called upon would act as conciliator in the adjustment of disputes.

The resolutions made by the Council were approved by the International Brotherhood of Electrical Workers and the National Association of Electrical Contractors and Dealers. The Council was designated to interpret and carry out the propositions laid down in the Declaration of Principles for the two organizations represented.

In May 1930 the Electrical Guild of America was organized in Washington, D. C., and in September of that year the Executive Committee of the Guild resolved that it would support the Council on Industrial Relations since the Union Shop Section of the Association of Electrical Contractors, the organization which had succeeded the National Association of Electrical Contractors and Dealers in 1922, was disbanded by constitutional
amendment-in August 1930 without providing for further support of the Council on Industrial Relations. The International Brotherhood of Electrical Workers gave its immediate approval of this arrangement.

The primary purpose of the Council is to bring about justice. It believes that arbitration requires compromise; to some this seems to mean adding up the claims of both sides of a dispute and dividing the sum by two; however, judicial settlement consists of the application of specific principles without any accommodation between the two sides involved. The Council depends upon the individuals' innate spirit of fairness and the belief that the public will think and act in a correct manner when it has the facts.

When workers or employers in the Electrical Contracting Industry want to refer a case for dispute, they have to apply to the Secretary of the Council for a submission blank. They must read what is required by the Council, fill out the blank and return it to the Secretary. They are notified when to appear and must have a representative present a brief orally at that time. Also, a brief must be filed with the Council and with the other disputant. Each side is permitted to argue its own cause.

Officially the Council is called the Council on Industrial Relations for the Electrical Contracting Industry.
The fundamental purpose of the two Member Organizations is to remove all causes of dissention in the Electrical Contracting Industry. Consequently, the primary function of the Council is that of study and research to enable it to perform its duties with fullest knowledge of these causes and obtain all possible cooperation from the two Member Organizations and, in general, between workers and management. In that way the industry may develop as a servant of the public, and social and economic conditions within the industry may be improved. The Council urges Member Organizations to try to see the fairness of the claims put forth by the other party so that harmony will take the place of strife and cooperative effort will be successful.

The Council has been used to settle many disputes in recent years. In the first twenty-five years of its existence it settled only forty-five cases, and in the past ten years it has settled 169 cases. The Council meets four times a year and its decisions are mailed simultaneously to both parties in a dispute about one week following the adjournment of the quarterly meeting of the Council.4

4 All information about the Industrial Relations Council in the Electrical Industry is taken from a single reference which is: Dan W. Tracy, "Industrial Relations Council in Electrical Industry," Cooperator, III, March, 1953, 1, 3-4.
In summary, the second approximation to the Industry Council Plan is a council made up of representatives of labor and management in an entire industry—the electrical industry. Its purpose is to promote the good of the industry itself and indirectly at least to promote the welfare of the nation. Its constituents make a serious effort to cooperate in a friendly way so that the problems which they share may be brought to a happy issue. The specific function of this Council is that which Monsignor Ryan proposed should be a primary function of an Industry Council—the settlement of industrial disputes. An effort is made in fairness and justice to hear the claims of both sides in any disagreement and to render a decision that is in keeping with sound principles.

C. The Industrial Relations Council of the Plumbing and Pipe Fitting Industry

The Industrial Relations Council of the Plumbing and Pipe Fitting Industry is the third approximation to the Industry Council Plan to be discussed here. Its purpose is to prevent government intervention in labor relations by avoiding those conditions which make government intervention necessary. The industry proposes to regulate its own labor relations so that government will not be compelled to regulate
them. The collective bargaining procedures in the plumbing and pipe fitting industry have reached a mature stage and are characterized by the acceptance of increasing responsibility by both parties. Yet it has been recognized that there still remains within the industry a need for the peaceful and private settling of differences when collective bargaining does not bring about an agreement. The program proposed intends to eliminate the potential causes of breakdown in collective bargaining over wages, hours, and working conditions.

In keeping with these aims, an Industrial Relations Council will be established to be composed of two representatives from the National Association of Master Plumbers; two representatives of the Heating, Piping and Air Conditioning Contractors National Association who will represent employers; and four representatives of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry to represent employees. Also, the presidents of the three associations who are sponsoring the Council are ex officio members of the Council, but they may not vote.

The Chairman will decide when and where the quarterly meetings will be held. The Chairman may call a special meeting when it is requested by two members. Officers are to be elected annually at the first meeting following July first. The officers elected will be a Chairman, Vice Chairman, a
a Treasurer and a Secretary. Officers will be in office for one year, and an officer may succeed himself. A quorum will consist of four members, two for labor and two for management. In the absence of a quorum an alternate may be appointed by a representative present from the group not totally represented. Committees may be appointed from time to time to promote the purposes of the Council. Specialists who are not members of the Council may serve on a committee and be used for consultive purposes.

The purpose of the Council is to settle disputes which have arisen during collective bargaining over wages, hours, and working conditions when all efforts on a local level have failed. It also will consider disputes other than jurisdictional disputes which have arisen from local collective bargaining contracts if the machinery provided on a local level has failed to bring about an agreement. First consideration will be given to disputes involving strikes, lock-outs or other work stoppages.

Both parties must at the same time voluntarily request consideration of the Council. The Council may accept or reject a request for a hearing on a dispute; and, if it should reject a request, it will give its reasons for doing so. After the evidence has been presented, further consideration will be given. Decisions of the Council must be unanimous
and arrived at by secret ballot.

A definite statement of policy has been made by the Council which is summarized as follows: The interest of the public, as well as that of the workers and employers, requires that industrial disagreements be settled peacefully. Industrial enterprise should be conducted in such a way that it will protect the interests of those whose livelihood depends upon it. Employers, workers and the public should all seek to promote regularity and continuity of employment. There should be faithful observance of any agreements regarding industrial relations. Efficient production along with adequate wages should be promoted. Wages should be such that they will allow a worker to have the necessities and comforts of life. The Council frowns upon both sudden changes in wages and retroactive wage advances because they are unfair to employers on account of contract commitments. The best way to bring about industrial harmony and prosperity is by direct representation of the parties involved.

Rules and regulations are set down for employees in the Plumbing and Pipe Fitting Industry to submit disputes to the Council for settlement. Application is made to the Secretary of the Council, and applicants are then notified when to appear. Briefs must be submitted to the Council and to the other disputant before consideration will be given. Each
disputant may send a representative to present the brief orally. It is understood, however, that the parties involved should try to settle the dispute between the time it is submitted and the date the Council considers the case. By mutual consent any case may be withdrawn from the Council.

It is thus hoped to keep the solving of problems of the Plumbing and Pipe Fitting Industry within the industry itself. Each Local Union has the autonomous right of collective bargaining; and, therefore, each Local Union may decide if and when it will use the Board of Arbitration. Only the Local Union knows the facts well enough to submit them to the Board of Arbitration. The Local Union, then, has the responsibility of keeping labor relations free from government domination. The Board of Arbitration will act to preserve the autonomy of Local Unions in collective bargaining. 5

Therefore, it can be seen that the Industrial Relations Council of the Plumbing and Pipe Fitting Industry is an approximation to the Industry Council Plan. It is an organization in which the representatives of employers and employees work in unison to solve the problems in the industry. Public

5 All of the information given here about the Industrial Relations Council of the Plumbing and Pipe Fitting Industry is taken from one reference which is the following: Martin P. Durkin, "The Industrial Relations Council of the Plumbing and Pipe Fitting Industry," Cooperator, III, December, 1952, 2-4.
interest is given due consideration, and, consequently, the common good is considered at least indirectly. The primary purpose of the Council is the betterment of conditions for those in the industry. Generally, then, this Council meets the requirements is so far as an approximation is concerned.

The functions of the Council, also, are in keeping with those proposed for Industry Councils. It endeavors to settle labor disputes. Specifically, it is interested in solving problems relating to wages, hours, and working conditions. Many authorities feel that these problems should be of primary concern to Industry Councils.

One other feature of the Industrial Relations Council of the Plumbing and Pipe Fitting Industry is noteworthy. It explicitly states that its aim is to solve the problems of the industry in such a way that government intervention will be unnecessary, a clear recognition of the principle of subsidiarity which is a fundamental purpose of Industry Councils as stated in Reconstructing the Social Order by Pope Pius XI. The Council was founded so that the problems of the Plumbing and Pipe Fitting Industry would be solved by the people who understand those problems best; and, therefore, the government need not intervene. It must be acknowledged then that the functions and purposes of the Council comply with those which are proposed as appropriate to Industry Councils.
D. The National Coat and Suit Industry Recovery Board

The fourth approximation to the Industry Council Plan to be described is the National Coat and Suit Industry Recovery Board which was founded in 1935. When the United States Supreme Court declared the National Industrial Recovery Act unconstitutional, representatives of labor and management who had made up the industry's Code Authority decided that they would continue to promote the trade's N.R.A. Code of Fair Competition and the facilities through which it had been carried on, believing this would be in the best interests of both the public and the industry. Throughout the industry this decision was given complete approval, and the action became a significant example of self-government. This industry is the only one in which the N.R.A. Code has been preserved in its entirety on a nation-wide basis. This Board was an outgrowth not only of the N.R.A., but also it was an outgrowth of many years of constructive collective bargaining throughout this particular industry.6

The labor agreements in the industry contain principles and practices which have served as models for many others. The Recovery Board embodies a pattern of industrial

6 The National Coat and Suit Industry Recovery Board, New York, 1941, 3-4, a pamphlet obtained from the National Coat and Suit Industry Recovery Board.
self-regulation that is very notable; such exemplary activity is typical of the leadership which the industry has always exhibited. The Recovery Board has always functioned effectively as a means to assure both industrial decency and commercial fair play. It is recognized as a commendable formula for industrial direction and control under the joint sponsorship of workers and employers. 7

Under the potent incentive inspired by the New York market, workers and managers devised the first nationally applied facilities to regulate labor standards and competitive conditions. When the government withdrew, it was natural for the Board to continue, since both labor and management were pleased with the results which it had obtained. 8

On a country-wide scale the Recovery Board tries to maintain the standards approved by the International Ladies' Garment Workers' Union and the trade associations. It relies heavily upon the "consumer's Protection Label" to help maintain these standards. 9 The label denotes coats and suits made

7 Ibid., 6.
9 Ibid.
under fair labor standards. Such a label indicates that the garment on which it is found was not made in sweatshops, by child labor or as homework.\textsuperscript{10}

The purpose of the Board is to "establish and maintain fair and equitable standards of labor in the Coat and Suit Industry and to establish and maintain standards of fair practices, with a view to promoting the common welfare of the industry and the public good."\textsuperscript{11} A general clause in the agreement provides that those signing the agreement are parties to the National Coat and Suit Industry Recovery Board so that they may do away with substandard conditions and aid in the stabilization of their industry. At the same time they agree for themselves and their members that they will abide by the Constitution, By Laws and the rules and regulations of the Board.\textsuperscript{12} A further clause in the agreement stated that employers would require that all garments made in the industry would bear a label adopted by the Board.\textsuperscript{13} Similar clauses

\textsuperscript{10} Information given on a poster published by the National Coat and Suit Industry Recovery Board and obtained from the Board.

\textsuperscript{11} Robinson, \textit{Collective Bargaining}, 137, citing the "Certificate of Compliance and Membership," paragraph I.

\textsuperscript{12} Ibid., citing the Agreement of 1943-1948, Industrial Clause 39.

\textsuperscript{13} Ibid., Industrial Clause 40.
are contained in union contracts with independent firms. Therefore, a requirement in the labor contract is membership in the Board and use of its label; and, as such, these provisions are subject to the jurisdiction of the contract adjustment measures just as are the other articles in the agreement.14

Pressure from consumer influence is utilized in that the Board has a "Consumer Education Division" which tries to make the public "label conscious." This agency has enlisted consumers to report on garments which are not labeled by sponsoring a "National Shopping Survey" through consumers' organizations.15

Also, each individual firm that joins the Board must sign a contract binding it to the provisions of the Constitution of the National Coat and Suit Industry Recovery Board and with all by-laws already adopted and those adopted henceforth.16 This contract, unlike the provisions in the labor agreement, is applicable for one year and becomes renewed automatically unless one party or the other terminates it by

14 Ibid., 138.
15 Ibid.
16 Ibid., citing the "Certificate of Compliance and Membership," paragraph 3.
You have here than nationally applied machinery to regulate labor standards and certain competitive conditions. 18

The Recovery Board has 2,100 member firms which employ 75,000 workers who produce about 90 per cent of the entire output of women's and children's coats and suits in the nation. 19 The National Executive Board is made up of representatives of employer associations and unions on a market and regional basis. 20 The board is supported by numerous employer associations in more than thirty cities and by the International Ladies' Garment Workers' Union. Together these organizations comprise what is called the "cooperating organizations." 21

Under the Recovery Board there are four regions. The regions are as follows: the Metropolitan Region which includes New York, New Jersey, Connecticut and any other area not included in these states and yet which is within a radius of

17 Ibid.
18 Ibid.; 136.
19 National Coat and Suit Industry Recovery Board, Reports and Resolutions, Seventeenth Annual Meeting, 1953, 3, a pamphlet obtained from the Board.
20 Ibid.
21 Robinson, Collective Bargaining, 141.
seventy-five miles of New York City; the Eastern Area which includes Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and as much of the state of Pennsylvania as is not included in the definition of the Metropolitan Region, Delaware, Maryland, Virginia and West Virginia; the Pacific Coast Region which includes Washington, Oregon and California; the Central Region which includes all the states of the United States not included in the other regions. 22

The nineteen voting members of the National Executive Board come from the four different regions. From each of three regions—Eastern, Pacific, and Central—one labor and two employer representatives are chosen by the regional boards. In the Metropolitan Region the unions and trade associations appoint their representatives on the Executive Board directly. The Industrial Council and the Merchants' Association each have two representatives, the Infants' and Children's Association one, and the International Ladies' Garment Workers' Union, two. The Western Area Council has one member at large; the Council is a committee formed to represent employers other than those on the eastern seaboard. Altogether then there are nineteen voting members. 23

22 Ibid., citing the Recovery Board Constitution, Article 1, Section 6.

23 Ibid., 141-142.
Of the voting members, seven are New York employers, seven are other employers and five are union representatives. Majority rule holds. However, the union may not be overruled on any question related to labor conditions, because any Recovery Board vote which overrules the union would contradict already existing provisions in the labor contract between workers and employers which include their own measures for adjustment. The union has the voting strength to decide issues of disagreement between New York and the rest of the nation.24

There is a New York impartial chairman who works in one of the offices at the Board's national headquarters in New York City. A staff of investigators and accountants serve both this impartial chairman and the Recovery Board. The Board has an executive secretary whose responsibility is the personnel administration of this staff.25 At the national office, the executive secretary supervises the bureaus which perform the business of the Board and which follow the directives of the various committees of the National Executive Board.26

The Departments and Services of the Board may be summed up as follows: fair trades practices, labor standards,

24 Ibid., 142.
25 Ibid., 145.
26 Ibid., 144.
legislative activities, merchandising and promotion, research and information, shopping bureau, publications and bulletins. Some of the various activities and services of the Board may be noted here. Fair Trade Practices: the Board promotes a code of trade regulations to curb unfair and unsound commercial practices; contact with members on all aspects of business standard observance is maintained through the field staff of the Recovery Board's Fair Trade Practice Bureau. Labor Standards: the Board renders assistance regarding labor-management relationship and aids in making labor agreements effective. Legislative Activities: the Board has a Legal and Legislative Department which presents the Board's beliefs on legislation at federal, state and municipal levels when such legislation effects the industry and its members. Merchandising and Promotion: the Board endeavors to improve the industry's marketing methods and promote the sale of its merchandise. Shopping Bureau: this Bureau inspects thousands of garments each season in regard to "label inspections" whereby they see if stores purchase garments from high-standard manufacturers and "value examinations" whereby they ascertain if goods sold are of the quality advertised. Publications and Bulletins: materials of interest to the members are published; these include information about federal and state social security
laws and wage and hour laws.\textsuperscript{27}

To bring the account of the activities of the National Coat and Suit Industry Recovery Board up to date, a brief description will be given of its recent projects as reported on at the 1953 meeting of the National Executive Board which was held in January 1953. The Legal and Legislative Committee made a report on the importance of fairness to small business as an essential factor for maintaining the nation's welfare.\textsuperscript{28} The necessity for improvement of product and service was reported on by the Fair Trade Practice Committee.\textsuperscript{29} The Committee on Research and Statistics gave an account of results of a study which they made in reference to packaging methods for merchandise.\textsuperscript{30} The progress made in label distribution was reported.\textsuperscript{31} The Public Relations Committee reported that businessmen are becoming more conscious of the importance of industry-wide promotional efforts.\textsuperscript{32}

\textsuperscript{27} \textit{The National Coat and Suit Industry Recovery Board,} 5-11.

\textsuperscript{28} National Coat and Suit Industry Recovery Board, \textit{Reports and Resolutions, Seventeenth Annual Meeting,} 27.

\textsuperscript{29} \textit{Ibid.}, 43.

\textsuperscript{30} \textit{Ibid.}, 57.

\textsuperscript{31} \textit{Ibid.}, 78.

\textsuperscript{32} \textit{Ibid.}, 80.
Compliance Committee which is concerned primarily with trade standard conformity reported that its efforts are exercised mostly through educational measures.33

In addition to specific reports by the various committees, there were reports by regional and market spokesmen in which there were discussed business trends and prospects, developments in management-labor retailer-manufacturer relationships, and suggestions on Recovery Board Activities. The outlook for the industry was discussed in general and found to be encouraging.34 This is only a brief resume of the 1953 Convention to indicate the kind of activities in which the Recovery Board engages.

One other point may be mentioned here about the composition of the Recovery Board. On the regional level, each of the four regional boards has a Regional Director who has been approved by the National Executive Board. This director, a representative of employers and a representative of labor comprise a Committee of Compliance which reviews all complaints and violations of the Recovery Board's provisions. Appeal may be made from a decision of the Regional Committee of Compliance to the Regional Board and lastly to the National

33 Ibid., 87.
34 Ibid.
Executive Board is final and binding. 35

It has been possible here to give only a brief account of the scope of activities of the National Coat and Suit Industry Recovery Board. However, this description has been sufficient to fulfill the purpose of this study to describe the Board to such an extent that we may infer how it approximates the Industry Council Plan. First, the Board complies with the definition of an approximation—it is an organizational effort within a representative portion of an entire industry, in this instance on a national scale, for purposes of solving the problems of the industry and thereby contributing directly to the common good of the industry and at least indirectly to the common good of the nation.

There is a resemblance to the Industry Council Plan in both the structure and the functions of the Recovery Board. Although the Recovery Board does not have a completely hierarchical structure such as that which is envisioned for the Industry Council System, it is active organizationally on both a national and regional level and its purposes are enforced on a local level thus providing for integration of its purposes on virtually all levels. Firms on the local level are

35 Robinson, Collective Bargaining, 147, citing the Recovery Board Constitution, Article IV, Section 1f (2).
required to comply with the rules and regulations of the Recovery Board; they must agree in their contracts to do this, and compliance is enforceable for this reason.

On the regional level, there are regional boards to carry on the Recovery Board's activities, to hear complaints and to coordinate activities. Each regional board has a representative of labor and one of management and also a regional director so that all parties concerned have a voice in the issues at hand.

The national level of the Recovery Board is its most powerful level of operation because the fundamental organization is at this level in the National Executive Board. This Board has representatives of both labor and management who work together for the good of the industry.

The functions of the Recovery Board generally and specifically are like those proposed for Industry Councils. Particular attention is given to working conditions under which garments in the industry are made. The "Consumers Protection Label" is used to signify garments made under favorable working conditions. John A. Ryan and Francis Haas both mentioned that the determination of working conditions should be one of the purposes of Industry Councils.

Raymond Miller spoke of self-regulation as one of the principle purposes of Industry Councils. Certainly the
Recovery Board fulfills this purpose, since it does devise regulations regarding technical requirements of membership.

Howard Bowen talked of functions for Industry Councils at various levels, and he thought that whole industries should concern themselves with problems of fair competition, trade practices and labor standards. All of these functions the Recovery Board performs as primary aims for its existence.

E. The National Coordinating Committee of the Beverage Industry

The fifth approximation to the Industry Council Plan is a relatively new organization, the National Coordinating Committee of the Beverage Industry. This is a joint effort of labor and industry whose present membership includes eight international unions, two trade associations, and five producers. These are, in Labor: Coopers International Union of North America (AFL), Boston, Massachusetts; Glass Bottle Blowers Association of the United States and Canada (AFL), Philadelphia, Pennsylvania; Glass Workers Protective League (AFL), Charleston, West Virginia; Hotel and Restaurant Employees and Bartenders International Union (AFL), Cincinnati, Ohio; International Association of Machinists (AFL), Washington, D.C.; International Union of United Brewery, Flour, Cereal, Soft Drink and Distillery Workers of America (CIO), Cincinnati, Ohio; Laundry Workers International Union (AFL), Indianapolis, Indiana; United
Paper Workers of America (CIO), Washington, D. C. Trade Associations include: National Beer Wholesalers Association, Chicago, Illinois; National Licensed Beverage Association, Racine, Wisconsin. Producers included are these: Blatz Brewing Company, Milwaukee, Wisconsin; Pabst Industries, Inc., Philadelphia, Pennsylvania; Frankenthal Brewing Company, Frankenthal, Michigan; Schenley Distillers, Inc., Cincinnati, Ohio; Terre Haute Brewing Company, Terre Haute, Indiana. The purposes and aims of the Coordinating Committee are established and understood and it is expected to grow and develop and gradually to take in more and more of the unions affected by the prosperity of the Licensed Beverage Industry. 36

The organization came into being in 1950 when representatives of two unions, two trade associations, two producers of beer and one distiller joined together—not for collective bargaining purposes, but to protect the licensed beverage industry against such specific problems as Prohibition, excessive taxation, the evils of illegal production, and nuisance laws of all kinds. Their immediate concern was pending legislation which threatened to ban alcoholic beverage sponsorship of television programs. Earlier attempts to ban

36 Letter from Joseph B. Brady, Chairman of the National Coordinating Committee of the Beverage Industry, September 4, 1953.
sponsorship of television programs by the alcoholic beverage industry had threatened to shut down a considerable part of the brewery and distillery industry; and so this group gathered together in January 1950 as a common defense measure against those persons who were attacking the only industry that is approved expressly by the Constitution of the United States. 37

The Committee keeps informed on all legislation that will effect the industry, and it works actively to promote those laws that will benefit the industry and to oppose and defeat any legislation that will be harmful to the industry. It does its work by aiding state and local groups to fight detrimental legislation and by helping them promote legislation that will make the industry more prosperous. 38

To understand how the Committee carries on its functions, it is necessary only to note what projects it has fostered since its founding. Some of these are described below.

In 1950 North Dakota and Arkansas were contemplating passage of legislation which would make the states "dry". Representatives of the Committee joined with people at the

37 A Large Name For A Large Project, 1, a descriptive explanation of the history of the Coordinating Committee obtained from the National Coordinating Committee of the Beverage Industry.

38 Ibid., 2.
local level to fight the bills, and they were able to defeat the proposals.39

In January 1951 the United States Department of Labor issued a handbook to plant managers in which it was asserted that a principle cause of absenteeism is liquor. The handbook also said that three million United States laborers are chronic alcoholics who cost the nation's defense industries eighty-four million lost man-days per year. The Committee felt that kind of information put all American workers in a bad light and distorted the extent of the influence of the licensed beverage industry on our country's defense program. After studying the facts, the Committee talked to those officials who had written the handbook, brought the influence of the national CIO and AFL offices to bear on the Secretary of Labor, and were successful in having the statements altered and modified in later editions of the handbook. Even more important, it was agreed that the Coordinating Committee would be consulted before further information of that kind was issued.40

Other efforts of the Coordinating Committee have sought to protect the industry from legislation that would be harmful. The Coordinating Committee has not been successful

39 Ibid.

40 Ibid., 2–3.
in all its endeavors; but, as it expands, it hopes to enlarge
the sphere and strength of its influence.41

The principle concern of the Coordinating Committee
at the present time is to promote the reduction of excise taxes
on beer, wine, and distilled spirits. One reason for this is
that the Coordinating Committee believes that this would be
the most effective way to counteract the illegal manufacture
of beverages. If the price of licensed liquors is lowered,
the public will be less inclined to purchase illegally-made
beverages which are sold now at a much lower price than that
of legally manufactured products. Law-breakers pay no taxes,
employ non-union labor, re-use bottles made by the legal
industry, and sell a product which is often harmful to the
public in that it may bring about sickness, blindness, and
even death.42

Members of the Coordinating Committee appeared before
the House Ways and Means Committee on August 11, 1955, and gave
testimony concerning the evil results of discriminatory taxes
on the beverage industry, on the workers in and allied with the
industry, and on the community. Illegal activities cause
unemployment in the industry and in such allied industries as
glass blowing. The Coordinating Committee is backing its

41 Ibid., 3.
42 Ibid., 3-4.
legislative efforts with a program which will make the entire labor movement aware of the problems which workers in the beverage and allied industries must face.43

Such seemingly remote industries as valve manufacture are concerned with the problems in the beverage industry because their products are used in the industry. The Hotel and Restaurant Employees and Bartenders International Union in a recent convention resolved to support the work of the Coordinating Committee and to influence other unions to join it in recognition of the Coordinating Committee's efforts to protect the interests of these workers in that to the extent that sale of illegal beverages is eliminated, there will be greater employment for members of their own union.44

Others affected by the beverage industry and whose employment in part hinges on the prosperity of the industry include cooperers, bottle blowers, machinists, pattern makers, printers, paper workers, transportation workers, and warehousemen. On the issue mentioned above, the National Coordinating Committee asks those in these industries as well as those directly affected such as brewers and distillery workers to write their congressmen and also the Chairman of the House

43 Ibid., 4.
44 Ibid., 5.
Ways and Means Committee to request lowering of the excise tax on licensed beverages to eliminate evils brought about by the sale of illegal beverages so that all industries related to the beverage industry, as well as the industry itself, may prosper. 45

Altogether the Alcoholic Beverage Industry provides millions of workers with jobs, collects billions of dollars in taxes, and provides millions of dollars in wages. The Coordinating Committee through its publications and other media attempts to show that American people have a definite economic and sociological interest in the protection of a legally operating alcoholic beverage industry. 46

Other literature circulated by the Coordinating Committee shows that liquor is America's highest taxed commodity; economic improvements have greatly benefited American business in the last ten years, but the liquor industry has not benefited from these improvements because of the discriminatory tax load its products carry; the consumer is disadvantaged by this excessive taxation; manufacture and sale of

45 The information is taken from an untitled bulletin published by and obtained from the National Coordinating Committee of the Beverage Industry.

46 Labor's Stake in the Alcoholic Beverage Industry, a pamphlet printed by the National Coordinating Committee of the Beverage Industry and obtained from them.
illegal beverages is increasing; excessive taxes are detrimental to revenue because they encourage illegal manufacture of products for which no taxes are paid. Thus, the National Coordinating Committee makes its cause known. Its publications are sent to many persons who are directly and indirectly connected with the beverage industry.

The foregoing describes, in general terms, the composition, purposes and functions of the National Coordinating Committee of the Beverage Industry. The Coordinating Committee on the whole meets the criteria in the definition of an approximation to the Industry Council Plan. It is an organized endeavor on the part of labor and management in an industry to solve the problems of the industry and to promote the common good of that industry directly; indirectly, in some respects, the Coordinating Committee also fosters the common good of the country.

The functions of the Coordinating Committee generally are in keeping with the purposes proposed as primary interests of an Industry Council. Specifically, the industry is concerned with problems of fair competition. It is trying to eliminate all conditions which foster illegal manufacture of beverages

47 Facts About Liquor Taxation, a bulletin printed by the National Coordinating Committee and obtained from them.
which compete unfairly on the market with those products made under legally sanctioned conditions.

In keeping with the general definition presented in this study, the Coordinating Committee is promoting the common good of the industry by trying to prevent all conditions which cause unemployment in the industry. It is interested primarily in its own welfare, but indirectly it is promoting the common good of the nation in that it is trying to aid allied industries and is attempting to protect the public from consumption of products which would be harmful to the health of individuals.

In the instance of the Coordinating Committee it is necessary to add several qualifying remarks. It is with some reservation that it has here been declared that the National Coordinating Committee of the Beverage Industry is promoting the common good of the country as such. It is the opinion of some persons that an organization such as the Coordinating Committee which furthers the manufacture of "hard liquor" may not contribute to the common good. The organization is protecting the interests of those in the industry. However, it is held by some discerning persons that the activities of the National Coordinating Committee of the Beverage Committee to promote the sale of alcoholic beverages and to lessen taxes may not in the light of all prudent consideration be the furtherance of the common good. The conclusion drawn should
be qualified then to say that the effect of the functions of the Coordinating Committee may be held as two-fold: the National Coordinating Committee of the Beverage Industry furthers the interests of the licensed alcoholic beverage industry; it purports to further the good of the nation by protecting other industries as well as its own; however, by some authorities it is believed that the Coordinating Committee is promoting activities which may in the overall consideration be detrimental to the common good.

F. The Millinery Stabilization Commission

The sixth organization to be considered as an approximation to the Industry Council Plan is the Millinery Stabilization Commission. It was founded in 1936 and is modeled after the National Coat and Suit Industry Recovery Board discussed earlier. However, unlike the Recovery Board which is nation-wide in scope, it operates only in New Jersey and New York.48

The Joint Advisory Board of the Millinery Stabilization Commission has representatives from the Eastern Women's Headwear Association, from the Millinery Workers Union, from the Millinery Manufacturers of New Jersey, from the National

48 Robinson, Collective Bargaining, 137.
Association of Ladies Hatters, and from one unaffiliated manufacturer. The standing committees of the Commission include: a Trade Promotion Committee, a Budget Committee, a Label Committee, and a Planning and Coordinating Committee. Representatives from both management and labor serve on each committee. The Commission, then, has a Joint Advisory Board which is comprised of representatives of both workers and employers working together in close harmony to solve the problems of an industry in an area in which much of that industry is located.

To understand the purpose and functions of the Millinery Stabilization Commission, we may turn to an account of its activities, its duties and powers, and its general composition as furnished in a recent report describing the history and development of the Commission. This information is necessary to comprehend the importance of the Commission.

The Millinery Stabilization Commission derives its authority from the duties and powers prescribed in several documents. The first of these documents is the Supplemental Agreement of January 31, 1936. The second document is the Supplemental Agreement of February 1, 1938. Both of these

49 Fifth Report of the Millinery Stabilization Commission, Inc., New York, 1951, 12, a pamphlet published by the Commission and obtained from them.

50 Ibid., iv.
agreements were made between the Union and the Eastern Women's Headwear Association and between the Union and two other manufacturers Associations. Third, there are the Articles of Incorporation and the By-Laws of the Commission which were adopted with the approval of the Advisory Board and whose purpose it is to make the Supplemental Agreements effective. These documents and the "commission clauses" of the regular collective bargaining contracts are the "constitution" and charter of authority of the Millinery Stabilization Commission.51

The Supplemental Agreement of January 1936 defines the purposes for which management and workers founded the Commission, the policies they wanted carried out, and the powers they wished to confer upon this organization.52

The Millinery Stabilization Commission was established to benefit and protect the Millinery Industry of New York City. The Commission consists of three members, no one of whom is a member of the Union or of the Industry but are mutually acceptable to both groups. The purpose of the Commission is this: to determine fair trade practice requirements and to govern the relationship between the members of the Industry and between them and other factors in the Industry; to prepare reports on

51 Ibid., 9.
52 Ibid., 10.
the operating costs in all factories in New York City; to study the Millinery Industry; to learn what its major problems are and to carry out plans for its rehabilitation; to hear complaints of violations committed; to arrange for hearings and make adjustments in these complaints.53

In the Supplemental Agreement of 1936, it was stipulated, further, that the Commission would perform certain other prescribed functions. It would adopt measures which would enforce compliance of members with the rules which it set forth. The Commission would have the prerogative to examine the records of manufacturers to ascertain if they are complying with the regulations and fair trade practice provisions set forth by the Commission. A Consumer’s Protection Label adopted and approved by the Commission would be used to make effective the provisions of the agreement, and it was agreed that all millinery manufactured by the Industry under contract with the Union would bear this label. The charge for the label would be such that the money derived from it would pay for the label and pay the expenses of the Commission. The Union agreed that in any contracts it makes with independent manufacturers such manufacturers must agree to use the Consumer Protection Label and to subscribe to the direction of the Millinery Stabilization

53 Ibid.
Commission. The Supplemental Agreement of February 1938
simply confirmed that the provisions of the Supplemental Agree-
ment made in 1936 would be retained. 54

Further, the Commission adopted certain By-Laws to
implement the provisions of the Supplementary Agreements.
Article III of the By-Laws provides for a Joint Advisory Board
of not more than twenty-three members, ten of whom would be
chosen by the Eastern Women’s Headwear Association, nine by
the Union, two by the National Association of Ladies Hatters,
one by the Millinery Manufacturers of New Jersey, and one
to be chosen by the chairman of the Commission to represent
manufacturers in the millinery industry who are not affiliated
with any trade association. The Advisory Board are the actual
voting members of the Commission, except in a few instances
provided for in the Constitution when the Commissioners are
empowered to vote. The Advisory Board has the right to fill
a vacancy on the Commission or to remove a member of the Com-
mission or any executive of the Corporation, with or without
cause, by a two-thirds majority vote. 55

The Commission in January 1949 with the approval of
the Advisory Board terminated use of the Consumer Protection

54 Ibid., 10-12.
55 Ibid., 12.
Label. To finance Commission operations a system of dues was inaugurated whereby manufacturers pay one-fifth of one per cent of their gross dollar volume.\textsuperscript{56}

The explicit duties and powers of the Commission are many. It makes statistical studies of the conditions and problems in the millinery industry. It plans remedies for unsatisfactory conditions and in this regard makes rules and trade practice provisions which are not in restraint of trade, and which are binding upon each member. It makes other surveys of the industry and issues reports on its findings. The Commission enforces all rules and regulations and trade practice provisions, the by-laws and agreements in applications for membership. It receives complaints relating to violations, sponsors hearings by grievance committees chosen by the Commission and makes adjustments of these complaints.\textsuperscript{57}

In addition, the Commission investigates records of members of the Corporation to facilitate various statistical studies and to be certain that members are complying with all requirements. It prepares and promotes legislation that will benefit the industry. The Commission gives assistance to law enforcement bodies in administering the Robinson-Patman Act, the

\textsuperscript{56} Ibid., 13.

\textsuperscript{57} Ibid..
anti-trust laws and other regulations intended to protect fair competition in the millinery industry. Generally, it does everything in its power to promote the welfare of the industry. The Commission prepares a Budget which must be approved by the Advisory Board before it is effective.58

The interests of the consuming public and the industry as a whole are protected by the activities of the Commission which works in support of the provisions in the Supplemental Agreements. The Commission is composed of three disinterested citizens who have as much interest in the welfare of the public in relation to the industry as they have in the industry itself. These three, also, are as much concerned with protecting the interests of the Union as they have with protecting the interest of the Industry.59

The policies of the Millinery Stabilization Commission are administered on a day-to-day basis by a staff of fourteen persons directed by the Comptroller and the Executive Director. Certain operating divisions carry on the varied activities of the Commission; these are the investigation, legal, auditing, and trade promotion divisions.60

58 Ibid., 14.
59 Ibid., 15.
60 Ibid., 15-16.
Specific activities of the Commission are in keeping with its general purposes. Two examples may be cited here to illustrate the kind of work the Commission performs.

The Commission carried on an intensive campaign in New York and Washington to prevent acceptance of a request filed by the Railway Labor Express Agency for a fifty per cent increase on its rates on millinery and some other goods which had been categorized as "low-density" traffic. The Commission constantly fights against manufacture and shipping of hats made of second hand goods, both for the protection of the Industry and of the public. This practice has been held by the Federal Trade Commission to be an unfair method of competition.61

This, then, is another approximation to the Industry Council Plan—the Millinery Stabilization Commission. It is an organized joint effort on the part of labor and management in a particular industry (in a specified region in this instance) to solve the problems of that industry and, thereby, to promote directly the common good of the industry and indirectly at least to promote the common good of the country as a whole.

In comparison with the other approximations discussed here, the Millinery Stabilization Commission is almost unique

61 Ibid., 20-21.
in that it includes not only representatives of labor and management in the industry but also has adequate representation of the public in the three disinterested parties who are the Commissioners. Pope Pius XI did not state specifically that there should be public representation on the Industry Councils, but certain authorities feel that this would be necessary to maintain the common good. Whereas those in the industry might be concerned with the common good indirectly and in part, there may be times when their foremost interests would be opposed to the welfare of the public as a whole. In a Board or a Commission some members of which are disinterested parties, the common good of the nation is more likely to receive consideration than would be true in the case where no representatives of the public serve on the commission.

Functions of the Millinery Stabilization Commission are generally those which should be some of the activities of Industry Councils. These include self-support through the system whereby manufacturers pay a small percentage of their gross dollar volume to keep the Commission in operation. Other related functions include self-regulation through enforcement of fair competition and observance of fair trade practices.

6. The New York City Trucking Authority

The seventh approximation to the Industry Council Plan is the New York City Trucking Authority which was created
by the Five Year Peace Pact in the Trucking Industry in New York. The Five Year Peace Pact is an agreement between Truck Drivers Local Union No. 807 and Highway and Local Motor Freight Drivers, Dockmen and Helpers, Local Union No. 707—both of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers (all of whom are referred to in the contract as the "Union") and the Motor Carrier Association of New York (which in the contract is referred to as the "Association").

In the past a serious trouble spot in labor relations has been the trucking business in New York City, for it has been notorious for strikes and court suits. This was the situation until 1951 when the New York City Trucking Authority was organized. On March 30, 1951 the New York Trucking Teamsters Union signed a no-strike, no-lockout pact—the Five Year Peace Pact—which was witnessed by government, industry, and labor officials. To promote harmony and to assure peaceful industrial relations the Union and the Association agreed to jointly sponsor the New York City Trucking Authority which would provide for arbitration of disputes, enforce the collective bargaining agreement, establish a public relations program, and provide an instrument for research into economic problems.

62 Five Year Peace Pact and Code of Procedure, 1, a pamphlet printed by the New York City Trucking Authority and obtained from them.
in the Trucking Industry. 63

Through the Agreement there is created an office of an Impartial Chairman who has specific duties and rights, including the authority which makes his decisions final and binding in grievances and disputes. His decision must be given within ten days after the dispute has been submitted to him for consideration. Both the Association and the Union have agreed that the Impartial Chairman may have an injunction issued against either of them in an instance when either should refuse to abide by his decision in cases of contractual breaches or refusal to restore the status quo ante. 64

The Impartial Chairman presides over a Labor-Management Panel consisting of six representatives from industry and six from labor. Whenever the Authority acts as provided for in the contract, it may do so only by tripartite agreement. In other words, the position of the Authority has to be stated by the Impartial Chairman and an equal number of representatives of labor and management on the Labor-Management Panel. 65

The two-fold purpose of the Peace Pact is to bring

64 Ibid.
65 Ibid.
about the stability of the trucking industry and the improvement of working conditions. In a case regarding the amount of a wage increase in September 1952 the arbitrator, William J. Kelly, kept these objectives in mind when making his decision; and later he complimented the employers, employees, and the counsel, because they have kept the Pact and have worked for industrial peace, and because there have been no strikes since the Pact was made.66

Thus far, the structure, functions, and purposes of the Authority have been described in general terms. A more detailed elaboration is in order at this point.

There are a few limitations on the authority of the Impartial Chairman which should be noted. He has jurisdiction to adjudicate all grievances and disputes which arise under the agreement between the Union and the Association except those involving rates of pay and hours of work or the provisions provided for separately under the terms of the Five Year Peace Pact.67 Under the Pact these items are to be handled through the joint efforts of a Union Negotiating Committee and an Association Negotiation Committee which, if they cannot come to an agreement, may turn the dispute over to an arbitrator.

66 Ibid.
67 Five Year Peace Pact and Code of Procedure, I.
The two Negotiating Committees were to meet in August 1950 and in May 1952 if either party desired a change, and they will meet again in August 1954 if again either party wishes a change.68 As was noted earlier, the services of an arbitrator were sought under the Pact in 1952 to settle a dispute over wages.

Under the Pact the person who appoints the Impartial Chairman is the Secretary of Labor, and the Secretary of Labor also has the power to name a successor to the Impartial Chairman if either the Union or the Association objects to the serving Impartial Chairman. He, the Secretary of Labor, may not redesignate the person who has been objected to.69

Through the Pact, a Code of Procedure was adopted to aid in the determination of disputes and to enforce the terms of the collective bargaining agreement between the Union and the Association. The Code of Procedure which was adopted was the Supplemental Agreement of November 1948, commonly referred to as the "Green Book." Some sections of the "Green Book" were amended and both parties agreed to adhere to them unless they mutually agreed to change them.70

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68 Ibid., 2.
69 Ibid., 3.
70 Ibid.
Under the "Green Book" as amended, the procedure agreed upon sets forth in specific terms the rights and duties of the Impartial Chairman. In controversies he is to act justly. He has the power to make an award requiring or forbidding conduct of the Employer or the Union, and his decision is enforceable in a Court of Equity. The Impartial Chairman may discipline parties to an unauthorized strike or work stoppage; and the Union agrees to carry out the measures proposed by the Impartial Chairman, providing they do not violate the rights of the members of the Union which are guaranteed to them under the Constitution or By-Laws of the Local Union, or by the Constitution or By-Laws of the International. The Impartial Chairman may not assess damages against the Union for failure to fulfill any provision of the collective bargaining agreement which the Union has not ratified. Before the Impartial Chairman conducts a hearing, he has the power to require that those engaged in work stoppages return to work or that an employer who is conducting a lock-out allow his workers to return to their jobs.71

The cost of operating the Authority is shared by the Union and the Association. The Union pays one third

71 Ibid., 4-5.
of the operating cost, and the Association pays two thirds. Other positions provided for, besides that of Impartial Chairman, the salaries for which are taken into consideration in the Budget, include Counsel to the Chairman, full time Director of Contract Enforcement Division, Deputy Chairman, Public Relations Counsel, and Economist.

The agreement became effective July 15, 1950 and remains in effect until April 31, 1954. The Union and the Association agreed that during the term of the agreement they would not have either a strike or a lock-out.

The Code of Procedure of the New York City Trucking Authority is an explicit statement of requirements for the bringing of disputes before the Authority. The Procedure is applicable to the Union which includes both Local 807 and Local 707; and it also refers to the Employer. Employer designates any employer who is a member of an association which is a party signatory to the Five Year Peace Pact.

Activities which are currently a part of the program of the New York City Trucking Authority include not only

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72 Ibid., 7.
73 Ibid., 8.
74 Ibid., 9.
75 Ibid., 9.
arbitration of disputes but other considerations as well. The Authority is interested in anything affecting the trucking industry such as: traffic regulations in New York City in connection with which conferences with the Traffic Department of New York City have been held; taxes on the trucks in New York City and New York State; and the union which has supplanted the International Longshoremen's Association because it is vital that trucks keep moving cargo.76

In the New York City Trucking Authority we have another approximation to the Industry Council Plan. It is an organized joint effort on the part of labor and management to unite for purposes of solving their mutual problems directly for the common good of the industry and indirectly at least for the common good of the country as a whole.

This approximation is found in a specific local area. Its purposes and functions are in keeping with those proposed for Industry Councils. Its purpose is to stabilize the trucking industry and to improve working conditions. The Authority, through the efforts of the Impartial Chairman or the Panel of Labor-Management representatives or the Negotiating Committees of both Labor and Management, does these things which are

76 Letter to the writer from Mr. Hugh E. Sheridan Impartial Chairman of the New York City Trucking Authority, October 13, 1953.
proposed as functions of Industry Councils: it settles disputes; it negotiates on problems concerning wages, hours, social welfare and insurance; it provides for its own support; it plans for economic stability in the industry.

One feature of the New York City Trucking Authority differs from the other "approximations" in that government has a place in the organization. The Secretary of Labor appoints the Impartial Chairman, who in turn must be approved by both the Union and the Association. It makes a tripartite situation in which labor and management are predominant but in which government also has a voice and an interest. The Impartial Chairman—chosen by the government—represents the public. This aids in bringing about a balance of interests which is a salutary arrangement.

The peaceful consideration of disagreements and the mutual study of problems by those in the industry under the supervision of an impartial observer has been fruitful. There have been no strikes in the Trucking Industry in New York City since the Five Year Peace Pact was signed. Labor and management are working harmoniously together to better their own industry, and such harmony should help the common good of the country at large especially in those areas most affected by the New York City Trucking Authority.
H. The Motion Picture Industry Council

The eighth approximation to the Industry Council Plan is what is known as the Motion Picture Industry Council. The Preamble to the original MPIC charter states the reason for its founding and the purposes of the organization.

The Preamble declares that the people in the motion picture industry are aware of the importance of their industry both as a major economic enterprise and as a social institution. They desire to continue and expand the good influence of motion pictures which work for the public good and for the national welfare. Consequently, they have organized the Motion Picture Industry Council to facilitate having all those in the industry find areas of common agreement so that they may achieve their objectives with dignity.

The purposes of the Motion Picture Industry Council are three-fold. Those in the Council propose to study and solve any problem which is related to the industry; to promote harmonious relations among all the groups which are a part of Hollywood; to promote understanding of the motion picture industry by the public. The Council is not concerned with

77 Herein to be referred to as MPIC.

78 The Preamble to the Original MPIC Charter, 1, printed by and made obtainable by MPIC.
collective bargaining provisions such as wages and hours. 79

The Council has representation from every segment of the motion picture industry—workers, actors, directors, and the like. These people realize that they have common problems which can be solved by common effort and that such solutions will bring about a better situation for all persons in the industry.

Organizations which are represented on the Motion Picture Industry Council include the Association of Motion Picture Producers, Hollywood A.F.L. Film Council, the Independent Motion Picture Producers Association, the Independent Office Workers, the Screen Actors' Guild, the Screen Producers' Guild, the Screen Story Analysts' Guild, the Screen Writers' Guild, the Society of Independent Motion Picture Producers, the Society of Motion Picture Art Directors, and the Unit Production Managers' Guild. Each one of these organizations has a representative who serves on the Executive Committee of MPIC. 80 Management, talent, and labor alike are represented on the Council.

The Motion Picture Industry Council, composed of the

79 Ibid., 2.

80 Letter to the writer from Art Arthur, Executive Secretary of MPIC, July 14, 1953.
principal organizations in the studios, was founded in February 1948. After preliminary plans were made, MPIC established its office in March 1949 with seven organizations participating. By 1950 it had eleven member organizations. All actions of the Council are subject to common consent. At first the efforts of the Council were an unusual experiment in industry relations; but as time went on, their endeavors became more than an experiment. Now MPIC has a record of past performance which promises in the future steadily-increasing contributions to the progress, strength and unity of the industry.

The activities of MPIC to secure the betterment of the movie industry have been numerous and well organized. Certain elements which would be harmful to the movie industry and to the public at large have been systematically attacked and, in some instances, rooted out through the efforts of MPIC. To gain further insight into the purposes of MPIC, some of these activities deserve further discussion.

Early projects of MPIC in 1949 included a clean-up drive and a program to aid new-comers to the field. MPIC


82 Art Arthur, "The Motion Picture Industry Council of Hollywood, 1950," from the Film Daily Year Book of Motion Pictures, 1951, from a reprint obtained from MPIC.
cooperated with local authorities to help enforce laws that would rid Hollywood of its "scum fringe" of petty racketeers. During the same period they were giving attention to young newcomers and recommending that they be instructed rigidly on matters of personal conduct so that they would conduct themselves properly and not bring an unsavory reputation upon the movie industry through foolhardiness.

In February 1950 MPIC invited city and state authorities and business leaders to a meeting to plan a program to drive out of Los Angeles a spreading talent racket which was victimizing thousands of honest people. A group of racketeering firms, pretending to be operators of legitimate film and television production companies but in actuality having no connection with either industry, were taking between $5,000 and $20,000 a week from gullible people of Los Angeles. MPIC also selected a committee to carry on a drive to eliminate talent rackets from Los Angeles. Eventually the ringleaders of the talent racket were jailed.

Three other activities of MPIC during 1950 may be


84 Release from both MPIC and the Screen Actors Guild, February 7, 1950, a printed sheet obtained from MPIC.

noted here. First, there was special emphasis upon working with the government in defense efforts in such things as preparing Voice of America films and producing other State Department films and films to be used in Armed Forces training and orientation programs. Second, MPIC supplied data for exhibitors related to local problems affecting industry public relations. An example is the situation in which a Miami newspaper had printed an editorial stating that Hollywood had produced very few anti-Communist films. An exhibitor called this to the attention of MPIC whereupon a complete list of anti-Communist films was sent along with other pertinent information, thus giving an effective rebuttal. Third, MPIC worked with the industry's international representatives in other countries and with UN, UNESCO and State Department officials to build up a better knowledge of the effect of American motion pictures abroad. 86

During 1951 the activities of MPIC were similar in nature to those of 1950, though they were on a much larger scale and included some new areas of activity. One outstanding contribution was its fight against Communism in the motion picture industry. The organisation pledged its support to the House Committee on Un-American Activities and declared the

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86 Ibid., 3-4.
willingness of the industry to cooperate in any program that
would remove Communism from Hollywood.87

From the above account, it is possible to discern
how MPIC operates and fulfills its proper functions. It is an
organization with a serious intent whose principal focus seems
to be the promotion of a sound public relations program to
inform the public of the good which the industry is accomplishing
and to correct any errors in interpretation of what the
movie industry actually is. Positive work is done in relation
to government projects, army training programs and the like.

MPIC supports COMPO, the Council of Motion Picture
Organizations, a more extensive organization of which it is
only one member. COMPO is a joint production-distribution-
exhibition organization. It is industry-wide, whereas, MPIC
includes production only. COMPO carries on a nation-wide
public relations program. One of its outstanding features is
an extensive library which serves as a source of facts to aid
in its public relations program.88

In conclusion, it appears that MPIC works from the

87 Art Arthur, "The Motion Picture Industry Council
of Hollywood, 1951," from the Film Daily Year Book of Motion
Pictures, 1952, from a reprint obtained from MPIC.

88 Art Arthur, "The Motion Picture Industry Council
of Hollywood, 1950," from the Film Daily Year Book of Motion
Pictures, 1951.
simple idea that any problem in the industry is a matter of concern for all members of the industry. It was founded to protect the good name of Hollywood, but it concerns itself with other problems, too. 89

In general, the Motion Picture Industry Council is compatible with the definition of an approximation to the Industry Council Plan as was set forth earlier. It unites both labor and management in a specific industry, or portion thereof, to solve the problems of that industry. It works to bring about the common good of all those in the production field in the motion picture business; and, certainly, it promotes the common good of our country in that it strives to eliminate harmful elements—such as talent racketers, communists, etc.—which may seek to intrude upon the industry.

In many respects, then, MPIC meets the criteria set to define approximations to an Industry Council. It is an approximation, the composition of which suggests the type of organization proposed in Reconstructing the Social Order. Other than that, MPIC does not have features which are similar to those given as requisites for Industry Councils as defined by authorities who have written about the means of making

89 Eric Johnston, writing Victor Riesel's Column, Los Angeles Daily News, July 14, 1950, taken from a reprint obtained from MPIC.
Industry Councils a reality.

MPIC, therefore, is an approximation. This is all that can be said for it. Yet this cannot be ignored; it does unite all those in a portion of an industry for common purposes—to solve the problems of that industry. It has a public relations program to create good will. It works cooperatively with government agencies for practical purposes. It cleans house when undesirable elements are found within its ranks. It corrects misunderstandings when the industry is presented in a bad light. It supplies truthful information for those seeking such data. It works actively to promote COMPO—a larger organization which is nation-wide and embraces the over-all scope of the movie industry (i.e., production, distribution, exhibition factors).

In a sense the MPIC-COMPO combination resembles slightly the hierarchical arrangement proposed for the Industry Council System. COMPO includes all elements of the industry while MPIC represents just one area of the industry. This must not be overstated, however, for the representation of labor in COMPO is non-existent except to the degree that unionized groups are a part of MPIC which is a part of COMPO.

Although MPIC is only an approximation, it serves to unify the people in an industry and it does work vital to the continuation of that industry. Other than that, it bears only a remote resemblance to the Industry Council program.
I. The Federation For Railway Progress

A ninth approximation to the Industry Council Plan is the Federation For Railway Progress. It was founded by Mr. Robert R. Young February 24, 1947 and is a non-profit unincorporated organization with headquarters in Washington, D. C. Those eligible for membership in FRP include "any member of the traveling public, any railroad security holder, railroad employee, railroad labor union, railroad shipper, railroad, or other person, institution or organization interested in progressive development of railroads." Within the organization there is a Public Advisory Committee, an Executive Council and a Shippers Advisory Committee.

The goals of FRP for the Public include better treatment, passenger service, equipment, railroad stations, schedules, and ticket-selling techniques. For Shippers FRP plans to obtain shorter terminal delays, better freight equipment, faster freight schedules, various kinds of complementary service to coordinate railroads with highways, greater reductions in loss and damage claims. For Employees FRP goals

90 Hereinafter to be referred to as FRP.
91 Railway Progress, June, 1953, 42.
92 Ibid., citing Article III of the Constitution of FRP.
93 Railway Progress, June, 1953, 43.
include stock option plans, better worker-management relations, a higher rate of return for the industry, constructive benefits to workers in return for workers' elimination of certain work rules, better training programs. FRP goals for Railway Security Holders include higher returns, better representation in Washington, fostering of stockholder Control of management, and removal of voting trusts. For Railroads goals of FRP include better relations with the public, fostering of passenger travel by introduction of new concepts of travel, termination of government subsidies for all forms of transportation, freeing of railroads from regulations on rates, introduction of scientific management practices, cessation of featherbedding wherever it appears, attracting and training well-qualified future managers.\(^{94}\)

FRP gives a voice to labor, stockholders, and travelers. Unlike some other organizations of its kind, it refuses to lobby for non-competitive practices.\(^{95}\)

The activities of FRP are in keeping with the purposes and goals of the organization. In 1952 ten New Year's

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\(^{94}\) **FRP, A Share in Railway Progress is A Share in America's Future**, a leaflet printed by FRP and obtained from them.

\(^{95}\) Transcript of Mr. Robert A. Young's Press Conference, February 24, 1947, 4, from a reprint obtained from FRP.
Resolutions were made to improve conditions in the industry. These Resolutions dealt with obvious faults which easily could be remedied.96

Suggestions made in 1952 for modernization of the railway industry by the founder of FRP, Robert R. Young, could be a great boost to the railway industry. He proposed a Central Reservation Bureau to eliminate the ticket window so that reservations may be made by telephone and space paid for on the train. He spoke of the obsolescence of railway equipment and told how an improved kind of train would be beneficial. Since 1830 when the first trains were built, the height of the floor of railway cars has been four feet, three inches from the rail because that was the height of the freight platform which received the first bale of cotton ever shipped. Mr. Young said that such cars are too heavy, three times as heavy as they should be. He recommends use of what is called "Train X" which is two and one half feet lower at the floor and three feet lower at the roof and was designed by engineers to give twice as smooth and safe a ride at half of the operating cost of contemporary equipment. Station platforms would have to be altered to accommodate such trains, but the inconvenience such

96 Robert R. Young, New Railroads For All, an address given at the Fifth Anniversary Dinner of the Federation For Railway Progress, New York City, March 20, 1952, p.
changes would cause is small in comparison to the benefits which would be derived. 97

Recommendations were made by Mr. Young for future projects. These included: an Industry Proving Ground for research staffed by experts who would improve, standardize and introduce competition into the purchase of all railway supplies; a Railroad Unification Conference staffed by experts to plan for legal consolidation of railroads into several great systems; a National Labor-Management Conference to prevent possible eventual State Control of Railways, to put railway labor at top wages-hours levels; and to obtain shorter weeks and longer vacations for labor as efficiency increases. 98

FRP publishes a monthly magazine called Railway Progress. This periodical prints news of interest to those who are interested in railroads, and it tells of the work being done by FRP.

In summary, then, the Federation For Railway Progress is an approximation to the Industry Council Plan. It is less like an Industry Council than any of the other organizations included in this study, however. It is basically an organization which promotes the interests of management in the railroad

97 Ibid., 1-3.
98 Ibid., 10-12.
industry. It has as members those who are in labor and those
who are public individuals, and these participate not as
representatives of labor or of the public, but rather they
simply belong to the organization as individuals who coinci-
dentially are members of labor organizations or happen to be
public persons. Union officials are not represented in FRP.
For this reason there was some hesitancy on the part of the
writer to include this organization as an approximation to
the Industry Council Plan. However, some mention may be made,
since in an extremely remote way FRP does resemble the Industry
Councils. To make this clear, it is necessary to qualify
FRP and its relationship to Industry Councils in every way,
with complete reservation, then, FRP is included as an
"approximation."

FRP is an organized effort which includes persons
who are themselves laborers, managers, or public persons. They
represent a portion of an industry, and they do contribute
to the common good of the industry. In some small way, also,
they may contribute to the good of the country. All of their
purposes, however, may not be for the common good of the
country, even though in part the improvement of the industry
may do something which will benefit the country and the common
good of this country.

Some functions of FRP conform to those proposed
as proper for Industry Councils. The functions include economic planning for the industry, consideration of markets and expansion of business, consideration of wages, hours and working conditions. Wages, hours and working conditions are not fixed by FRP, but the organization does make recommendations in regard to them.

J. The National Planning Association

To this point this study has discussed one kind of approximation and has given nine examples of organizations which are approximations in that particular sense. Earlier mention was made of a second kind of approximation that is interoccupational in scope. This second kind of approximation is the following: an organizational effort on the part of persons engaged in different kinds of occupations—professions, labor, business, and agriculture—on a local, regional, national or international level for purposes of united action toward the solution of economic problems as a whole and the promotion of both the common good of our nation and the common good of the occupations whose representatives comprise the council. There is not such an approximation as this in existence today. There is, however, one organization which is something like it. This organization is the National Planning Association; see Appendix I.
CHAPTER IV

SUMMARY AND CONCLUSIONS

This study has discussed the meaning of the Industry Council Plan in regard to its origin and in regard to the form which seems best for its utilization in the United States. Its implications and possible ramifications have been enumerated. A survey of the literature reported on how approximations have been described in other studies, and the writer then defined approximation in the sense that it would be used in the present study. Next, nine approximations to the Industry Council Plan in existence in the United States were discussed in the light of this definition and any other ways in which they resemble the proposed Industry Councils.

A second definition of an approximation was given, also. There is, however, no organization that complies with this alternate definition.

Nine organizations meet with the first definition of an approximation to an Industry Council. These organizations are:
The Committee of Twelve of the Anthracite Coal Industry
The Council on Industrial Relations in the Electrical Industry
The Industrial Relations Council of the Plumbing and Pipe Fitting Industry
The National Coat and Suit Industry Recovery Board
The National Coordinating Committee of the Beverage Industry
The Millinery Stabilization Commission
The New York City Trucking Authority
The Motion Picture Industry Council
The Federation For Railway Progress

They are considered to be approximations because they are councils on a local, regional, or national level which unite labor and management for purposes of solving the problems in the respective industry; and because thereby they contribute to the common good of the industry directly, and, indirectly at least, they contribute to the common good of the country.

In addition to fitting our definition of an approximation, these organizations were found to be like Industry Councils in other ways. Principally, the functions of all but one of them were found to correspond at least in part to functions proposed as proper for Industry Councils in this country. The Motion Picture Industry Council does not specifically provide for any of the functions which authorities proposed for a function appropriate for an Industry Council, but this need not exclude it completely since it is an approximation in the limited sense defined.

Each of the eight organizations that perform functions corresponding to those proposed for Industry Councils
carry on only one or several of these functions but not all functions which could be performed by Industry Councils. Therefore each of these organizations could be performing the other functions, also.

In structure, some of the approximations are similar to the proposed Industry Councils. Several of them have organizational activities on more than one level, such as would exist in an actual Industry Council System. The National Coat and Suit Industry Recovery Board has regional boards as well as a national board. The Motion Picture Industry Council works as a part of the Council on Motion Picture Organizations; the former represents a part of the industry, and the latter the entire industry of motion pictures.

Some of the organizations which have been described have had not only labor and management representation but also have included public representation. The Millinery Stabilization Commission has as Commissioners three disinterested parties who work in conjunction with the representatives of labor and management. The New York City Trucking Authority has an Impartial Chairman appointed by a government official, the Secretary of Labor. These persons who are neither labor nor management give at least a minor voice to the interest of the public and perhaps to some degree help to foster the common good.
In general, the nine organizations which have been described which fit the first definition of an approximation are somewhat like the proposed Industry Councils. There are certain features of the organizations which are like those which have been suggested as either a necessary part of an Industry Council System or at least a possible feature of an Industry Council. The groups are self-governing. This is especially important since Pope Pius XI spoke of the Industries and Professions as self-governing organizations. They are functional in nature. Those who make up the organizations belong to the same industry and therefore perform a like social function. The organizations are self-supporting. Through one means or another they finance their own operation. In all of these ways, then the organizations which were discussed as approximations to the Industry Council Plan comply with features suggested as appropriate for Industry Councils.

What are the limitations of the approximations to the Industry Councils? Why are these approximations only?

This may be answered in several ways. Fundamentally there is not within these organizations the degree of purposiveness, nor of integration, nor of organization that would be necessary for an organization to constitute an actual Industry Council. These points will be examined separately.

The approximations, to comply with the definition of an approximation is of far as purpose is concerned, had to be
working for the solution of the problems in the industry. This is fulfilled. They had to be working for the common good of the industry itself, and this is properly fulfilled. Each of the organizations, without reservation, is working for the common good of the industry in which it exists. The third qualification for an approximation insofar as its purpose is concerned is that it should be working for the common good of the country at least indirectly. The organizations which we described met this required qualification but little more. Herein lies the flaw in these organizations. They only approximate the Industry Council System in this respect, because the common good of the country is not their primary purpose. By contributing to the well being of their own industry, they are helping it to prosper. Through the prosperity of that industry—the country at large will benefit indirectly. Also, these organizations through their various activities contribute to the common good.

Even so, individual activities of these organizations may not necessarily contribute to the common good because the interests of the industry may at times conflict with the common good—perhaps not in the eyes of the industry, but as an objective impartial observer might see it. This is one reason, too, why advocates of the Industry Council Plan believe that there should be public representation on the Industry Councils—
to protect the common good. Or there are other ways of
protecting the common good such as government representation on the Industry Councils.

Not everyone would agree that these organizations are even indirectly for the common good. Some would say that their purposes may in some way be detrimental to the common welfare. They would say that in some ways these organizations may promote the common welfare and in others they may impede the common welfare; or they may simply say that there is no certainty that these organizations are contributing to the common good.

It must be acknowledged here that well-informed persons of authority hold such an opinion. Taking this into consideration, it must be concluded that these organizations do unite persons in the same industry to solve the problems of that industry; that they do promote generally the common good of the industry in which they exist; and that their contribution to the common good of the country is still a matter open for discussion, since it is believed by some persons that organizations working for the good of an individual industry may not be promoting the common good. They may or may not be promoting the common good of the country.

The approximations are limited, too, in that they lack the degree of organization proper for Industry Councils. Within them there is not always democratic representation
whereby all persons in the industry through democratic elections vote for those who will represent their interests on the councils.

There is limited integration because these organizations generally exist on only one level so that their purposes and functions are not made effective throughout the industry. In time this may be overcome, but at present it is a deficiency in the composition of the approximations and accounts for the fact that they are approximations only.

In part, then, these nine organizations are like the proposed Industry Councils. Their strong point is that they unite labor and management to solve mutual problems and therefore they represent a leveling off of class differentiation. By working together labor and management are ignoring class differences which are really unnatural since these parties are performing an unnatural social function.

As a final conclusion, then, it may be said that nine organizations have been described which to a degree approximate the Industry Council Plan. They are true approximations in the sense defined within the frame of reference of this study, but they are not in any way true Industry Councils.

The writer would like to add at this point that these organizations would bear further study, for much more
could be done by way of analysis comparing the organizations with the Industry Council System. It was the purpose of the present study to develop the idea that these are approximations in the hope that later someone else might give a much more intensive analysis in this regard.

Similarly, there are other organizations which are approximations in the sense defined and which are not included in this study. These include an organization in the plastering industry; also, there is another organization in the trucking industry.¹ This study does not pretend to be exhaustive in any sense of the word. The intention of the writer has been to present a representative selection of approximations which are in existence in the industrial world to illustrate in what manner some of the principles embodied in the Industry Council System have become manifested in our present economy.

It has been demonstrated that some organizations in the United States do to a degree resemble Industry Councils. These organizations possess serious limitations; but they are a beginning, a start in the direction toward the development of a real Industry Council System. The contribution of this study has been to point out the relationship between the actual councils as envisioned by Pope Pius XI and those

¹ See Appendix II.
authorities who have described its potentialities for utilization in this nation and actual organizations which are to a degree approximations to the Industry Council Plan.
APPENDIX I

THE NATIONAL PLANNING ASSOCIATION AS AN APPROXIMATION
TO THE INDUSTRY COUNCIL PLAN

An alternate definition of an approximation to the Industry Council Plan is this: it is an organizational effort on the part of persons engaged in different kinds of occupations—professions, labor, business, and agriculture—on a local, regional, national or international level for purposes of united action toward the solution of economic problems as a whole and the promotion of both the common good of our nation and the common good of the occupations whose representatives comprise the council. No such approximation exists; however, the National Planning Association is something like this.

The National Planning Association was founded in 1934 as an independent, nonpolitical, nonprofit organization whose purpose it is to bring together key men from agriculture, business, labor and the professions to combine their experience and foresight in planning workable projects for our country's future. The National Planning Association is independent politically; yet it maintains a close relationship with government authorities. The activities of NPA are conducted through the Board of Trustees composed or representatives from the important groups in the American economy. The Board has both an Executive Committee and a Steering Committee, and these two groups control and direct NPA's program. Through them there have been set up the Business Committee, the Agriculture Committee, the Labor Committee and the Committee on International Policy and also four special Committees— the Committee on the Causes of Industrial Peace under Collective Bargaining, the Committee on Responsible American Business Performance Abroad, the Committee of the South, and the Committee of New England. These committees, with the aid of the headquarters staff, work individually and cooperatively to reach agreement as to policy that is prudent and practicable and in the interest of the

1 Hereinafter referred to as NPA.
NPA is supported by contributions from constituent members, by individual memberships, and by foundations which have given money for special projects. The first and third sources each furnish about 40 per cent of the funds, and the second source provides about 20 per cent of the money used by the organization.

The principles behind NPA are presented in the literature which it distributes, and these deserve rather extensive presentation:

The NPA believes, and has since the beginning, in the integrity and dignity of the individual.

It believes in an enterprising, competitive economic system—with private business, industry, and agriculture operating as the primary means of providing jobs and producing goods and services.

It believes in cooperation of agriculture, business, labor, and the professions in using the ever-greater fund of human understanding and knowledge to increase their common respect, their productivity, their standard of living, and their satisfaction in doing worthwhile work in a skillful way.

It believes in intelligent, constitutional performance by our Government in meeting national and international problems.

It believes in American cooperation with other nations in the organization of peace and mutual economic strength, and in encouraging the freedom and efficiency of other people.

It believes that what the American people want most are Security, Opportunity, Rising Standards of Living, Respect for Human Rights—and the NPA believes that these

2 O and A About Joint Planning by Americans in Agriculture, Business, Labor and the Professions, a leaflet printed by NPA and obtained from them.

3 Ibid.
four objectives can best be obtained through joint planning. These objectives have been stated and the planning accomplished much, especially in the years between 1943 through 1954. During that time NPA published nearly 200 statements, reports, pamphlets, and books on policy matters relating to our country’s future. These materials, based on the authority of a cross-section of responsible American citizens, were addressed to the broad public interest, and they have been widely used. Examples of these are the following:

1943. **Reconversion of Industry to Peace** led to formation of the Office of War Mobilization and Reconversion.

1944. **Fiscal and Monetary Policy** introduced the concept of balanced budget in times of full employment.

1945. **Strengthening the Congress** contained 17 recommendations for the reorganization of Congress, of which 11 have since been adopted.

1946. **National Policy for Aviation** was the forerunner of the Finletter Report, guiding the future of the aircraft industry.

1947. **General Principles and Administration of the Marshall Plan** introduced the concept of the ECA and MSA.

1948. **Can Farmers Afford to Live Better?** gave shape to the idea that farm and city living standards should be equally high.

1949. **Beyond the Marshall Plan** evaluated first year results and urged greater attention to problems of economic unification and long-range development, and greater freedom for enterprise.


1951. **Making Western Europe Defensible** was forerunner of Lisbon action on NATO.

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1952. 

Secretary Policy to Combat Inflation is one of a number of important studies and recommendations issued in 1952.  

Beginning in 1952, NPA has had under way more than twenty important studies which consider the interrelated needs of agriculture, business, labor, of government, and the individual. Some of these projects are entitled:

The Russian Economic Offensive
The Economic Outlook for 1960
National Control of Military Expenditure
Settlement of Labor-management Disputes in National Emergencies
Moral Values of American Leadership
Credit for Farm Development
Population Policy and Economic Development
Comparative Study of American and European Trade Unions
Case Studies of Responsible American Business Performance Abroad
The Evaluation of American Voluntary Foreign Aid

The purposes of three of these studies will be explained further:

Settlement of Labor-Management Disputes in National Emergencies will review experiences in the past and propose improved methods of settling labor-management conflicts adaptable to various types of national welfare and security emergencies.

Moral Values and American Leadership will point up the responsibility of spiritual and ethical leadership concomitant with economic power.

A Comparative Study of American and European Trade Unions will include an examination of how American unions achieve economic benefits for their members within the framework of the free enterprise system while avoiding socialistic goals.

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6 Ibid.

7 The Greater Need for Joint Planning by Americans in Business, Agriculture, Labor and the Professions, a pamphlet printed by and obtained from NPA.
NPA's plans for the future include organizational expansion and educational expansion. NPA plans to organize Regional Committees of the West, the Great Plains, the Middle West, and the Middle Atlantic—so that along with the already existing Committees of the South and of New England the special area-wide problems of our country will get more attention. There will be enlargement of the present Standing Committees where necessary, so that these areas will have fuller representation. Educational expansion of NPA will take form through an increased public informational program in press, radio and the schools. Public opinion should modify NPA recommendations; NPA realizes that the public is the final means of action in our democracy. Also, plans were made for the publication of an unusual periodical called "Looking Ahead" which would report on research in industry, science, education, and other fields.8

This summary covers the purposes and activities of the National Planning Association with no more than a brief indication of its true scope. This should, however, prove ample for present purposes.

The history of NPA may be examined more closely. In 1934 a small group of men met and decided that the government needed counsel. They believed that there should be some kind of federal planning; yet they wanted to avoid socialism. They desired to help government plan a sound smooth-running capitalistic economy that would be beneficial for business, labor, agriculture, and consumers alike.9

Other groups and individuals in the past twenty years have offered advice to Washington. None, however, except NPA have devised a means to make their advice more than usually effective.10

From the beginning the kind of projects sponsored by NPA have always been more or less similar in purpose. One example is the compilation in 1952 of a set of proposals for

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8 Ibid., 4.

9 "Feeding Ideas to the Government's Policy-Makers," Business Week, October 11, 1952, a reprint published by NPA and obtained from them.

10 Ibid.
maintaining full employment in our nation until 1960. This
was done in anticipation of a recession with concurring
unemployment due to the fact that defense production was
nearing its peak. 11

The importance of NPA should not be underestimated.
NPA recommendations are well publicized and they are carefully
scrutinized by businessmen, labor leaders, congressmen, and
bureaucrats. In many instances these recommendations have
been incorporated into our government policy. In recent years
NPA has been instrumental in influencing eleven major changes
in the procedures and organization of Congress; in the passage
of the Employment Act of 1946; and in the creation of the
Council of Economic Advisers; and, finally, in developing
the principles on which the Marshall Plan was administered. 12

Membership in NPA is open to individuals, unions,
corporations and other groups. There is a salaried staff of
sixteen, which includes an economist and a research director.
The Chairman of the Board of Trustees makes administrative
decisions between meetings of the Board. However, neither he
nor the Trustees may alone determine what is to be stated in
a report or study; this is the province rather of the operating
committees in business, labor, and agriculture. These com-
mittees consist of men who are authorities in their fields
and are willing to give considerable time—as much as a month
each year—to NPA duties and activities. These men have
extensive knowledge, discerning judgment, and enough prestige
to command respect outside of the organization itself. 13

A new project may be started by any member and,
if he can get the approval of his committee, the Board of
Trustees will usually approve his project. Sometimes research
for an NPA recommendation is done by one or several committee
members; but if a large project is undertaken, the research
and report-drafting may be left to outside experts who are
paid through donated funds or foundation grants. Such work,
however, is carefully supervised by committee members. When
"Economic Outlook for 1960" was written, the economist Gerhard
Colm, who had been on the Budget Bureau and the Council of

11 Ibid..
12 Ibid..
13 Ibid..
Economic Advisers, did the main portion of the writing. The business committee had to approve it. The sections dealing with farm problems were reviewed by Allen Cline of the American Farm Bureau Federation and James Patton of the National Farmers' union. The report was also sent to George Meany of the AFL and James Carey of the CIO. Thus, in its final form it presented a series of recommendations which could be endorsed alike by labor, business and agricultural interests.14

Another project of NPA of far-reaching implications is the series of studies of corporations which have had highly successful industrial relations programs devoid of strife. This project is entitled the "Causes of Industrial Peace," and its purpose is to study areas in which collective bargaining has been conducted peacefully and to determine the reasons for this commendable success. The studies of twelve companies were begun in 1947, and at present all of them have been completed.

There are voluminous reports and other materials available based on studies made by NPA. It would be impossible here to enumerate more than a small proportion of the projects undertaken and completed by the organization. We have tried to indicate the historical background and development of NPA, its purposes, structure, functions, and generally the kind of projects which make up the major part of its activities.

The National Planning Association is something like an approximation to the Industry Council Plan as defined in the alternate definition. It is an organized effort of those who are in different kinds of occupations—professions, labor, business, and agriculture. These persons do not necessarily act in the name of the organizations of which they are a part. They do not truly represent these organizations as such. NPA does act on a national level for purposes of united action in the solution of economic problems as a whole and the promotion of both the common good of our nation and the common good of those occupations of which they are a part.

Certain functions of the National Planning Association are like those which have been prescribed by authorities in our country as being appropriate for inter-occupational councils within the scheme of an Industry Council System. NPA deals with economic problems which are national.

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14 Ibid.
in scope. It also advises the State on such matters. It has undertaken as one of its tasks the promotion of the common interest of all in maintaining complete and stable employment. It concerns itself with monetary policy, fiscal policy, labor legislation, and collective bargaining—all of which were suggested as areas for an inter-occupational council to concern itself.

In structure, too, there is a resemblance between the National Planning Association and the Industry Council System. NPA operates principally on a national level, but it does have committees which operate on a regional level and, therefore, is like the Industry Council Plan which should operate on several levels—national and regional included.

NPA has certain limitations which should be noted here, for these limitations make it less like an inter-occupational council than would be otherwise. NPA lacks depth of purpose, organization and integration. Its stated purpose is to promote the common good; for in one of its publications it speaks of one of its objectives as "private planning for the common good." However, it doesn not promote the common good in the sense that we might define the common good. NPA tends to glorify the enterprising, competitive economic system without making allowance for the dangers of such a system. For, as Pope Pius XI has said, free competition has resulted in economic dictatorship with concentration of wealth in the hands of a few. So, although NPA states that it is for the common good, it may not be furthering the real common good in all respects since it is fostering that which in its present form is not contributing to the common welfare of the United States.

In organization, also, NPA is somewhat lacking. For an organization to qualify completely as an intricate part of an actual Industry Council System, there would first have to be councils in each industry, in each profession and in agriculture, and then each of these councils would have to

15 Joint Planning by Americans in Agriculture, Business, Labor and Professions at NPA's 1951 Annual Meeting, "", a pamphlet published by NPA and obtained from them.

send representatives to the inter-occupational councils which, in turn, would deal with economic problems of concern to all these groups and of the entire nation. Since the required degree of organization in each occupation is found wanting, there is no true beginning here for a true Industry Council System.

NPA lacks integration, also. It operates on two levels, but not in the sense that a true inter-occupational council would; for it begins at the national level and works down to the regional level instead of the reverse. In a true Industry Council System there would be local inter-occupational councils, regional inter-occupational councils and a national inter-occupational council each with representatives from the Industry Councils at various levels. NPA has a national inter-occupational council which appoints councils at regional levels, but these are not taken from councils in the various professions, labor, business, and agriculture as such since there really are very few of these other kinds of councils in any sense; and, of course, there is not integration of purpose or organization among the councils in the various industries and the inter-occupational council. Thus there is not true coordination of purpose through a completely organized system of councils.

NPA's purposes are primarily educational. It is not a policy making organization. It suggests but does not make policy. Consequently, it is not an approximation to the Industry Council Plan; it is merely something like an approximation. It has features which resemble those which an inter-occupational council would have as a part of an Industry Council System, but its limitations are such that it is not an approximation even in a limited sense.
APPENDIX II

THE INDEPENDENT ADVISORY COMMITTEE TO THE TRUCKING INDUSTRY

There is an organization in the trucking industry which somewhat resembles in structure and purpose those organizations which are earlier described as approximations to the Industry Council Plan. This organization is the Independent Advisory Committee to the Trucking Industry.1

The members of ACT are: Dave Beck, president of the Teamsters Union; Walter F. Carey, president of the American Trucking Association; Bert Semour; and, Roy Fruehauf. ACT does not consider the problems of labor relations. It is advisory.2

The purposes of ACT are: to improve public understanding; to expand the use of trucks and to develop truck service to the people; to work for improved relationships between the industry and government at all levels; to work for better highways; to promote education and research; and, to combat all threats to constructive competition in the transportation field. The American Trucking Association, the Teamsters Union, and suppliers are working independently for the same purposes. However, the policy of ACT need not affect the policy of the other organizations even though members of these organizations serve as members of ACT. The American Trucking Association, the Teamsters Union, and the suppliers have not in any way lost their independence.3

1 Hereinafter referred to as ACT.


3 Ibid.
ACT is a new organization. Its activities to date have included helping the American Trucking Association get the 50th Anniversary Postage Stamp and in promoting National Truck Transportation Week. 4

Mr. Cole, president of the American Trucking Associations has said that:

The ACT Committee is a new idea, which has the benefit of the thinking of the organized industry, the organized employes and the purveyors. It has demonstrated already that it can be useful. I believe it deserves a fair chance to show what it can do. 5

Act unites the persons who are a part of the trucking industry to solve the problems of the industry. It is something like the approximations described earlier.

4 Ibid.
5 Ibid.
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