

NOTES

ABBREVIATIONS

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

- IUE:** Records of the International Union of Electrical, Radio, and Machine Workers, Special Collections and University Archives, Rutgers University
- JBP:** Papers of Joseph M. Bryan, University Archives and Manuscripts, The University of North Carolina at Greensboro
- JCPL:** Jimmy Carter Presidential Library
- JSP:** Papers of Joseph N. Scanlon, Archives, University of Pittsburgh
- KC:** Kheel Center for Labor-Management Documentation & Archives, Cornell University
- KHC:** Kodak Historical Collection, Department of Rare Books, Special Collections, and Preservation, River Campus Libraries, University of Rochester
- LBP:** Papers of Lemuel R. Boulware, Rare Book & Manuscript Library, University of Pennsylvania
- MFOH:** Marion Folsom Oral History, Columbia Center for Oral History, Columbia University
- MFP:** Papers of Marion B. Folsom, Department of Rare Books, Special Collections, and Preservation, River Campus Libraries, University of Rochester
- MPRF:** Mark Pendergrast Research Files, Manuscript, Archives, and Rare Book Library, Emory University
- PHP:** Papers of Paul G. Hoffman, Harry S. Truman Library
- PRP:** Papers of Philip D. Reed, Hagley Museum and Library
- RBFS:** Rochester Black Freedom Struggle Online Project, Department of Rare Books, Special Collections, and Preservation, River Campus Libraries, University of Rochester
- RGGP:** Papers of Ronald G. Greenwood, Special Collections, Nova Southeastern University
- RHGP:** Papers of Robert H. Guest, Rauner Special Collections Library, Dartmouth College
- RHP:** Papers of Ralph Hayes, Western Reserve Historical Society
- RWP:** Papers of Robert Woodruff, Manuscript, Archives, and Rare Book Library, Emory University
- SA:** Scharchburg Archives, Kettering University
- SMA:** Schenectady (N.Y.) Museum Archives
- TSC:** Technology and Society Collection, Manuscripts and Archives, Yale University Library
- UAW:** United Auto Workers records, Walter P. Reuther Library, Wayne State University
- UE:** United Radio, Electrical and Machine Workers papers, Labor Archives and Research Center, San Francisco State University
- WRP:** Papers of William E. Robinson, Dwight D. Eisenhower Library

PREFACE

- 1 **“Rewire”**: “We Need to ‘Re-Wire’ the Labor Market” by Byron Auguste and Tyra Mariani, *Medium*, updated Nov. 24, 2015. **“Right now”**: “The Big Lie: 5.6% Unemployment” by Jim Clifton, *The Chairman’s Blog*, Gallup, Feb. 3, 2015. The US Department of Labor Statistics reported the 5.5 percent jobless rate for February 2015 on March 6.
- 2 **Would connect**: See “The Wildly Ambitious Future of the Job Search” by Rick Wartzman, *Fortune*, March 19, 2015. **“There are trillions”**: “The Untapped \$140 Trillion Innovation for Jobs Market” by David Nordfors, *TechCrunch*, Feb. 21, 2015.
- 2 **Far too much**: To fans of Uber, the company provides freedom and flexibility suited to today’s economy, a readily available source of work for people looking to supplement their other income, a potential huge social good by pulling cars out of congested and smog-filled urban areas, and a service that customers love. To critics of the company, it is accelerating a trend toward jobs that are poor paying, unpredictable, and insecure. See “Is Uber Good or Bad for Society? The Debate Continues” by Michael Hiltzik, *Los Angeles Times*, Nov. 13, 2015; “Uber’s Business Model Could Change Your Work,” *New York Times*, Jan. 28, 2015; “Can Ride Apps Really Solve America’s Traffic Woes?,” *Time*, April 25, 2016; “In the Sharing Economy, No One’s an Employee” by Gillian B. White, *The Atlantic*, June 8, 2015; “Who Is Your Uber Driver (and What Does He Want?),” *Wall Street Journal*, May 20, 2015; “Uber-nomics: Here’s What It Would Cost Uber to Pay Its Drivers as Employees,” *Fortune*, Sept. 17, 2015. **Pay well**: “Uber Data and Leaked Docs Provide a Look at How Much Uber Drivers Make,” BuzzFeed, June 22, 2016. The BuzzFeed story says that company data suggests drivers overall in three major US markets—Denver, Detroit, and Houston—earned less than \$13.25 an hour after expenses in late 2015. Also see “Uber to Pay \$20 Million to Settle Claims It Misled Drivers,” Reuters, Jan. 19, 2017. **Loyalty from**: In 2016, Uber did recognize a new worker association in New York through which drivers could receive a range of portable benefits and protections. See “Uber’s Major Step Forward for Workers” by Natalie Foster, CNN.com, May 25, 2016. **Accounts for**: “The Rise and Nature of Alternative Work Arrangements in the United States, 1995–2015” by Lawrence F. Katz and Alan B. Krueger, March 29, 2016. Also see “Uber Is Not the Future of Work” by Lawrence Mishel, *The Atlantic*, Nov. 16, 2015. For an analysis of how the platform economy may be more, not less, important, see Davis, *The Vanishing American Corporation*, 172–179.
- 2 **“The precariat”**: See “In the Sharing Economy, Workers Find Both Freedom and Uncertainty,” *New York Times*, Aug. 16, 2014. Standing’s

- book, *The Precariat: The New Dangerous Class*, was published in 2011. **“Archie Bunker vote”:** McCrohan, *Archie & Edith, Mike & Gloria*, 189–191.
- 3 **10 percent:** “Wage Stagnation in Nine Charts” by Lawrence Mishel, Elise Gould, and Josh Bivens, Economic Policy Institute, Jan. 6, 2015. Data are for compensation (wages and benefits) of private production and nonsupervisory workers from 1973–2013. The 90 percent figure covers the same group from 1948–1973. Carrying the data through 2015, the increase in compensation goes to 11 percent. See “The Productivity–Pay Gap,” Economic Policy Institute, updated Aug. 2016. Also see “Politics In Real Life: What Wage Stagnation Looks Like For Many Americans,” “Morning Edition,” National Public Radio, May 5, 2016; “For Most Workers, Real Wages Have Barely Budged for Decades” by Drew DeSilver, Pew Research Center, Oct. 9, 2014. For a different analysis, see “Wage and Salary Growth in the United States: Average Americans Made Steady Progress for Two Generations, Until the Last Decade” by Robert J. Shapiro, NDN, Oct. 2012.
 - 3 **Earns less:** “Few Rewards: An Agenda to Give America’s Working Poor a Raise,” Oxfam America and Economic Policy Institute, June 22, 2016. **Make enough:** This is according to Harvard economist Larry Katz. See “Sizing Up Hillary Clinton’s Plans to Help the Middle Class” by Eduardo Porter, *New York Times*, July 14, 2015. Also see “The Hidden Lives of America’s Poor and Middle Class,” *Stanford Social Innovation Review*, Jan. 5, 2016. **Stopped looking:** The figure was 12 percent as of June 2016. See “The Long-Term Decline in Prime-Age Male Labor Force Participation,” White House Council of Economic Advisers, June 2016; “The Missing Men” by Derek Thompson, *The Atlantic*, June 27, 2016; “The U.S. Labor Force’s Guy Problem: Lots of Men Don’t Have a Job and Aren’t Looking for One,” *Los Angeles Times*, Nov. 21, 2016.
 - 3 **To retire on:** “An Aging Society Changes the Story on Poverty for Retirees” by Eduardo Porter, *New York Times*, Dec. 22, 2015; “Pension Participation, Wealth, and Income: 1992–2010” by Alicia H. Munnell, Wenliang Hou, Anthony Webb, and Yinji Li, Center for Retirement Research at Boston College, July 2016; Reich, *Saving Capitalism*, 126; “The Champions of the 401(k) Lament the Revolution They Started,” *Wall Street Journal*, Jan. 2, 2017. “The Biggest Reason Workers Don’t Save for Retirement,” *Wall Street Journal*, Sept. 29, 2015; “Our Ridiculous Approach to Retirement” by Teresa Ghilarducci, *New York Times*, July 22, 2012; “Who Killed the Private Sector DB Plan?” by Ilana Boivie, National Institute on Retirement Security, March 2011. **Push more:** “2016 Employer Health Benefits Survey,” Henry J. Kaiser Family Foundation, Sept. 14, 2016; “How Companies Are Quietly Changing Your Health

Plan to Make You Pay More,” *Washington Post*, Sept. 14, 2016; “Employers Push Costs for Health on Workers,” *New York Times*, Sept. 2, 2010; Hacker, *The Great Risk Shift*, 13–14, 137–143. Also see “The Slowdown in Employer Insurance Cost Growth: Why Many Workers Still Feel the Pinch” by Sara R. Collins, David Radley, Munira Z. Gunja, and Sophie Beutel, Commonwealth Fund, Oct. 26, 2016. Notably, even after the passage of the Affordable Care Act, a majority of nonelderly Americans still receive their health coverage through an employer-based plan. See “Repealing Obamacare Is Just a Diversion of This Bigger Healthcare Crisis” by Rick Wartzman, *Fortune*, Feb. 10, 2017.

- 3 **Unequivocally good news:** Well, maybe not to everyone. See “Census Report of Big Jump in Income Is a Little Too Good to Be True” by Gary Burtless, Brookings Institution, Sept. 16, 2016. **Median household income:** “Range of Evidence Shows Clear Gains for Middle Class,” *New York Times*, Sept. 14, 2016. **4 percent below:** “The Bad News Is the Good News Could Be Better” by Eduardo Porter, *New York Times*, Sept. 14, 2016. **Even after:** “My Comments on CBPP’s Census Data Press Call Today” by Jared Bernstein, *On the Economy*, Sept. 13, 2016.
- 3 **Corporate profits:** After peaking in late 2014, corporate earnings declined through the second half of 2015 and 2016. But they remained at a historically high level. See “US Economic Indicators: Corporate Profits in GDP,” Yardeni Research, Sept. 21, 2016. **Not been distributed:** “The U.S. Economy Is Doing Only Half Its Job” by Jan W. Rivkin, *Harvard Business Review*, Dec. 17, 2015; “The Mystery of the Vanishing Pay Raise” by Steven Greenhouse, *New York Times*, Oct. 31, 2015; “Corporate Profits Grow and Wages Slide” by Floyd Norris, *New York Times*, April 4, 2014; “Bash Brothers: How Globalization and Technology Teamed Up to Crush Middle-Class Workers” by Derek Thompson, *The Atlantic*, Aug. 13, 2013; “Corporate Profits Are Eating the Economy” by Derek Thompson, *The Atlantic*, March 4, 2013; Reich, *Saving Capitalism*, 83–85. **Like it was:** In 1970, the bottom 99 percent of workers claimed 77 percent of corporate income. By 2010, that had fallen to 67 percent. (Data provided to the author by Josh Bivens of the Economic Policy Institute.) Also see “Rising Corporate Concentration, Declining Trade Union Power, and the Growing Income Gap: American Prosperity in Historical Perspective” by Jordan Brennan, Levy Economics Institute of Bard College, March 2016; “What Do We Know About the Labor Share and the Profit Share?” by Olivier Giovannoni, Levy Economics Institute of Bard College, Working Paper No. 805, May 2014. **Who’ve reaped:** “Profits Without Prosperity” by William Lazonick, *Harvard Business Review*, Sept. 2014; “Stock Buybacks: From Retain-and-Reinvest to Downsize-and-Distribute” by William Lazonick, Center

for Effective Public Management at Brookings, April 2015; “As Stock Buybacks Reach Historic Levels, Signs That Corporate America Is Undermining Itself,” Reuters, Nov. 16, 2015; “Yes, Short-Termism Really Is a Problem” by Roger Martin, *Harvard Business Review*, Oct. 9, 2015; Reich, *Saving Capitalism*, 100–103. For a counterview, see “Are Share Buybacks Jeopardizing Future Growth?” by Tim Koller, McKinsey & Co., Oct. 2015. **Very high end:** From 1979–2012, the top 1 percent saw their real annual wages go up 154 percent. The bottom 90 percent saw an increase over that span of 17 percent. See “Why America’s Workers Need Faster Wage Growth—and What We Can Do About It” by Elise Gould, Economic Policy Institute, Briefing Paper No. 382, Aug. 27, 2014. Also see “Distributional National Accounts: Methods and Estimates for the United States” by Thomas Piketty, Emmanuel Saez, and Gabriel Zucman, National Bureau of Economic Research, Working Paper No. 22945, Dec. 2016. They find that “even after taxes and transfers, there has been close to zero growth for working-age adults in the bottom 50 percent” of the income ladder since the 1970s. **Can’t count on:** “Big Mac Test Shows Job Market Is Not Working to Distribute Wealth” by Eduardo Poerter, *New York Times*, April 21, 2015; Reich, *Saving Capitalism*, 133–138.

- 3–4 **“Since feudalism”:** Geoghegan, *Only One Thing Can Save Us*, 23. An important caveat to concerns about inequality is that economic standards of living have still improved over time. Among children born in the 1970s and 1980s, 84 percent had higher incomes (even after adjusting for inflation) than their parents did at a similar age. See “Social Mobility: A Promise That Could Still Be Kept” by Richard V. Reeves and Isabel Sawhill, Brookings Institution, July 29, 2016.
- 4 **Officially announce:** Trump declared in June 2015, Sanders in May, and Hillary Clinton in April. **Find its expression:** See “In Places With Fraying Social Fabric, a Political Backlash Rises,” *Wall Street Journal*, Sept. 15, 2016; “Hillary Clinton and the Populist Revolt” by George Packer, *New Yorker*, Oct. 31, 2016; “Why Are Politicians So Obsessed With Manufacturing?” by Binyamin Appelbaum, *New York Times*, Oct. 4, 2016; “The Two Americas Behind Donald Trump and Bernie Sanders” by Mike Barnicle, *Daily Beast*, March 6, 2016; “Trump’s America” by Charles Murray, *Wall Street Journal*, Feb. 12, 2016; “In ‘Brexit’ and Trump, a Populist Farewell to Laissez-Faire Capitalism” by Eduardo Porter, *New York Times*, June 28, 2016. **“Forgotten men”:** Text of Donald Trump’s victory speech, CNN, Nov. 9, 2016. **“I want him”:** “White, Working-Class and Angry: Ohio’s Left-Behind Help Trump to Stunning Win,” *The Guardian*, Nov. 9, 2016. Also see “How Trump Won: The Democratic Party’s Abandonment of the Working Class Cleared the Space for Trump” by Jedediah Purdy, *Jacobin*, Nov. 11, 2016; “How

the Obama Coalition Crumbled, Leaving an Opening for Trump,” *New York Times*, Dec. 23, 2016; “What So Many People Don’t Get About the U.S. Working Class” by Joan C. Williams, *Harvard Business Review*, Nov. 10, 2016; “How Corporate America Led Donald Trump to Victory” by Rick Wartzman, *Fortune*, Nov. 10, 2016. As clear as the working-class storyline has been to many of those analyzing Trump’s victory, the issue is undeniably complicated. Myriad other factors, including race and culture, also played a major part. On this, see “Everything Mattered: Lessons From 2016’s Bizarre Presidential Election” by David Roberts, *Vox*, Nov. 30, 2016. Also see “The Dangerous Myth That Hillary Clinton Ignored the Working Class” by Derek Thompson, *The Atlantic*, Dec. 5, 2016.

- 4 **“The pretense”:** “Why Good News/Bad News For the Middle Class?” by Hedrick Smith, *Reclaim the American Dream* blog, Sept. 15, 2016. This is not at all to say that the private sector is disconnected from politics. Indeed, in the eyes of many political scientists, the business lobby has tilted the rules of Washington heavily in its favor and against the interests of the middle class and working class. See Hacker and Pierson, *Winner-Take-All Politics*, 41–72; 289–306; Reich, *Saving Capitalism*, 168–202; Hacker, *The Divided Welfare State*, 8; “Why Politics Is Failing America” by Katherine M. Gehl and Michael E. Porter, *Fortune*, March 9, 2017.
- 4–5 **Gas had been:** “How Minimum Wage Lost Its Status As a Tool of Social Progress in the U.S.” by Rick Wartzman, *Wall Street Journal*, July 19, 2001. **Little to do:** See “Here’s Who Gets Left Behind Corporate America’s Quest to Do Good” by Rick Wartzman, *Fortune*, Oct. 27, 2016.
- 5 **Ten or twelve:** As noted in “Pension Plans—Private or Public?” by William Haber, *Michigan Business Review*, May 1950; “Job Turnover, Wage Rates, and Marital Stability: How Are They Related?” by Avner Ahituv and Robert Lerman, Urban Institute, Nov. 2004. Most of this turnover occurred when people were early on in their careers. Importantly, Heckscher (*White-Collar Blues*, 24) notes that “at least through the 1970s, half of the men in the U.S. workforce ended in jobs that effectively offered lifetime security.” Also see “Employee Tenure Trends, 1983–2014” by Craig Copeland, ebri.org Notes, Employee Benefit Research Institute, Feb. 2015. **Positive feature:** Recently, economists have become concerned that younger workers are, in fact, not switching jobs enough—a sign of a lack of dynamism in the US labor market compared with thirty or forty years ago. See “Understanding Declining Fluidity in the U.S. Labor Market” by Raven Molloy, Christopher L. Smith, Riccardo Trezzi, and Abigail Wozniak, Brookings Papers on Economic Activity, BPEA Conference Draft, March 10–11, 2016;

- “Job-to-Job Transitions in an Evolving Labor Market” by Canyon Bosler and Nicolas Petrosky-Nadeau, FRBSF Economic Letter, Federal Reserve Bank of San Francisco, Nov. 14, 2016.
- 5 **Job security:** Hacker, *The Great Risk Shift*, 61–85; Gosselin, *High Wire*, 109–140; Uchitelle, *The Disposable American*, 212; “Employment Stability in the U.S. Labor Market: Rhetoric Versus Reality” by Matissa Hollister, *Annual Review of Sociology*, 2011; “Job Loss and the Fraying of the Implicit Employment Contract” by Kevin F. Hallock, *Journal of Economic Perspectives*, Vol. 23, No. 4, Fall 2009; Henry Farber’s essay “Job Loss and the Decline in Job Security in the United States” in Abraham, Spletzer, and Harper, *Labor in the New Economy*, 223–262. Farber’s analysis found that job tenure and the incidence of long-term employment declined sharply in the US private sector between the 1970s and 2008. In contrast, however, job tenure and the incidence of long-term employment increased in the public sector over the same period. Looking at a shorter timeframe, some say that job security has actually increased since the 1990s. See “The U.S. Labor Market Is Far More Stable Than People Think” by J. John Wu and Robert D. Atkinson, Information Technology & Innovation Foundation, June 2016.
- Tremendously volatile:** Hacker, *The Great Risk Shift*, 27–33; Gosselin, 79–108; “Paychecks, Paydays, and the Online Platform Economy: Big Data on Income Volatility,” JPMorgan Chase Institute, Feb. 2016.
- 6 **Slow economic growth:** See especially Gordon, *The Rise and Fall of American Growth*, 566–639. Also see “The Great Productivity Puzzle” by John Cassidy, *New Yorker*, Aug. 10, 2016; “We’re in a Low-Growth World. How Did We Get Here?” by Neil Irwin, *New York Times*, Aug. 6, 2016. **Next boom:** Brynjolfsson and McAfee, *The Second Machine Age*, 40–124. Also see “Silicon Valley Doesn’t Believe U.S. Productivity Is Down,” *Wall Street Journal*, July 16, 2015. **Left with nothing:** Ford, *Rise of the Robots*, 1–128; “Jobs Threatened by Machines: A Once ‘Stupid’ Concern Gains Respect” by Eduardo Porter, *New York Times*, June 7, 2016; “A World Without Work” by Derek Thompson, *The Atlantic*, July/Aug. 2015. “The Future of Employment; How Susceptible Are Jobs to Computerisation?” by Carl Benedikt Frey and Michael A. Osborne, Working Paper, Oxford Martin School, Sept. 17, 2013; “Silicon Valley Is Right—Our Jobs Are Already Disappearing” by Andrew Yang, *Quartz*, Feb. 1, 2017. **New avenues:** “25 Million New Jobs Coming to America, Thanks to Technology” by Rick Wartzman, *Fortune*, Jan. 15, 2016. Also see Bessen, *Learning by Doing*, 101–134; “Why Are There Still So Many Jobs? The History and Future of Workplace Automation” by David H. Autor, *Journal of Economic Perspectives*, Vol. 29, No. 3, Summer 2015.
- 6 **To be realized:** In October 2016, wages rose 2.8 percent from a year earlier, the fastest growth since 2009. See “The Economic Recovery

Is Finally Bringing Pay Raises,” *FiveThirtyEight*, Nov. 4, 2016; “Wage Growth Is Galloping Higher at Its Fastest Pace in Nearly Eight Years,” Bloomberg, Nov. 15, 2016. **“Failed to generate”**: Bernstein, *The Reconnection Agenda*, 50. **70 percent**: “The Real Reason Your Paycheck Is Not Good Enough” by Rick Wartzman, *Fortune*, Aug. 24, 2016; Bernstein, *The Reconnection Agenda*, 44.

- 7 **Policy prescriptions**: “The Real Reason Your Paycheck Is Not Good Enough” by Rick Wartzman, *Fortune*, Aug. 24, 2016. For the full list, see Bernstein, *The Reconnection Agenda*, 330–334.

CHAPTER 1

- II **“Decisive aerial engagement”**: Tucker, *World War II at Sea*, 110. **Mareth Line**: Entries for March 16 and March 20, 1943, at World War II Today (ww2today.com); “Montgomery Drives Forward,” Associated Press dispatch, published in *The Evening Independent* of St. Petersburg, Fla., March 26, 1943; “Fact File: Battle of Mareth Line,” BBC—WW2 People’s War—Timeline. **Krakow ghetto**: Entry for March 13, 1943, at World War II Today (ww2today.com). **Akikaze**: Felton, *Slaughter at Sea*, 87–93.
- II–12 **Nineteen American businessmen**: Minutes of the Industrial Advisory Board of the CED, March 29, 1943, MFP. **Found it unseemly**: For the group’s response to these concerns, see “Plan Postwar Jobs—Now,” CED, 1943, PHP.
- 12 **Tens of billions of dollars**: From June 1940 through September 1944, \$175 billion in prime military contracts were let to more than 18,500 companies, according to Koistinen, *Arsenal of World War II*, 296. **Bread lines**: Walter Reuther invokes this image in “The Challenge of Peace,” *International Postwar Problems*, Volume 2, April 1945. **30 million**: Schriftgiesser, *Business Comes of Age*, 14. **“Sweep the land”**: Schriftgiesser, 14.
- 12 **War Production Board**: Koistinen, 445–497. **National Resources Planning Board**: Regarding the board’s report *After Defense, What?* see Wasem, *Tackling Unemployment*, 22–23; Schriftgiesser, 13. **Senate’s Special Committee**: Schriftgiesser, 48. **Dozens of other**: In 1944, the Twentieth Century Fund’s organizational directory of *Postwar Planning in the United States* listed thirty-three federal agencies, according to Bailey, *Congress Makes a Law*, 10. **United Auto Workers**: “Reuther Challenges ‘Our Fear of Abundance,’” *New York Times Magazine*, Sept. 16, 1945; Lichtenstein, *Walter Reuther*, 220–225. **US Chamber**: Wasem, 139–140; Bailey, 139–143. **National Association of Manufacturers**: Bailey, 132–138; “Second Report of the Postwar Committee of the National Association of Manufacturers,” December 1943, KC. Even Pabst

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

12–13 **“Enlightened capitalism”**: “The CED—A Progress Report,” *Tide* (magazine), Jan. 31, 1947, PHP. Also see Delton, *Racial Integration in Corporate America*, 88–89; Judis, *The Paradox of American Democracy*, 96–98. **Liberal conservatism**: Schriftgiesser, 70. Paul Hoffman wanted the CED to defy political labels, saying, “I think it is very important that we as a group think of ourselves not as ‘right,’ ‘left,’ ‘conservative,’ or ‘radical’ but as ‘responsible’” (CED Board of Trustees meeting minutes, April 18, 1947, MFP). Hoffman is also quoted in Collins, *The Business Response to Keynes*, 85. **“Most dangerous men”**: K. T. Keller, then president of Chrysler Corp., said this of Paul Hoffman, Beardsley Ruml, and Eric Johnston during an address at the Economic Club of Detroit. See Walton, *Business and Social Progress*, 78; Schriftgiesser, 135; Schriftgiesser, 31–32, points out that many of those on the political left also mistrusted the CED. **Chamber or the Manufacturers**: Mizruchi, *The Fracturing of the American Corporate Elite*, 27, 57; Harris, *The Right to Manage*, 108–109; Domhoff and Webber, *Class and Power in the New Deal*, 111–112; Bernstein, *The Turbulent Years*, 663; Phillips-Fein, *Invisible Hands*, 13–15. Most historians see the Chamber as the more moderate of the two organizations through the 1930s and ‘40s—though not as moderate as the CED. **“The common good”**: “The Economics of a Free Society” by William Benton, *Fortune*, Oct. 1944, PHP. Also quoted in Mizruchi, 85. **The Nation ran**: This was Keith Hutchison’s “Everybody’s Business” column for Oct. 27, 1945. Also see Collins, *The Business Response to Keynes*, 84–87.

13 **Big bosses**: Lists of the CED’s leadership can be found in Schriftgiesser, 227–229; Mizruchi, 41. Other executives among the CED’s founders were from Jones & Lamson Machine Co., General Foods, Holland Engraving, American Rolling Mill, George A. Hormel & Co., Brown-Johnston Co., Scott Paper, Champion Paper & Fibre Co., and Quaker Oats. **Other patents**: IEEE Global History Network. **“Bottled horse piss”**: Pendergrast, *For God, Country and Coca-Cola*, 144.

13–14 **“A moral obligation”**: “How to Create a Labor Shortage: An Interview by Boyden Sparks with Charles F. Kettering,” reprinted from the

Saturday Evening Post, May 30, 1936, SA. **"Brains and effort"**: "Stabilization of Employment and Income" by M. B. Folsom, reprinted from *The Conference Board Management Record*, Feb. 1939, KHC. Jacoby (*Modern Manors*, 28) points out that, in addition to Kodak, a number of companies "consciously pursued" stabilization programs, including Columbia Conserve, Hills Brothers, Dennison Manufacturing, and Procter & Gamble. There was, however, an "Achilles' heel of stabilization: its inability to shield workers from cyclical, as opposed to seasonal, instability" ("Employers and the Welfare State: The Role of Marion B. Folsom" by Sanford M. Jacoby, *The Journal of American History*, Vol. 80, No. 2, Sept. 1993). Also see "Planning Annual Employment," proposed remarks before the A.S.M.E. Management Conference by J. F. Teegardin, KHC; "Next Steps Toward Security of Work and Wages," remarks at the University of Michigan Conferences on Industrial Relations, 1947–1948, by J. F. Teegardin, KHC; "Eastman Kodak," undated typescript by A. G. Walker, TSC. **"Furnishing of jobs"**: From an address made on April 2, 1943, before a meeting of Georgia Industries and the Georgia Academy of Science, CC. **"Dynamic logic"**: This is what journalist Frederick Lewis Allen called it in his 1952 book, *The Big Change*. Other business leaders, such as Edward Filene and Henry Dennison, promoted the same idea (Mizruchi, 51). **Five-dollar day**: Brinkley, *Wheels for the World*, 162–163. **"Sell my refrigerators"**: As quoted in Drew Pearson's widely syndicated newspaper column, "The Washington Merry-Go-Round," Nov. 22, 1944.

- 14 **Launched the CED**: Schriftgiesser, 20–29. Also see "Agenda for June 9, 1942 meeting with the Secretary of Commerce," MFP; "Report of Meeting with the Secretary of Commerce," June 9, 1942, CEDA; Board of Trustees meeting minutes, Sept. 11, 1942, CEDA; "Address of Secretary of Commerce Jesse H. Jones to the Conference of the Committee for Economic Development," April 14, 1943, PHP. **Bid to combine**: Schriftgiesser, 6–7; "Speech Before the Citizens Board of the University of Chicago" by William Benton, Oct. 26, 1943, PHP. **"Hatch a hen egg"**: CED Executive Committee meeting minutes, Feb. 8, 1943, MFP. Also quoted in Collins, *The Business Response to Keynes*, 84.
- 14 **Called to order**: Minutes of the Industrial Advisory Board of the CED, March 29, 1943, MFP. **Switchgears**: See Prince's biography at the IEEE Global History Network. Prince's papers can be found at SMA. **GE was widely seen**: Schriftgiesser, 16. Also see "An Approach to Postwar Planning" by GE's R. P. Gustin and S. A. Holme, *Harvard Business Review*, Summer 1942.
- 14 **"Nothing mystic"**: Quoted in "The Most Important Management Problem You May Ever Face . . . Planning and Preparing for Post-War Operation," Fowler Manning & Co., 1943, PHP. **"Denotes**

- totalitarianism**: “American Planning and Civic Annual,” American Planning and Civic Association, 1942.
- 15 **“Develop overproduction”**: March 24, 1943, letter from Prince to Marion Folsom, MFP. **“Take over by default”**: July 12, 1943, letter from Prince to Marion Folsom, MFP. **“The crackpots”**: Aug. 3, 1943, letter from Prince to Paul Hoffman, MFP.
- 15 **Attended by officials**: Minutes of the Industrial Advisory Board of the CED, March 29, 1943, MFP. **1,000 requests**: May 9, 1943, letter from C. Scott Fletcher, the CED’s director of field development, to Marion Folsom, MFP. **“A radical change”**: Lee and Samuels, *The Heterodox Economics of Gardner C. Means*, 333.
- 15 **“Merchant of ideas”**: “American Corporatism: The Committee for Economic Development, 1942–1964” by Robert M. Collins, *The Historian*, Feb. 1, 1982. **Urged managers**: “Planning the Future of Your Business,” Handbook No. 1 for Industry, prepared by Association of Consulting Management Engineers for CED, PHP.
- 16 **Massive field operation**: Figures are from Schriftgiesser, 37, 41. **58 million**: “Postwar: Limited Objective,” *Time*, Sept. 6, 1943. The CED later pulled back slightly, saying that “a satisfactory high level of employment” would be “53 to 56 million civilians at work” (“Toward More Production, More Jobs and More Freedom,” CED, 1945, PHP). For a critical analysis of this target, see Pierson, *Essays on Full Employment*, 79–80. **“Intolerable”**: “Postwar: Limited Objective,” *Time*, Sept. 6, 1943.
- 16 **“Simple-minded man”**: “Postwar: Limited Objective,” *Time*, Sept. 6, 1943. **“Hope you didn’t”**: June 4, 1943, letter from Sloan to Hoffman, MFP.
- 16 **More than peace**: In 1943, a Gallup poll found that, when asked what the country’s greatest problem would be from 1945 to 1949, 58 percent of Americans said “jobs and economic readjustment” and 13 percent said “peace” (Wasem, 39). **“We believe in”**: “Industry’s Plan for Postwar Prosperity,” *Reader’s Digest*, June 1943.
- 17 **Manipulate the levers**: Schriftgiesser, 102, 114, 224.
- 17 **Social legislation**: Harris, 182. Allen (*The Big Change*, 252) suggests that by the mid-1940s, those in the business mainstream were no longer reflexive “Washington-haters.” A similar point is made in Mizruchi, 42–43. **First introduced**: Bailey, 46–47; Wasem, 72–73. **Economic Bill of Rights**: Bailey, 41; Wasem, 24–25. **“Utopian objective”**: Bailey, 140. Still, Chamber president Eric Johnston—a liberal presence during his tenure—made sure that no representative of the organization actually testified against the bill. By 1946, Johnston was pushed out of the Chamber by its more conservative membership (Mizruchi, 56). Also see Collins, *The Business Response to Keynes*, 120–122. **“State socialism”**: Bailey, 134. **Substantial corporate backing**: Harris, 196;

- Jacoby, *Modern Manors*, 232. **“Russian spawn”**: Bailey, 144–145. The full diatribe by Samuel Pettengill was also published under the headline “Ancestry of a Bill” in the Sept. 4, 1945, edition of the *Lawrence Journal-World* of Kansas.
- 17 **Vastly watered down**: Wasem, 142–143; Bailey, 225; Uchitelle, 43. The law did establish certain federal structures for economic planning, including the president’s Council of Economic Advisers and the Joint Economic Committee of Congress. **Survival was due**: Judis, 68; Harris, 183; Fones-Wolf, *Selling Free Enterprise*, 33; Mizruchi, 57–58.
- 17–18 **“I like the phrase”**: Schriftgiesser, 96–97. Interestingly, Marion Folsom had a different view regarding the idea of full employment, reportedly saying, “A job for every person willing and able to work is absolutely incompatible with the free enterprise system” (Wasem, 28). **“The crucial role”**: Schriftgiesser, 97.
- 18 **“Government fiat”**: Remarks by Ralph Hayes at R. W. Woodruff Dinner, Dec. 6, 1949, RWP. **“The basic floor”**: MFOH. Also see “Employers and the Welfare State: The Role of Marion B. Folsom” by Sanford M. Jacoby, *The Journal of American History*, Vol. 80, No. 2, Sept. 1993. Also see Hacker, *The Great Risk Shift*, 45–46; Hacker, *The Divided Welfare State*, 98–99. Klein, *For All These Rights*, 94–95. **The private sector**: Klein, in her introduction (xv–xxix), lays out this idea cogently. Also see Davis, *The Vanishing American Corporation*, 117, 124; Hacker, *The Great Risk Shift*, 7, 43; “The Politics of Economic Security: Employee Benefits and the Privatization of New Deal Liberalism” by Jennifer Klein, *Journal of Policy History*, Vol. 16, No. 1, 2004; Hacker, *The Divided Welfare State*, xii, 6–7, 13–16. Like Klein, Hacker (*The Divided Welfare State*, 11, 16, 64) does point out, however, that the picture is complicated because of an array of public tax and regulatory provisions that help to support all of this “private social welfare.” **“Lend a helping hand”**: Sloan, *Adventures of a White-Collar Man*, 148.
- 18 **Altruistic**: Julius Rosenwald of Sears put it this way: “Don’t imagine that anything we do for our people . . . is done from philanthropic motives—not in the least. Whatever we do for our employees we do because we think it pays, because it is good business” (Jacoby, *Modern Manors*, 26). **Take root**: Miller, *The Tyranny of Dead Ideas*, 64–66; Mizruchi, 31; Collins, *The Business Response to Keynes*, 81. **“Seedbed for”**: “A Program for Business in Post War Planning,” an address before the National Retail Furniture Association, Nov. 11, 1943, CC.
- 18–19 **“Whole-hearted interest”**: Jacoby, *Modern Manors*, 67. Also see Heckscher, 6. **Codified the expectations**: “Decentralization at the General Electric Company, from World War II to 1971,” a doctoral dissertation by Ronald Greenwood, University of Oklahoma Graduate College, 1972. GE first published these objectives in 1954.

- 19 **Distant relationship:** Cappelli, *The New Deal at Work*, 51–55; Jacoby, *Employing Bureaucracy*, 31. **“Putting-out” system:** Cappelli, 52. **Workers in-house:** Cappelli, 55–56; Jacoby, *Employing Bureaucracy*, 32. **“Anyone been fired”:** Jacoby, *Employing Bureaucracy*, 37. Also quoted in Cappelli, 57; Peter Cappelli’s essay “Market-Mediated Employment” in Blair and Kochan, *The New Relationship*, 79. Greenhouse, *The Big Squeeze*, 105. **Typically unemployed:** Jacoby, *Employing Bureaucracy*, 38–40. **Bribe your boss:** Jacoby, *Employing Bureaucracy*, 40.
- 19 **Social contract emerging:** See Cappelli, 64.
- 20 **Squeezed the trigger:** Brayer, *George Eastman*, 523. **Had given America:** From “Milestones” on the Kodak corporate website (kodak.com/corp/aboutus/heritage/milestones/default.htm). **Kodak camera:** This was introduced to the market in 1888. **Difficult and painful:** Brayer, 517.
- 20 **“It wasn’t right”:** “Eastman Tells About His Plan of Profit Sharing for Employees,” *New York Times*, Feb. 4, 1923. Also cited in Jacoby, *Modern Manors*, 61.
- 20 **Kodak Welfare Fund:** “Eastman Kodak Industrial Relations,” undated typescript, KHC; “Beginning With a Welfare Fund,” undated typescript, KHC; “George Eastman,” *Industrial Relations*, Nov. 1, 1930. **“The time to provide”:** “History of the Kodak Employees’ Association, Inc.,” undated typescript, KHC.
- 20–21 **Signature benefit:** “Experience of Eastman Kodak Company with Profit-Sharing,” statement presented by M. B. Folsom to the US Senate Finance Committee, Nov. 21, 1938, KHC; Jacoby, *Modern Manors*, 79. **A month’s pay:** Jacoby, *Modern Manors*, 62. **“Godsend to me”:** March 16, 1965, letter from A. W. Crittenden to Kodak president William Vaughn, KHC. **“Dollars and cents”:** “Eastman Tells About His Plan of Profit Sharing for Employees,” *New York Times*, Feb. 4, 1923. Also cited in Jacoby, *Modern Manors*, 64.
- 21 **\$10 million:** “History of Kodak” on corporate website; Ackerman, *George Eastman*, 378–381. **“Prospect of dying soon”:** History of the Kodak Employees’ Association, Inc., undated typescript, KHC. **“Well satisfied”:** Ackerman, 393.
- 21 **Sickness allowance:** Eastman Kodak Industrial Relations,” undated typescript, KHC; “Beginning With a Welfare Fund,” undated typescript, KHC; Gordon, *Dead on Arrival*, 49. **“Most advanced yet”:** Corporate news release, Dec. 21, 1928, KHC; Brayer, 361. **Housing developments:** Brayer, 360. **Realty Corporation:** “Own Your Home,” *The Kodak Magazine*, March 1928, KHC; “Kodak Employees Realty Corporation,” undated typescript, KHC; Jacoby, *Modern Manors*, 69. **Savings and Loan:** Jacoby, *Modern Manors*, 69.
- 21–22 **Union Free School:** Brayer, 360. **Tuition subsidies:** “Special Educational Courses: 1922–1923,” KHC. **Sports leagues:** Team results were

- regularly reported in *The Kodak Magazine*. Also see Jacoby, *Modern Manors*, 61. **String quartets:** Jacoby, *Modern Manors*, 61. **Kodak Medical Department:** “More About Our Medical Department,” *The Kodak Magazine*, July 1925, KHC. **Nutrition adviser:** “Information from Mrs. Wintress D. Murray, Eastman Kodak Company’s Nutrition Director,” undated typescript, KHC. **Ten visiting nurses:** Jacoby, *Modern Manors*, 69; “Friendly Visitors,” *The Kodak Magazine*, Oct. 1923, KHC. **“Kodak King”:** Ackerman, 387. **Alongside:** Jacoby, *Modern Manors*, 26–34. He notes that all of the companies listed were among the “vanguard” of welfare capitalism, meaning that they engaged fully in these practices. Others were “laggards” whose “efforts were less comprehensive,” while still others were “traditionalists” that “adopted few or none of the reforms.” Also see Brandes, *American Welfare Capitalism*, 18–19.
- 22 **Depression changed:** Harris, 19; Jacoby, *Modern Manors*, 32; Brandes, 142. **“We hoped”:** April 29, 1932, letter from Stuber to employees, KHC. **The company trimmed:** The layoff and details of the pay cuts are covered in Stuber’s letter. The reduction in pay is also noted in “Eastman Kodak Company Log of General Wage and Salary Rate Adjustments, Rochester Establishments,” July 29, 1947, KHC. More layoffs would come in 1938. **Failed to issue:** “Experience of Eastman Kodak Company with Profit-Sharing,” statement presented by M. B. Folsom to the US Senate Finance Committee, Nov. 21, 1938, KHC; wage dividend tables, KHC; “Eastman Kodak,” undated typescript by A. G. Walker, TSC.
- 22 **Largely intact:** Jacoby, *Modern Manors*, 71. **Paid vacations:** “Founding Dates for Kodak Benefit Plans,” undated typescript, KHC; Liebschutz, *Communities and Health Care*, 33. **Hospital insurance:** Jacoby, *Modern Manors*, 78; Liebschutz, 34–35. **Led an alliance:** Originally, fourteen companies signed up. For details, see “The Rochester Unemployment Benefit Plan” by Marion B. Folsom, *Proceedings of the Academy of Political Science*, Jan. 1932; “Interview with Marion Folsom: The History of the Unemployment Benefit Plan,” undated typescript, KHC; “The Rochester Unemployment Benefit Plan,” *The Kodak Magazine*, May 1931, KHC; “Will the ‘Rochester Plan’ Solve Unemployment?” *Forbes*, June 1, 1931; MFOH. Jacoby, *Modern Manors*, 73, notes that the plan largely failed in the end: “After 1931, instead of growing the plan shrank, promised benefits were cut, and only seven firms remained when the first benefits were paid in 1933.” **From the reserve:** “Marion B. Folsom and the Rochester Plan of 1931” by Richard E. Holl, *Rochester History*, Winter 1999. Holl writes that benefit payments from Kodak amounted to \$21,000 in 1933, \$5,000 in 1934, and \$150 in 1935. **Separation rate:** Jacoby, *Modern Manors*, 74.
- 22–23 **Bookkeeping techniques:** “Marion B. Folsom and the Rochester Plan of 1931” by Richard E. Holl, *Rochester History*, Winter 1999. **Personally**

- wooded:** Brayer, 356–358; Miller, 68–69. **“A ‘square deal’”:** “Experience of Eastman Kodak Company with Profit-Sharing,” statement presented by M. B. Folsom to the US Senate Finance Committee, Nov. 21, 1938, KHC. “Square deal” was a popular phrase within Kodak. See “F. W. Lovejoy: The Story of a Practical Idealist,” a tribute to the company’s fourth president, published by Kodak, 1947.
- 23 **“Up against it”:** MFOH.
- 23 **Many companies:** Jacoby, *Modern Manors*, 7. **“Poison the minds”:** Aug. 15, 1919, letter from Eastman to Kodak employees, KHC.
- 23 **“We are helpless”:** “May Day,” *The Kodak Worker*, “Issued Monthly by the Workers (Communist) Kodak Park Nucleus,” May 1928.
- 23–24 **New Deal era laws:** First came the National Industrial Recovery Act in 1933 and then, most significantly, the National Labor Relations Act in 1935. **22,000 workers:** The number of US-based employees in 1938 was 22,500. “Experience of Eastman Kodak Company with Profit-Sharing,” statement presented by M. B. Folsom to the US Senate Finance Committee, Nov. 21, 1938, KHC. **“Open Door”:** Jacoby, *Modern Manors*, 87–88. **Kodakery:** Jacoby, *Modern Manors*, 87. **Kept tabs:** Jacoby, *Modern Manors*, 45. **“To go along”:** MFOH. Also quoted in Jacoby, *Modern Manors*, 45.
- 24 **Toughest test yet:** “Kodak Refutes UE Charges,” *Rochester Sun*, Feb. 19, 1947; “Supplement to Kodak Industrial Relations,” undated typescript, KHC; “Union Organization Forces Camera Wks. to Offer Raise,” union flier, Dec. 14, 1947, KHC. Jacoby, *Modern Manors*, 90–91. **“These outsiders”:** Feb. 17, 1947, letter to employees, KHC. Also quoted in Jacoby, *Modern Manors*, 91.
- 24 **“Industrial paternalism”:** Brandes, ix. **“Two generations”:** Jacoby, *Modern Manors*, 49. **None ever would:** Jacoby, *Modern Manors*, 86, notes that only one Kodak facility in North America was ever unionized—a small plant outside Toronto shortly after World War II.
- 24 **Just blocks:** Interview transcript with Harrison Jones II, MPRF. **Mr. Inside:** Allen, *Secret Formula*, 202. **“Knee-pants boys”:** April 7, 1953, remarks by Woodruff at a bottlers’ tribute to Jones, RWP.
- 25 **A lawyer:** Jones graduated from the University of Georgia in 1907 and obtained a law degree from the University of Michigan. He then returned to Atlanta and taught at Emory University before joining Coca-Cola (“Coca-Cola Executive Harrison Jones Dies,” *Atlanta Constitution*, June 19, 1967). **Chautauqua tent:** Cheatham, “Your Friendly Neighbor,” 147. **“Spate of profanity”:** Remarks by Ralph Hayes at R. W. Woodruff Dinner, Dec. 6, 1949, RWP. **“Steam engine”:** Cheatham, 143.
- 25 **Often fractious:** Pendergrast, 135–144; Allen, *Secret Formula*, 158. **“Child of a marriage”:** Cheatham, 146.

- 25-26 **Company cafeteria:** Pendergrast, 155. **"Spellbound":** Interview transcript with Harrison Jones II, MPRF. **Never unionized:** Pendergrast, 267.
- 26 **Private dining room:** Pendergrast, 155. **Cuesta-Rey:** "Bob Woodruff of Coca-Cola," *Fortune*, Sept. 1945. **Ichauway Plantation:** Life there is reflected in numerous thank-you letters sent to Woodruff and other documents found in RWP; Elliott, *Mr. Anonymous*; "Boss Emeritus," Coca-Cola publication, March 1985; "Bob Woodruff of Coca-Cola," *Fortune*, Sept. 1945; Pendergrast, 156, 170, 267. **"Negro spirituals":** "Bob Woodruff Lays Success to 'Shirt Sleeve' Philosophy," *Atlanta Journal*, Sept. 8, 1940.
- 26 **"Could feel it":** Pendergrast, 155.
- 26 **"The Age of Edison":** Watts, *The People's Tycoon*, 44; Schatz, *The Electrical Workers*, 7. **Nearly 7,000:** In 1945, Coca-Cola employed 1,585 through its headquarters operation, 3,313 at its domestic subsidiaries, and 2,026 abroad ("Personnel Report," Jan. 31, 1945, RWP).
- 27 **Legend has it:** "Refreshing Facts About Coca-Cola," Coca-Cola Consumer Information Center, 1987, MPRF; "Secret Formula for Coca-Cola Began in Pharmacist's Brass Pot," Associated Press news archive, April 23, 1985. Pendergrast, 25-28, punctures the myth, writing that Pemberton was really a morphine addict who worked out of a full-blown home laboratory.
- 27 **Billionth gallon:** April 15, 1953, letter from H. B. Nicholson to Robert Woodruff, RWP. **Five to one:** Hartley, *Marketing Successes, Historical to Present Day*, 84-85. **"Sublimated essence":** April 12, 1941, Ralph Hayes letter to Robert Woodruff, RWP; Allen, *Secret Formula*, 227; Pendergrast, 194. **"Unique position":** May 26, 1942, letter from Hayes to Woodruff, RWP. Coca-Cola's advertising agency, D'Arcy, "created a 1942 masterpiece of pseudoscience entitled 'Importance of the Rest-Pause in Maximum War Effort'" (Pendergrast, 196).
- 27 **Relatively well:** Coca-Cola's factory workers earned an average of \$31.75 a week, compared with the average manufacturing wage of \$27.07 a week, according to a July 12, 1938 memo, RHP. **Stinted somewhat:** Executive salaries at Coca-Cola were \$31,785, compared with \$35,000 noted in a 1936 survey of large industrial companies, according to the same memo. **"Three times as much":** Remarks to the Coca-Cola Training School, Dec. 1943, RWP.
- 27 **Occasional grumbling:** For instance, an executive named Benjamin Oehlert Jr. complained that compensation "has not kept pace with the demands of increased taxation, the rising costs of living, and the additional expense suffered by employees from repeated geographical transfer" (Feb. 27, 1948, memo by Oehlert, RWP). **"Fellow fail":** "Bob Woodruff Lays Success to 'Shirt Sleeve' Philosophy," *Atlanta Journal*,

- Sept. 8, 1940. **"Loyalty to":** April 17, 1958, remarks by Hayes, RWP. **Well-timed:** Pendergrast, 156.
- 28 **"Country boys":** The comments by Sharp and Judkins are noted in a Feb. 15, 1939, memo from Ralph Hayes to Woodruff, RWP. **"Next year better":** The comments by Brogunier are noted in a Feb. 15, 1939, memo from Ralph Hayes to Woodruff, RWP.
- 28 **"Had been hijacked":** May 8, 1939, letter from Hayes to Woodruff, RWP.
- 28 **Earned a degree:** "Gerard Swope, 84, Ex-G.E. Head, Dies," *New York Times*, Nov. 21, 1957. **Italians, Czechs:** Loth, *Swope of G.E.*, 33.
- 28–29 **Made his way:** Loth, 31–33; McQuaid, *A Response to Industrialism*, 124. **Mansion would expand:** *Encyclopedia of Chicago* (encyclopedia.chicago.history.org), entry for "Hull House."
- 29 **"Moral superiority":** "As Chicago's Hull House Closes Its Doors, Time to Revive the Settlement Model?" by Louise W. Knight, *The Nation*, Jan. 25, 2012.
- 29 **Louis Brandeis:** Loth, 20; Urofsky, *Louis D. Brandeis: A Life*, 777. Brandeis, however, did not persuade Swope about the dangers of a business becoming too big. **"Can't have both":** Widely quoted, including in Parenti, *Democracy for the Few*, 276. **"Spring under tension":** Bernstein, *The Turbulent Years*, 611. **World's Fair:** "New-Type Executive, Wizard of Plants and Markets," *Forbes*, Feb. 23, 1923; Loth, 21; Hammond, *Men and Volts*, 381. "Gerard Swope, 84, Ex-G.E. Head, Dies," *New York Times*, Nov. 21, 1957. **Full-time resident:** McQuaid, *A Response to Industrialism*, 124. **Addams herself:** Loth 43; Schatz, 14. **Mary taught:** Loth 50; Schatz, 14.
- 29–30 **Foreign operations:** Hammond, 381. **"Three factors":** New-Type Executive, Wizard of Plants and Markets," *Forbes*, Feb. 23, 1923.
- 30 **After merging:** Online timeline from the Schenectady Museum (schenectadymuseum.org/edison/a_timeline/03_hoi.htm). **Number of steps:** They are noted in Hammond, 383. **Flu pandemic:** 1975 interview with Charles Marcy, former head of the personnel department at the Schenectady Works, Hall of History Biographical and Oral History Collection, SMA.
- 30 **Added a bevy:** Hammond, 386; Warner, Unwalla, and Trimm, *The Emergent American Society*, 170–171; 1975 interview with Charles Marcy, former head of the personnel department at the Schenectady Works, Hall of History Biographical and Oral History Collection, SMA. **General counsel:** Hammond 381–382. **Poor farm boy:** McQuaid, *A Response to Industrialism*, 117. **Exposed to the thinking:** Heald, *The Social Responsibilities of Business*, 24; McQuaid, *A Response to Industrialism*, 173. **"Liberal notions":** Tarbell, *Owen D. Young*, 147. Interestingly, Young was the Commerce Department's first choice to run the CED,

- but he said he was unavailable, and the post went to Hoffman (Schriftgiesser, 27; Heald, 253).
- 30–31 **“Servant to a master”**: Young’s entire speech is reprinted in Tarbell, 153–157. Parts are recounted in Schatz, 15–16.
- 31 **Rates as high**: Tarbell, 148. **“Slowly we are learning”**: Tarbell, 153; Schatz, 15.
- 31 **Two other methods**: These three—welfare capitalism, scientific management, and company unions—were “the key elements in the progressives’ program,” according to Harris, 17. **Cousin of Fordism**: For a persuasive and nuanced account of the relationship between Taylorism and Fordism, see Brinkley, 139–141. **Modern Times**: Jurgens, Malsch, and Dohse, *Breaking from Taylorism*, 4. Also see Heckscher, 15. **Completely different goal**: Weisbord, *Productive Workplaces*, 35–39, 44, 48–49, 59, 66–69. Also see Kaufman, *The Origins and Evolution of the Field of Industrial Relations in the United States*, 22. **“Principal object”**: Taylor, *The Principles of Scientific Management*, 9.
- 31 **Taught GE**: See Brian Price’s essay “Frank and Lillian Gilbreth and the Motion Study Controversy, 1907–1930” in Nelson, *A Mental Revolution*, 70. Also see Schatz, 42–44. **“Rate-busting”**: Schatz, 44. By the mid-1920s, 75 percent to 90 percent of the production workers at GE were paid on an incentive basis (Schatz, 23).
- 31–32 **The other tactic**: Schatz, 22, 40–42. **Not only at GE**: The corporations listed here had company unions that were genuinely popular with employees (Jacoby, *Modern Manors*, 23). **More than 1,000**: Kaufman and Taras, *Nonunion Employee Representation*, 77. **“Calculated to deceive”**: Jacoby, *Modern Manors*, 23. **Given access**: Schatz, 42. **“Secure sympathy”**: Schatz, 41. **Ran high**: Schatz, 41–42. **Turnover was low**: Schatz, 46.
- 32 **“A job for every man”**: Tarbell, 226. **Intricate scheme**: See Frederick, *The Swope Plan*; Loth, 201–215; Schatz, 55–58; Heald, 96–97; Bernstein, *The Turbulent Years*, 19–21; Domhoff and Webber, 117; Collins, *The Business Response to Keynes*, 27. **Moved on its own**: Schatz, 58–59.
- 32 **Cut back**: Schatz, 60–61. **30 percent**: Schatz, 61. **Payroll shrank**: Schatz, 61. **Company restored**: Schatz, 67. **James Carey**: Schatz, 63–64. In 1937, the United Electrical and Radio Workers of America became the United Electrical, Radio, and Machine Workers of America (Schatz, 64).
- 32–33 **Openly Embraced**: Kaufman, Zacharias, and Karson, *Managers vs. Owners*, 121; **Met secretly**: Loth, 168–172; Bernstein, *The Turbulent Years*, 603–604. **Ahead of their time**: Heald, 97.
- 33 **“Piece of despotism”**: Cited in Jacobs, *Pocketbook Politics*, 149. **Constructive suggestions**: Swope was concerned, in particular, about whether the bill would outlaw company unions (Domhoff and Webber, 134–138). In the end, the Wagner Act did not ban company unions

- outright, but the measure did make it illegal for any employer to dominate, interfere with, or provide financial assistance to a labor organization. As interpreted by the National Labor Relations Board, this provision made it virtually impossible as a practical matter for company unions to exist any longer (Kaufman and Taras, 77). Also see Lichtenstein, *Labor's War at Home*, 30. **It was inescapable** Bernstein, *The Turbulent Years*, 603. **"Who give their lives"**: Loth, 259–260.
- 33–34 **Swope's lieutenants**: Loth, 257; Bernstein, *The Turbulent Years*, 613. **"Fine intimate talk"**: Loth, 258. **"Boy wonder"**: Carey was widely known by this moniker. See rci.rutgers.edu/~smlr/library/james_carey/biography.htm. **"Can't get along"**: Loth, 258. **Swept aside**: Schatz, 72. **First national contract**: Schatz, 74; Bernstein, *The Turbulent Years*, 613.
- 34 **Decidedly different view**: Schatz, 170–171; Harris, 23; Jacoby, *Modern Manors*, 8.
- 34 **Sent a squad**: The *Sales Management* findings are the subject of an April 29, 1938, memo from Ralph Hayes to Robert Woodruff, RWP. **Middletown**: Muncie was the subject of the 1929 classic *Middletown: A Study in Modern American Culture* by sociologists Robert and Helen Lynd.
- 34 **Early adopter**: Sloan, *My Years with General Motors*, 390–391. **Bonus system**: "How Members of the General Motors Family Are Made Partners in General Motors," a message to stockholders from Alfred P. Sloan, 1928, SA. **Savings and investment**: "General Motors Employees Savings and Investment Plan," part of the union's 1970 negotiating material, UAW. The plan was discontinued in the 1930s. Also see Sloan, *Adventures of a White-Collar Man*, 151–152. **Training institute**: "General Motors Institute of Technology: The Training School for Employees of General Motors," corporate publication, March 1929, SA. **Life insurance**: "Employees' New Group Insurance Plan," corporate publication, 1928, SA. **Accident Insurance**: "Employees' New Group Insurance Plan," corporate publication, 1928, SA. Also see Starr, *The Social Transformation of American Medicine*, 294. **Job sharing**: "The Worker in General Motors" by Alfred P. Sloan Jr., Dec. 31, 1937, BL; Farber, *Sloan Rules*, 159–160. **No-interest loans**: "How a Nation Gets Strong: Men, Management, and Machines at Work," SA. **Retirement plan**: "Regardless of Age or Job . . . Most of Us Look Forward to Retiring Some Day," corporate publication, 1945, BL. **Wages were good**: Lichtenstein, *Walter Reuther*, 106. Even during the worst year of the Depression, the hourly earnings of GM workers were 20 percent to 30 percent above industrial averages ("The Worker in General Motors" by Alfred P. Sloan Jr., Dec. 31, 1937, BL).
- 34–35 **Connecticut family**: Farber, 1. **At MIT**: Farber, 4–5. **He bought**: Farber, 11. **Greatly expanded**: Farber, 16–19. **Founded in 1908**: Farber, 23; Sloan, *My Years with General Motors*, 5.

- 35 **\$5 million:** Farber, 26. **The financial brink:** Farber, 31–50. **“A great weakness”:** Sloan, *My Years with General Motors*, 4. **Forced Durant out:** Farber 44–45; Sloan, *My Years with General Motors*, 38. **Back on track:** Sloan, *My Years with General Motors*, 42–56. **Made president:** Farber, 72.
- 35 **“First to work out”:** From Drucker’s foreword to Sloan, *My Years with General Motors*, vi. Also see “Contributions to Administration by Alfred P. Sloan Jr. and “GM” by Ernest Dale, *Administrative Science Quarterly*, Vol. 1, No. 1, June 1956. **“Unbelievably generous”:** Drucker’s foreword, viii.
- 35–36 **“Aboveboard discussion”:** “How Has Success Been Achieved by General Motors?” an interview with Alfred P. Sloan Jr., corporate publication, 1927, SA.
- 36 **GM hired Pinkerton:** All details on and quotations regarding GM’s spying operation, unless otherwise noted, are drawn from the official report and transcript of the hearings on “Violations of Free Speech and Rights of Labor” before a subcommittee of the US Senate Committee on Education and Labor, Feb. 15–19, 1937. **Cleaned out:** At the individual plant level, the reports from Pinkerton and other spy agencies were destroyed daily.
- 36 **Into its pocket:** In addition to the hearings, see Nowak, *Two Who Were There*, 81–82. **Tapped the phone:** Pinkerton denied this. **Gun-wielding thugs:** Brinkley, 382–383, 429. Also see Lichtenstein, *Walter Reuther*, 82.
- 37 **Fisher No. 1:** Lichtenstein, *Walter Reuther*, 76; Kennedy, *Freedom from Fear*, 310. **Strike spread:** Kennedy, 310–314; Lichtenstein, *Walter Reuther*, 76–79; Barnard, *American Vanguard*, 83–89. **Retreat that led:** Farber, 199. For more, listen to the voices at the Flint Sit-Down Strike Audio Gallery (flint.matrix.msu.edu/index.php).
- 37 **Breaking the law:** Sloan, *My Years with General Motors*, 393; Brown, *Some Reminiscences of an Industrialist*, 94. **“Higher today”:** Sloan’s statement was carried in full by various newspapers, including the *Kokomo Tribune* of Indiana, Jan. 5, 1937. Also quoted, in part, in Farber, 196. **1880 to 1915:** Jacoby, *Employing Bureaucracy*, 32–40. Also see Cappelli, 56–57. **“Harder and harder”:** Farber, 195. **Become corporate president:** Knudsen’s biography from the GM Heritage Center (history.gmheritagecenter.com/wiki/index.php/Knudsen,_William_S.). Knudsen replaced Sloan, who became chairman. **Fifteen languages:** Lichtenstein, *Walter Reuther*, 106.
- 38 **“Sit down! Sit down!”:** Lynch, *Strike Songs of the Depression*, xvii.
- 38 **Pressure mounting:** Farber, 197–208; Kennedy, 312–314; Barnard, 89–91; Lichtenstein, *Walter Reuther*, 78; Johnson, *Maurice Sugar*, 202–205. **125 cars:** Farber, 208.
- 38 **Four-page agreement:** Lichtenstein, *Walter Reuther*, 79. **Bargaining agent:** Lichtenstein, *Walter Reuther*, 79; Kennedy, 314; Farber, 208–209;

- Johnson, 206. Under the terms of the contract, this exclusivity was for six months. **Monumental:** Kennedy, 308, 314.
- 38 **“Colossal supersystem”:** Kennedy, 310. Pinkerton also worked for Bethlehem Steel, Pennsylvania Railroad, Continental Can, Campbell Soup, Shell Petroleum, and others, but GM by far the biggest user of its services. See Bernstein, *The Turbulent Years*, 516–519. Also see Huberman, *The Labor Spy Racket*, 8.
- 38 **Dynamited a power station:** The perpetrators were said by police to be members of the Mechanics Educational Society, according to the *Ludington Daily News* of Michigan, Oct. 18, 1933.
- 39 **“Or will management”:** Part of Sloan’s statement to the 1937 sit-down strikers. **American Liberty League:** Farber, 183–185. Also see Lowenstein, *While America Aged*, 15.
- 39 **Bad practice:** It’s not clear where Sloan himself stood on the use of spies. **He had joined:** From corporate biographies of Wilson found in SA.
- 39 **Toolmakers’ local:** Drucker, *Adventures of a Bystander*, 274. **Eugene Debs:** Lichtenstein, *Walter Reuther*, 139. **Framed copy:** Drucker, *Adventures of a Bystander*, 274.
- 40 **“Isn’t rhetoric”:** Drucker, *Adventures of a Bystander*, 275.
- 40 **Intellect and energy:** Bailey, 136–137; Schriftgiesser, 90; Harris, 183; Collins, *The Business Response to Keynes*, 104. **“A dictum”:** Jan. 11, 1943, memo from Brown to GM’s Post-War Planning Policy Group, DBP. **A thick line:** See, for instance, Mizruchi, 155; Van Elteren, *Labor and the American Left*, 103; Lipsitz, *Rainbow at Midnight*, 165. **GE:** Lem Boulware, who would join GE in 1945 and go on to head labor relations for the company, was a member of various committees of the NAM as well as the US Chamber of Commerce. **Kodak:** As Folsom was helping to found the CED, Kodak President T. J. Hargrave served on the executive committee of the NAM (“The NAM as an Interest Group” by Philip H. Burch, *Politics Society*, 1973). **Coca-Cola:** Ralph Hayes told Robert Woodruff he’d become concerned that “the NAM in large sections of the public mind has come to be associated with arch-conservatism and propaganda campaigns,” and that could alienate the soda-drinking public (Nov. 15, 1944, Ralph Hayes memo to Woodruff, RWP). Nevertheless, the company contributed money to the NAM (July 14, 1943, letter from Hayes to DuPont vice president Japser Crane, RWP). **Corporate schizophrenia:** One who does make this point effectively is Fones-Wolf, 24. Harris, 182, also points out that CED members often found themselves “overlapping with liberal elements” in the NAM and US Chamber of Commerce.
- 40 **More than 400,000:** Kennedy, 856.
- 40 **Magazine reported:** “The Economy: The Patient Feels Fine,” *Time*, Jan. 21, 1946.

CHAPTER 2

- 43 **“Continuing success”**: GM republished Wilson’s six principles in different formats. Various versions can be found at SA. Wilson’s principles were also one of three “thought-starters” given out to those participating in the MJC (Evans and Laseau, *My Job Contest*, 7; General Motors, *The Worker Speaks*, 145).
- 43–44 **Kitts’s composition**: General Motors, *The Worker Speaks*, 116–120. **Nearly 175,000**: The official tally was 174,854 (General Motors, *The Worker Speaks*, 9; Evans and Laseau, 12). Entrants had to be on the payroll continuously from Sept. 14, 1947 to the date winners were announced in December (General Motors, *The Worker Speaks*, 143). **Made of gold**: General Motors, *The Worker Speaks*, 115; Evans and Laseau, 13.
- 44 **59 percent**: Evans and Laseau, 10; General Motors, *The Worker Speaks*, 66. The participation rate for eligible salaried employees was 82 percent; for hourly workers it was 55 percent (Evans and Laseau, 34). Many such details are also captured in “Employee Relations at General Motors: The ‘My Job Contest,’ 1947” by Alan Raucher, *Labor History*, Vol. 28, No. 2, 1987. **Six stories**: General Motors, *The Worker Speaks*, 26; Evans and Laseau, A-48. **Teaser campaign**: Evans and Laseau, 5–6. **Contest chairmen**: Evans and Laseau, A-7. **“Be A Highbrow”**: Evans and Laseau, Figure 2. **Open houses**: Evans and Laseau, 8. **Postcards**: Evans and Laseau, 9.
- 44 **250 words**: All of the details on the lengths and languages of the letters can be found in Evans and Laseau, 10. **Latin**: General Motors, *The Worker Speaks*, 125. **Braille**: General Motors, *The Worker Speaks*, 52; Evans and Laseau, A-48. **Recordings**: General Motors, *The Worker Speaks*, 138. **Silent film**: General Motors, *The Worker Speaks*, 128. **Poems, acrostics**: General Motors, *The Worker Speaks*, 138.
- 44–45 **Forty cars**: Evans and Laseau, 9; corporate news release, Dec. 13, 1947, UAW. **Other items**: Evans and Laseau, 9, 13; corporate news release, Dec. 13, 1947, UAW. **“Apple-polishing”**: “A Peculiar Sort of Joe,” *Time*, Dec. 29, 1947. **“Better the tools”**: “Six Basic General Motors Principles,” SA. **“I feel”**: General Motors, *The Worker Speaks*, 119. Kitts’s words in this section have been edited slightly for readability.
- 45 **“Pyramid of opportunities”**: Sloan, *Adventures of a White-Collar Man*, 153. This quotation is cited as well in Chinoy, *Automobile Workers and the American Dream*, 5–6.
- 45 **“Wasn’t as smart”**: All quotations and other biographical details in this paragraph are from a 2010 interview by the author with Kitts.
- 46 **“Receiving good wages”**: General Motors, *The Worker Speaks*, 117. **52 percent**: Evans and Laseau, 46. **Eighteen broad themes**: Evans and Laseau, 46–48. The others were: the importance of the job, pride,

- cooperation among fellow employees, the abilities and attitudes of one's immediate supervisor, policies of management, working conditions, job security, the chance for advancement, fringe benefits, plant safety, holidays and vacations, recreational and cultural facilities, personal achievement, steadiness of work, the company suggestion plan, the chance to partake in the American free-enterprise system, and seniority. **"Ask for a raise"**: General Motors, *The Worker Speaks*, 133. **"I gets paid"**: General Motors, *The Worker Speaks*, 93. **Lived with**: From a 2012 interview by the author with Vernon Halliday's son, Jim. **Financial incentives**: Within Civic Park, GM limited the price of homes to a range of \$3,500 to \$8,500, with a down payment of just 5 percent, and it offered credit of \$800 on the purchase with a minimum of five years of company service, along with a dollar-for-dollar savings account match up to \$300 ("Civic Park Home Preservation Manual," City of Flint, Michigan, 1981).
- 46 **"Peace of mind"**: General Motors, *The Worker Speaks*, 123. **"Gift to me"**: General Motors, *The Worker Speaks*, 37. **"Humanitarian progress"**: General Motors, *The Worker Speaks*, 91.
- 47 **\$3,000 per employee**: Calculated from GM's 1947 annual report. The company had 375,689 hourly and salaried employees, and a total payroll of \$1.16 billion. **Compared with**: See "Compensation per full-time equivalent employee in all industries: 1929–1994," Sutch and Carter, *Historical Statistics of the United States*, 2–283. **18 percent**: Sutch and Carter, 2–283. **Now surging**: Between February and December 1946 alone, the Consumer Price Index rose by 18 percent (Halpern, *UAW Politics in the Cold War Era*, 39). Also see Wells, *The Federal Reserve System: A History*, 86; Lichtenstein, *Labor's War at Home*, 256; Samuelson, *The Great Inflation and Its Aftermath*, 93. **Massive layoffs**: Toward the end of 1945, auto industry employment of production workers was down 32 percent from its wartime peak (Halpern, 44). **Below 4 percent**: "Labor force, employment, and unemployment: 1938–2000," Sutch and Carter, 2–85. **"From poverty"**: Allen, *The Big Change*, 213. **It surveyed**: Data cited in "Next Steps Toward Security of Work and Wages," remarks at the University of Michigan Conferences on Industrial Relations, 1947–1948, by J. F. Teegardin, KHC.
- 47 **Nearly half**: Evans and Laseau, 46. **"Really proud of"**: General Motors, *The Worker Speaks*, 132–133. **"Proudest G.I."**: General Motors, *The Worker Speaks*, 157.
- 48 **"Accentuate the positive"**: General Motors, *The Worker Speaks*, 176. **"The doughnut"**: From Coen's foreword to Evans and Laseau, iii.
- 48 **Met with experts**: Evans and Laseau, 17. **Statistical Analytics**: Evans and Laseau, 18. **"Mark-sense"**: Evans and Laseau, 19. **MJC final judges**: In addition to Drucker, the other judges were poet and journalist Edgar Guest, James McCarthy of the University of Notre Dame,

- National War Labor Board chairman George Taylor, and US commissioner of education John Studebaker (Evans and Laseau, 11–12; General Motors, *The Worker Speaks*, 10–20). **“Richest source”**: Drucker, *Concept of the Corporation*, (epilogue to the 1983 edition), 300.
- 48 **Two in five**: “Employee Attitude Testing in American Industry” by Sanford M. Jacoby, Working Paper Series–120, Institute of Industrial Relations, University of California at Los Angeles, Oct. 1986. **“Above-average plant”**: Jacoby, “Employee Attitude Testing in American Industry.” **To vent**: Jacoby, “Employee Attitude Testing in American Industry”; Trahair, *Elton Mayo*, 236. **“Safety valve”**: “Report on Group Conference Program of the Cine Kodak and Sheet Film Division, Eastman Kodak Company,” TSC. **Blunt union organizing**: Jacoby, “Employee Attitude Testing in American Industry.”
- 49 **Pioneered in the 1920s**: “Employee Attitude Testing in American Industry,” by Sanford M. Jacoby, Working Paper Series–120, Institute of Industrial Relations, University of California at Los Angeles, Oct. 1986. J. David Houser did some of the earliest work in the field. **Tended to overestimate**: Jacoby, “Employee Attitude Testing in American Industry.” **“Not enough”**: Mayo, *The Human Problems of an Industrial Civilization*, 114–115. **Some 21,000**: Mayo, 83; Jacoby, “Employee Attitude Testing in American Industry.” For details on the interviewing at the Hawthorne Works, see Roethlisberger and Dickson, *Management and the Worker*, 189–252; Trahair, 230–236. Also see “The Human Relations Movement: Harvard Business School and the Hawthorne Experiments” (library.hbs.edu/hc/hawthorne/). **Maslow**: Maslow, *Maslow on Management*; “A Theory of Human Motivation” by A. H. Maslow, *Psychological Review*, Vol. 50, No. 4, July 1943. Also see “Guru: Abraham Maslow,” *The Economist*, Oct. 10, 2008. **“Higher-level needs”**: McGregor, *The Human Side of Enterprise*, 113. Also see Weisbord, 154–158.
- 49 **“Fully proved”**: Drucker, *Adventures of a Bystander*, 276. **“Hygiene” factors**: Herzberg, Mausner, and Snyderman, *The Motivation to Work*, 131–132. **Floated an idea**: Drucker, *Concept of the Corporation*, 300. **“Had little use”**: Drucker, *Concept of the Corporation*, 301–302.
- 50 **“Very decent”**: Lichtenstein, *Walter Reuther*, 283. For more on the mutual admiration between Reuther and Wilson, see Serrin, *The Company and the Union*, 177–178; El-Messidi, *The Bargain*, 34. Also see Lowenstein, 22. **“Direct attack”**: Drucker, *Concept of the Corporation*, 300.
- 50 **“One-sided”**: Quoted in “The ‘New’ Labor Relations and the My Job Contest of 1947” by Ronda Hauben, *The Searchlight*, Feb, 11, 1988. Also quoted, in part, in Jacoby, *Modern Manors*, 245. In fairness, GM did give MJC participants a spot on the back of their entry forms to present criticisms, assuring them that anything they wrote there would not be evaluated by the judges. About 7 percent weighed in with various

- gripes—most of them about lousy general upkeep and working conditions, a lack of access to product discounts, a dearth of cooperation and coordination, and the absence of a pension plan for hourly workers. See Evans and Laseau, 36, Figure 17.
- 50–51 **Ripped down:** Jacoby, *Modern Manors*, 245; “Employee Attitude Testing in American Industry” by Sanford M. Jacoby, Working Paper Series–120, Institute of Industrial Relations, University of California at Los Angeles, Oct. 1986. **Resorted to verse:** McDonald’s poem is quoted in “The ‘New’ Labor Relations and the My Job Contest of 1947” by Ronda Hauben, *The Searchlight*, Feb. 11, 1988.
- 51 **Under the pseudonym:** Rosengarten, *Urbane Revolutionary*, 71. **“The biggest liar”:** *The American Worker* can be accessed via libcom.org/history/american-worker-paul-romano-ria-stone. This same passage is also quoted in “The History Corner: The ‘My Job’ Contest at General Motors” by Scott Highhouse, Society for Industrial and Organizational Psychology (siop.org/tip/April10/13highhouse.aspx).
- 52 **As much impact:** See “Fortress Unionism” by Rich Yeselson, *Democracy*, Summer 2013. Also see Lambert, “*If the Workers Took a Notion*,” 121–128. Nelson Lichtenstein has written: “If Taft-Hartley did not destroy the union movement, it did impose upon it a legal/administrative straitjacket that encouraged contractual parochialism and penalized and penalized any serious attempt to project a class-wide political-economic strategy” (Fraser and Gerstle, *The Rise and Fall of the New Deal Order*, 134). For a different view, downplaying Taft-Hartley’s significance, see “Does Organized Labor Have a Future?” by Melvyn Dubofsky, *Logos*, Fall 2013. **Continued to grow:** See “Continued Boom For Unions: Record Strides Despite Law’s Restrictions,” *U.S. News & World Report*, Oct. 1, 1948. **Below 30 percent:** “Union Membership Trends in the United States,” Congressional Research Service, Aug. 31, 2004; Milkman, *L.A. Story*, 170. **“Your Old Man”:** “Fortress Unionism” by Rich Yeselson, *Democracy*, Summer 2013.
- 52 **Overwhelming majorities:** The Senate vote was 68–25; the House vote was 331–83. **“Slave-labor”:** Margolies, *A Companion to Harry S. Truman*, 215. Many labor leaders would use the same terminology to describe Taft-Hartley. **“Vicious piece”:** Lichtenstein, *Walter Reuther*, 266. **“The clock”:** Testimony, hearings before the Joint Committee on Labor-Management Relations, Part 2, June 4, 7–12, 706.
- 52–53 **Huge victory:** Lichtenstein, *Walter Reuther*, 140. **“GM’s shift”:** Lichtenstein, *Walter Reuther*, 140.
- 53 **Grievance arbitration:** Lichtenstein, *Walter Reuther*, 144–153. **An “umpire”:** One of the first to hold the umpire’s position was George Taylor, a University of Pennsylvania professor and National War Labor Board official who served as a judge in the “My Job Contest.” **“There is**

- lost**": "Problems of Industrial Organization and Control" by Donaldson Brown before the Chicago Chapter of the Society for Advancement of Management, Nov. 16, 1945, DBP. **Wilson realized**: Lichtenstein, *Walter Reuther*, 151. **"Armed truce"**: Harris, 29.
- 53-54 **"Equality of sacrifice"**: Lichtenstein, *Walter Reuther*, 197. **No-strike pledge**: Lichtenstein, *Labor's War at Home*, 93-105. Lichtenstein, *Walter Reuther*, 197. **Workers resented**: Atleson, *Labor and the Wartime State*, 130-134. **Swelled during the war**: Halpern, 38. **Across heavy industry**: Lichtenstein, *Labor's War at Home*, 147. **2 million**: Atleson, 142. **More than half**: Lichtenstein, *Labor's War at Home*, 147. **Chevrolet Gear and Axle**: Lichtenstein, *Walter Reuther*, 214. Striking over work standards was common. In fact, Lichtenstein (*Labor's War at Home*, 147) says that "the issue in these strikes was chiefly the control of production and discipline," not wages. Atleson, 143, says "wage disputes accounted for about half of all work stoppages in 1944, but disputes over 'intraplant working conditions and policies' and recognition and bargaining rights increased substantially." **"No other solution"**: Atleson, 141. **Quickie strikes**: The average strike lasted fewer than six days—less than half the 1941 average and about a quarter of the 1937 figure (Atleson, 143).
- 54 **Seven-point charter**: "Business, Labor Frame Peace Code," *New York Times*, March 29, 1945. Also see Lichtenstein, *Walter Reuther*, 225; Mizruchi, 88. **"Bitterness and strife"**: "Business, Labor Frame Peace Code," *New York Times*, March 29, 1945; *American Federationist*, American Federation of Labor, Volume 52, 1945. **Had struck**: Brenner, Day, and Ness, *The Encyclopedia of Strikes in American History*, 220. **28 million**: Lee, *Truman and Taft-Hartley*, 16. **Double the high**: The wartime high, reached in 1943, was 13.5 million lost "man days" due to strikes (Lee, 16). **The key issue**: Brenner, Day, and Ness, 218; Millis and Brown, *From the Wagner Act to Taft-Hartley*, 302. Also see "Purchasing Power for Prosperity: The Case of the General Motors Workers For Maintaining Take-Home Pay" by Walter Reuther, Oct. 1945, ILIR. For his part, Peter Drucker ("What to Do About Strikes," *Collier's*, Jan. 18, 1947) asserted that the fundamental cause of the labor unrest was psychological, the result of the Depression of the 1930s: "The American worker . . . is conditioned to regard unemployment as the normal state. Hence he cannot feel that the present labor boom will continue. He must try to make hay while the sun shines."
- 54-55 **Seventy-two delegates**: "Labor-Management Conference Convenes; Truman Addresses First Session," Press Digest, National War Labor Board, Nov. 6, 1945, UAW. Also see Zieger, Minchin, and Gall, *American Workers, American Unions*, 160-161. **"Many considerations"**: "A Common Goal" by President Harry S. Truman, Nov. 5, 1945, *Vital Speeches of the Day*.

- 55 **“Egg labor on”**: Nov. 3, 1945, letter from Wilson to Philip Reed, GE’s chairman, PRP. Wilson was referring specifically to remarks that Truman had made just before the opening of the Labor-Management Conference. They were similar in tone and substance to his speech there. **Protracted strikes**: Brenner, Day, and Ness, 220–222. **Scope and intensity**: “Postwar Work Stoppages Caused by Labor-Management Disputes,” *Monthly Labor Review*, Dec. 1946. The most comparable period was 1919, which saw 3,630 strikes involving 4.2 million workers. Also see Zieger, Minchin, and Gall, 161. **At GE**: Schatz, 155; “A Brief History of UE Bargaining With GE: Seventy Years of Struggle,” United Electrical, Radio, and Machine Workers of America; *Facts on File* (fofweb.com/History/MainPrintPage.asp?iPin=TTY430&DataType=AmericanHistory&WinType=Free). **“Captiously summed up”**: Nicholson, *Labor’s Story in the United States*, 248.
- 55–56 **Longest impasse**: Lichtenstein, *Walter Reuther*, 232. **Labor Day eve**: Lichtenstein, *Walter Reuther*, 6. **Eugene Debs**: Lichtenstein, *Walter Reuther*, 7. **Die maker**: Lichtenstein, *Walter Reuther*, 17–18. **Norman Thomas**: Lichtenstein, *Walter Reuther*, 31. **Detroit City College**: Lichtenstein, *Walter Reuther*, 27–33. **Gorky Auto Works**: Lichtenstein, *Walter Reuther*, 37. **“Proletarian democracy”**: Lichtenstein, *Walter Reuther*, 41.
- 56 **Socialist Party**: Lichtenstein, *Walter Reuther*, 54. **Battle of the Overpass**: Lichtenstein, *Walter Reuther*, 83–86. **Policy of accommodation**: Lichtenstein, *Walter Reuther*, 114. **Turned against**: Lichtenstein, *Walter Reuther*, 112, 124–125, 131. Reuther wasn’t acting simply out of political expediency. After the Hitler-Stalin Pact was forged in 1939, Reuther’s break with the Communists “was a profoundly ideological and moral issue as well,” according to Lichtenstein, *Walter Reuther*, 155. For a less flattering portrait of Reuther, one in which he seems more the opportunist, see Johnson, 290–298. **Resigned from**: Lichtenstein, *Walter Reuther*, 127. **“Pro-defense”**: Lichtenstein, *Walter Reuther*, 157. **“500 Planes a Day”**: Lichtenstein, *Walter Reuther*, 162; Halpern, 195. For Reuther’s “500 Planes a Day” speech, see milestonedocuments.com/documents/view/walter-reuthers-500-planes-a-day-speech.
- 56–57 **Thrust himself**: In moving against GM, Reuther had acted against the wishes of the CIO leadership, which thought that it was premature to launch any strikes so soon after V-J Day (Lichtenstein, *Walter Reuther*, 228–232; Halpern 55–56). **Leading 180,000**: Halpern, 51. The total number of GM hourly workers represented by the UAW at the time was 320,000, but 140,000 were on temporary layoff because of delays with postwar reconversion (Barnard, 215). **“Time to debunk”**: Lichtenstein, *Walter Reuther*, 228. **10 percent**: “UAW-CIO Has Refused 10 Per Cent More Than Wartime Take-Home Pay,” General Motors, background

- information sheet, Dec. 1945, UAW. Also see Halpern, 66; Barnard, 215. **Upped its offer:** Halpern, 66. **30 percent jump:** "The General Motors Strike: The Facts and Their Implications," General Motors, a special message to stockholders, 1945, SA; "Information Concerning the UAW-CIO Strike at General Motors For Members of General Motors' Management," Dec. 18, 1945, ILIR. **Mountain of overtime:** Text of brief submitted by General Motors in negotiations with UAW-CIO, Nov. 7, 1945, UAW. Also see "Purchasing Power for Prosperity: The Case of the General Motors Workers for Maintaining Take-Home Pay" by Walter Reuther, Oct. 1945, ILIR. **"Never in the history":** Quoted in "Information Concerning the UAW-CIO Strike at General Motors for Members of General Motors' Management," Dec. 18, 1945, ILIR.
- 57 **So flush:** See "Interrelation Between Production, Wages, Prices and Profits of the General Motors Corporation," 1945, ILIR. **"Without price increases":** Lichtenstein, *Walter Reuther*, 223. By pushing for a 30 percent jump in pay without an increase in the cost of cars, Reuther was really following the CIO's postwar wage strategy (Lichtenstein, *Walter Reuther*, 223–229). **Widened the circle:** Lambert, 117. **"In this struggle":** "Report to European Labor" by Walter Reuther, Nov. 1949, UAW.
- 57 **Fallen 12 percent:** General Motors background information sheet, UAW. **"Awfully quick":** Transcript of press-radio conference, Oct. 19, 1945, UAW. **"Have to be raised":** "Danger on the Production Front: General Motors' Position on Important Problems Affecting the Entire Country," 1945, SA. Also see "Business Trend for 1947" a speech by Alfred P. Sloan before the Boston Chamber of Commerce, Dec. 19, 1946, *Vital Speeches of the Day*. In it, he asserts: "The concept that wages—a major component of costs—can be substantially raised without affecting prices, unless offset by increasing efficiency . . . constitutes an amazing lack of understanding of fundamental economic reactions."
- 58 **Open the books:** Lichtenstein, *Walter Reuther*, 223, 238; Fountain, *Union Guy*, 181–182; Zieger, Minchin, and Gall, 163. **"Finger in the Pie?":** The ad, which ran in Jan. 1946, can be found in UAW. Also see Sloan, *My Years with General Motors*, 397.
- 58–59 **Fact-finding board:** Halpern, 71; Lichtenstein, *Walter Reuther*, 240. **Terrific letdown:** Lichtenstein, *Walter Reuther*, 240. **"Complete endorsement":** Lichtenstein, *Walter Reuther*, 240. **"Moral victory":** Lichtenstein, *Walter Reuther*, 241. **\$34 million:** Halpern, 56. **Nearly exhausted:** "GM Strike Exhausting Detroit Relief Funds," *St. Louis Star-Times*, March 8, 1946. **Had all settled:** Lichtenstein, *Walter Reuther*, 242–243; Halpern, 75; Barnard, 217. **Double-cross:** Barnard, 217–218; Lichtenstein, *Walter Reuther*, 243. Also see "Stalinists Doublecross GM Auto Strikers," *Labor Action*, Feb. 18, 1946.

- 59 **“Be God damned”**: Lichtenstein, *Walter Reuther*, 243. **Final agreement**: Lichtenstein, *Walter Reuther*, 244–246; Halpern, 87; Barnard, 218. **Wasn’t much to show**: Barnard, 218, Lichtenstein, *Walter Reuther*, 246; “Peace on 113th Day,” *New York Times*, March 14, 1946. **Narrowly elected**: Lichtenstein, *Walter Reuther*, 248. His nerve: Barnard, 219; Serrin, 136.
- 59–60 **“Will not tolerate”**: “Collective Bargaining: How to Make It More Effective,” CED policy statement, Feb. 1947, PHP. **Even President Truman**: Gross, *Broken Promise*, 5. **“The underdog”**: Gross, *Broken Promise*, 5. Lambert, 120, notes that even Sumner Slichter, “a leading liberal postwar industrial relations scholar,” believed that in many cases strikes were no longer “expresses of legitimate grievances” but, rather, now “pitted the self-interest of labor unions against the broad interests of the community.” **By depicting**: *Nashville Tennessean*, Oct. 16, 1945. **“Had enough?”**: McQuaid, *Uneasy Partners*, 27. Also see Zieger, Minchin, and Gall, 167–169. **“Industrial strife”**: Keogh, *This Is Nixon*, 116. **Republican rout**: Republicans gained 13 seats in the Senate to emerge with a 51–45 majority, the largest majority that they’d enjoy there between 1930 and 1980. The GOP also gained 55 seats in the House to give them a 246–188 majority, their largest majority in that body since 1930 (“What 1946 Can Tell Us About 2010” by Michael Barone, *The American*, April 6, 2010).
- 60 **“Happy with labor”**: Davin, *Crucible of Freedom*, 340. **Liberty League**: Gross, *The Making of the National Labor Relations Board*, 172. **169 amendments**: Lee, 30. **“Chant of hate”**: Lee, 31. **Had sought**: Lee, 31. **200 labor-related**: “The Legislative History of the Taft-Hartley Act” by Gerard D. Reilly, *The George Washington Law Review*, Volume 29, Dec. 1960. **“Death warrant”**: Keogh, 115. **“Its own excesses”**: Lee, 28.
- 60–61 **Given up**: Harris, 119–120; McQuaid, *Uneasy Partners*, 28–29. **Predictability and stability**: Gross, *Broken Promise*, 277. **“Orderly ground rules”**: “Collective Bargaining: How to Make It More Effective,” CED policy statement, Feb. 1947, PHP. **“Better than socialism”**: Mills, *The New Men of Power*, 26.
- 61 **This stance**: Expressed in testimony by GM’s Charles E. Wilson, hearings before the Senate Committee on Labor and Public Welfare, Feb 5, 1947; March 10, 1949, letter from GE’s Charles E. Wilson to Representative Andrew Jacobs, member of the House Committee on Education and Labor, LBP. Also see Mizruchi, 86–94. **High-priced**: Reilly charged each of his corporate clients \$3,000 a month in the late 1940s—the equivalent of nearly \$30,000 today—as reflected in papers found in GRP. Reilly’s service to General Motors and General Electric is noted in Harris, 123; Lee, 66.
- 61 **“Beat the boys”**: From a 2012 interview by the author with Heffern. **Scholarship**: From a 2012 interview by the author with Jack Reilly.

- Slight stutter:** Margaret Heffern interview; “Edwin S. Smith Dropped From His NLRB Post,” *Baltimore Sun*, Sept. 18, 1941. **“Socially awkward”:** Jack Reilly interview. **Mail carrier:** “Reilly, Named to Labor Relations Board, Boston Man of Wide Experience,” *Boston Globe*, Sept. 14, 1941. **After earning:** Biographical details from “Reilly, Named to Labor Relations Board, Boston Man of Wide Experience,” *Boston Globe*, Sept. 14, 1941. Also see his obituary: “G. D. Reilly, 88, Former Judge And Official in the Labor Dept.,” *New York Times*, May 21, 1995. **“Very idealistic”:** As quoted in Reilly’s FBI file, GRP. **Wound up:** This was after a stint at the Home Owners’ Loan Corporation. **Trusted adviser:** As reflected in various correspondence on New Deal labor legislation, FPP.
- 61–62 **“Mistaken zeal”:** June 1, 1937, memo from Reilly to Perkins, FPP. **Befriended many:** Jack Reilly interview. **Convicted of perjury:** “Alger Hiss, Divisive Icon of the Cold War, Dies at 92,” *New York Times*, Nov. 16, 1996. Donald Hiss, who worked as an assistant to Reilly at the Labor Department before moving over to State, was accused by Whitaker Chambers of being part of the Communist underground in Washington, but was never accused of espionage. For more, see “Donald Hiss’s Story” at files.nyu.edu/th15/public/donaldhiss.html. **“Unqualified advocate”:** “An American You Should Know: Problems of Solicitor of Labor Department are Manifold,” *Washington Star*, June 21, 1938. **“Correcting these evils”:** Aug. 25, 1937, memo from Reilly to Perkins, FPP.
- 62 **House conservatives:** The lead antagonist was Republican J. Parnell Thomas of New Jersey, a member of the Dies Committee. His resolution also called for the impeachment of James Houghteling, the commissioner of Immigration and Naturalization. Extensive material on the Bridges case can be found in FPP. **“Joan of Arc”:** Pasachoff, *Frances Perkins: Champion of the New Deal*, 107. **His vices:** Jack Reilly interview. **“Their knives”:** Pasachoff, 107. **“Most disarming”:** Feb. 1, 1939, letter from Celler to Perkins, GRP. **“Personal friendship”:** Nov. 10, 1941, letter from Perkins to Reilly, copy courtesy of Jack Reilly.
- 63 **“Roster of enemies”:** Quoted in Gross, *The Reshaping of the National Labor Relations Board*, 89. **Vigorous enforcement:** Gross, *The Reshaping of the National Labor Relations Board*, 17. **“Were immoral”:** Gross, *The Reshaping of the National Labor Relations Board*, 247. **“Brazen favoritism”:** Gross, *The Reshaping of the National Labor Relations Board*, 240. Also see pages 57, 99, 209. **“Never seen”:** Gross, *The Reshaping of the National Labor Relations Board*, 222. Smith headed a House Special Committee to Investigate the NLRB. **Hotbed of communism:** Gross, *The Reshaping of the National Labor Relations Board*, 131–150.
- 63–64 **Exaggerated:** Gross (*The Reshaping of the National Labor Relations Board*, 17) notes that in July 1938, it was reported that the NLRB had

- yet to lose any of the sixteen board decisions that had been appealed to the Supreme Court. Also see pages 222–224; Millis and Brown, 234–268. **Shook up:** Gross, *The Reshaping of the National Labor Relations Board*, 226–228. **Three-member:** The Taft-Hartley Act would expand the NLRB to five members. **One of them:** Harry Millis, an economics professor from the University of Chicago, became chairman, replacing the more liberal Warren Madden. **“Kept himself above”:** “The President Names a New Member of NLRB,” *Baltimore Sun*, Sept. 18, 1941. **“Waist deep”:** GROH. **“Skullduggery”:** GROH. **“Swung too far”:** GROH. **“Very paternalistic”:** GROH. **“Sneaker-wearing”:** Gross, *The Reshaping of the National Labor Relations Board*, 241. Fuchs later admitted to heading a Communist cell inside the NLRB (“The Man Who Confessed,” *Time*, Oct. 10, 1955).
- 64 **Invited to draft:** Reilly had begun calling for changes to the National Labor Relations Act on his way out the door. See, for instance, “Reilly Advocates Six Changes in NLRB Rules, Wagner Act,” *Washington Post*, Aug. 12, 1946. **Joseph Ball:** GROH. **By Robert Taft:** GROH; Lee, 68. **Reilly would help:** Lee, 64. **Conference committee:** Lee, 72. **“Alger Hiss’s son”:** Jack Reilly interview. **“Saint Frances”:** Reich, *Locked in the Cabinet*, 77. **“Adored her”:** Margaret Heffern interview. **Cufflinks:** Jack Reilly interview.
- 64–65 **“New barriers”:** From Truman’s June 20, 1947, message to the House accompanying his veto of Taft-Hartley (presidency.ucsb.edu/ws/?pid=12675). **Taft-Hartley created:** Highlights of the law are drawn from McQuaid, *Uneasy Partners*, 31; Lambert, 122–123; Kirk and McClellan, *The Political Principles of Robert A. Taft*, 124. **Emphasized the rights:** Lambert, 122. **“Out-conservatived”:** From a 2012 interview by the author with Nebeker.
- 65 **As many as 50,000:** Mills, *White Collar*, 91. **Staging walkouts:** This and all other details of the union’s gains through this period are drawn from “History of the Movement to Organize Foremen in the Automotive Industry: December 1938–May 1945,” BL.
- 65 **Once paid:** Harris, 79. **They wanted:** “History of the Movement to Organize Foremen in the Automotive Industry: December 1938–May 1945,” BL. **Played God:** Harris, 76.
- 65–66 **“Dual allegiance”:** See, for instance, Purcell, *Blue Collar Man: Patterns of Dual Allegiance in Industry*; “Union Activity and Dual Loyalty” by Lois R. Dean, *Industrial and Labor Relations Review*, Vol. 7, No. 4, July 1954; Drucker, *Adventures of a Bystander*, 276. **“Imperil their ability”:** Quoted in “History of the Movement to Organize Foremen in the Automotive Industry: December 1938–May 1945,” BL. Also see “G.M. Stand on Unionization of Foremen Explained,” transcript of radio interview with GM’s Harry Anderson, April 5, 1945, UAW.

- 66 **“He gets it”**: This and all other quotations by the GM foremen in this chapter, as well as any details about their lives and careers, are taken from typed interview notes found in RHGP. **Cubicle-dwelling**: See Saval, *Cubed*, 226–227.
- 67 **“Statistical abstractions”**: From Drucker’s foreword to Purcell, x. **Yale University researchers**: The research was led by Charles R. Walker, the director of the Yale Technology Project. Robert H. Guest, Arthur Turner, and Frank J. Jasinski later joined the team. **Framingham**: The Framingham plant had opened in 1949. **They talked to**: The interviews were conducted in 1952 and 1953. The researchers also interviewed the wives of production workers, as well as a small number of more senior GM managers.
- 67 **“In my blood”**: This and all other quotations by the GM production workers in this chapter, as well as any details about their lives and careers, are taken from typed interview notes found in TSC. **Was above**: Nationally, average earnings were sixty-nine cents (“Hourly earnings in manufacturing: 1923–1990,” Sutch and Carter, 2–281).
- 69 **GM feted**: Details on the banquet, including the menu, are from a copy of the program found in SA. **“Have exceeded”**: As quoted in corporate news release, Dec. 13, 1947, UAW. **“Douglas instantly recognized”**: Dec. 28, 1947, letter from Halliday to his parents, copy courtesy of Jim Halliday.

CHAPTER 3

- 73 **“To the stockyards”**: “Some Effects of the Taft-Hartley Act” by Dale E. Good, Institute of Labor and Industrial Relations, University of Illinois Bulletin. **“Educational drive”**: March 18, 1948, letter from UAW vice president John Livingston, to all union locals, included in “Membership Drive Program” packet, UAW. **“Telling Any Lies”**: Stack of contest fliers can be found in UAW.
- 74 **“Jeopardizes the welfare”**: “Organizational and Educational Program to Be Advanced in General Motors Plants Covered by National Agreement,” undated document, UAW. **“In their bones”**: Feb. 3, 1948, letter from UAW vice president John Livingston, to all GM union locals, UAW.
- 74 **A handful**: The prize list was sent on Feb. 4, 1948, from UAW vice president John Livingston, to all GM union locals, UAW. **“There’s a Ford”**: “A Membership Drive Prize, *Detroit Times*, Feb. 20, 1948. **Delphia Baugh**: Baugh’s statement is included as an attachment to a Feb. 11, 1949, memo from UAW vice president John Livingston to union public relations director Frank Winn, UAW.

- 74-75 **More than 25,000:** Fountain, 218. **"Strengthened the hand":** Fountain, 218. **Separate demands:** El-Messidi, 49. **"Damnedest struggle":** El-Messidi, 49. **Negotiators pushed for:** "Speakers Notes for General Motors Strike Vote Meetings," undated document, UAW. **"Top worry":** "GM Workers Need a Real Health and Medical Insurance Plan—but General Motors Still Won't Bargain," *Bargaining Bulletin* No. 4, undated document UAW.
- 75 **"Beyond reason":** Sloan, *My Years with General Motors*, 398. **"More realistic":** Sloan, *My Years with General Motors*, 398. **"Socialistic desires":** "Finish Fight?" *Time*, Dec. 3, 1945. Also see Fountain, 177-178. **Been replaced:** Lichtenstein, *Walter Reuther*, 277. **His composure:** "Louis Seaton, 81, Dies; G.M. Labor Specialist," *New York Times*, March 6, 1988. **Reuther was quieted:** El-Messidi, 51.
- 75 **Fetch a bowl:** All details on the assassination attempt are taken from Lichtenstein, *Walter Reuther*, 271-272. **Always suspected:** Lichtenstein, *Walter Reuther*, 275. It also seems that organized crime figures, who were tangled up in union politics and ran assorted illegal activities from various auto company factories, may have been involved. About a year after the assassination attempt on Walter Reuther, Victor Reuther was also hit by a shotgun blast.
- 75-76 **Room 5-202:** El-Messidi, 50. **Thirty-seven:** Corporate news release, May 25, 1948, CWP. **Strain was growing:** El-Messidi, 58; Sloan, *My Years with General Motors*, 398; "G.M. Boss Passes Wage Idea to Personnel Executives," *Business Week*, June 5, 1948. **Smoking cigars:** El-Messidi, 50. **Main goal:** Corporate news release, May 25, 1948, CWP.
- 76 **Tangible terms:** Details are spelled out in "2-Year GM Wage Pact," *Detroit News*, May 25, 1948; "Auto Agreement Likely to Have Major Effect," *New York Times*, May 31, 1948; corporate news release, May 25, 1948, CWP. Also see "Cost-of-Living Wage Clauses and UAW-GM Pact," *Monthly Labor Review*, July 1948. **"Group merit raise":** Sloan, *My Years with General Motors*, 399.
- 76 **Not new:** See "Adjusting Wages to Living Costs: A Historical Note" by Henry Lowenstern, *Monthly Labor Review*, July 1974. **Kodak had increased:** Brayer, 357. **"Is Automatic":** "General Electric Policies Concerning Wages, Hours and Working Conditions for Shop Employees," revised March 16, 1937, IUE. Also see Schatz, 67. **Had flirted:** Sloan, *My Years with General Motors*, 396. **Refined the plan:** Originally, GM wanted to tie wages to local fluctuations in the cost of living. But this was deemed impractical; Charlie Wilson's advanced the concept by proposing to tie wages to the national Consumer Price Index (Sloan, *My Years with General Motors*, 396-397). **During the 1945:** "Information Concerning the UAW-CIO Strike at General Motors For Members of General Motors' Management," Dec. 18, 1945, ILIR.

- 76–77 **Leon Trotsky**: Lichtenstein, *Walter Reuther*, 277; El-Messidi, 44. **Also insisting**: Lichtenstein, *Walter Reuther*, 277. **“Prefer to play”**: Sloan, *My Years with General Motors*, 396.
- 77 **From his bedside**: Lichtenstein, *Walter Reuther*, 279. **“Are not chained”**: As quoted in “Labor Relations at General Motors” by Agnes E. Meyer, a series of articles in the *Washington Post*, Aug. 20–22, 1948. **“Greedy industrialists”**: Lichtenstein, *Walter Reuther*, 279.
- 77 **All but erased**: Lichtenstein, *Walter Reuther*, 246. **Nearly 20 percent**: “Historical Inflation Rates: 1914–2015,” US Inflation Calculator, Coin-News.net.
- 77–78 **“Gave me a penny”**: “Everything Is Higher” by Ray Glaser, as found in Hille, *The People’s Song Book*, 107. In the same book, also see “A Dollar Ain’t a Dollar Anymore” by Tom Glazer, 112–113.
- 78 **“Tremendous victory”**: Lichtenstein, *Walter Reuther*, 279. **“No regard”**: Address by Charles E. Wilson, Frigidaire Annual Convention, Dayton, Ohio, March 31, 1948, SA. **“Wage-price spiral”**: Lichtenstein, *Walter Reuther*, 246. **“Want to catch up”**: “Progress-Sharing Can Mean Industrial Peace” by C. E. Wilson, *Reader’s Digest*, Sept. 1952. Also quoted in Serrin, 20; Barnard, 273. Also see “Fair Wages and Economic Stability,” a talk by C. E. Wilson, Michigan State College, Oct. 17, 1951, in which he squarely blames government policy for inflation, UAW.
- 79 **“Philosophy of progress”**: As quoted in “Comments on the G.M.-U.A.W. Wage Contract of 1948,” *The Review of Economics and Statistics*, Feb. 1949. **“Backward move”**: “Bureaucrats Again Take Over Wage Fixing Under UAW-GM Sliding Scale Formula,” *United Mine Workers Journal*, June 1, 1948. **Had manipulated**: Aurand, *Coalcracker Culture*, 104. **Also raised questions**: “Comments on the G.M.-U.A.W. Wage Contract of 1948,” *The Review of Economics and Statistics*, Feb. 1949. **“Vicious mechanism”**: “Dangerous Wage-Price Escalator Set Up in General Motors Wage Pact,” *Barron’s*, May 31, 1948. **One survey**: This was based on sixty-nine respondents as polled by the National Industrial Conference Board (“Comments on the G.M.-U.A.W. Wage Contract of 1948,” *The Review of Economics and Statistics*, Feb. 1949). **“Safe middle ground”**: “Looking Forward in Labor Relations,” a talk by C. E. Wilson, Rochester Chamber of Commerce, June 2, 1948, CWP, SA. **“Betting blue chips”**: “G. M. Boss Passes Wage Idea to Personnel Executives,” *Business Week*, June 5, 1948. **Into about half**: Lichtenstein, *Walter Reuther*, 287. **Spread as well**: El-Messidi, 115–116. Also see Lambert, 176; Stapleford, *The Cost of Living in America*, 253–254. Since 1975, general benefit increases for Social Security recipients have been COLAs.
- 79–80 **Beginning of the end**: See “Outlook For Lull in Big Strikes,” *US News & World Report*, July 16, 1948. **UAW local**: This was Chrysler Local 7.

“Strike photographs”: Lubell, *The Future of American Politics*, 179–180. Lubell’s observations from the local are also cited by Zieger, Minchin, and Gall, 193. Also see Lichtenstein, *Walter Reuther*, 276.

80 **“Stabilizing influence”:** Corporate news release, May 23, 1950.

80 **A 20 percent increase:** Lichtenstein, *Walter Reuther*, 280. **“Treaty of Detroit”:** “The Treaty of Detroit: G.M. May Have Paid a Billion for Peace. It Got a Bargain,” *Fortune*, July 1950. Also see Mizruchi, 95; Lichtenstein, *Walter Reuther*, 276; Greenhouse, 71–75; Lowenstein, 24–25; Davis, *The Vanishing American Corporation*, 42; Reich, *Saving Capitalism*, 129. **Would accomplish this:** Details from the 1950 agreement can be found in GM’s corporate news release, May 23, 1950. Copies of the agreement itself are in UAW, BL, CWP. **Consternation:** Much of this stemmed from periodic government revisions to its cost of living index. See El-Messidi, 72–79; “Development of the New UAW Escalator Formula,” June 1, 1953, UAW. It also didn’t help that, from time to time, the COLA went down, cutting into workers’ pay. The UAW was left to remind its members that this was welcome news “in the fight to stop inflation” (Nov. 24, 1948 statement by union official T.A. Johnstone, UAW). Also see “The Truth About GM’s C of L Adjustment: Fair Weather Militants Trying to Capitalize on Price Decline,” GM Facts, Feb. 1949, UAW. **Enormous triumph:** GM had heretofore resisted negotiating with its unions over benefit plans, saying “the inclusion of health and welfare plans within the area of collective bargaining can only create new and unexplored areas of industrial disputes, difficult—if not impossible—to solve” (Statement of C. E. Wilson before the Senate Committee on Labor and Public Welfare, Feb. 5, 1947, SA). **Persistently pursuing:** Wooten, *The Employee Retirement Income Security Act of 1974*, 35–36; Sass, *The Promise of Private Pensions*, 131–133; Lichtenstein, *Walter Reuther*, 282–283; Lowenstein, 17–21; Hacker, *The Divided Welfare State*, 124–132. Also see Ghilarducci, *When I’m Sixty-Four*, 231–253; Greenhouse, 283. Also see “Benefit Plans Under Collective Bargaining,” *Monthly Labor Review*, Sept. 1948. For the UAW, the key breakthrough came in 1949 at Ford. **Inland Steel:** In the case, the Seventh Circuit Court of Appeals upheld a National Labor Relations Board ruling that pensions were subject to collective bargaining. *Inland Steel Co. v. NLRB*, 170F 2d 247, 22 LRRM 2505 (CA 7, 1948), *cert. denied*, 336 U.S. 960, 24 LRRM 2019 (1949). Also see “G.M. Paces the U.S. Pension Parade,” *Life*, June 5, 1950; “Management Faces the Pension Problem,” National Association of Manufacturers, Oct. 1950, KC; Schieber, *The Predictable Surprise*, 134.

80–81 **“Union security”:** Corporate news release, May 23, 1950. **In return:** Lichtenstein, *Labor’s War at Home*, 267. **“Cooperative attitude”:** See “The Thinking Behind the Five Year General Motors Agreement,” a

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

- 81 **"Intelligent trading":** "The General Motors-United Auto Workers Agreement of 1950" by Frederick H. Harbison, *Journal of Political Economy*, Vol. 58, No. 5, Oct. 1950. Harbison is also quoted in Lichtenstein, *Labor's War at Home*, 267; Lichtenstein, *Walter Reuther*, 292; Mizruchi, 96. **"Agitate for":** Lubell, 181-182.
- 81 **"Our hope":** "Five Years of Industrial Peace," a talk by C. E. Wilson, National Press Club, June 8, 1950, SA.
- 81-82 **Come to see:** See, for example, "Inequality and Institutions in 20th Century America" by Frank Levy and Peter Temin, National Bureau of Economic Research, Working Paper No. 13106, May 2007. **Thirteen years:** Whitten and Whitten, *Handbook of American Business History*, 98. **"Coal can offer":** As quoted in "100 Years with Coal Age," *Coal Age*, Sept. 14, 2012. Also see Starr, 317. **Rubber industry:** Brenner, Day, and Ness, 405. **Steel industry:** Brenner, Day, and Ness, 360. **"Never went on strike":** As quoted in Piven and Cloward, *Poor People's Movements*, 157.
- 82 **More than fivefold:** Lichtenstein, *Walter Reuther*, 291. **About 4 percent:** "Work stoppages, workers involved, average duration, and person-days idle: 1881-1998," Sutch and Carter, 2-355.
- 82 **"Can never be":** "War and Peace in Labor Relations" by Robert N. McMurry, *Harvard Business Review*, Nov./Dec. 1955. For a similar take, see Paddy Reilly's essay "Clark Kerr: From the Industrial to the Knowledge Economy" in Lichtenstein, *American Capitalism*, 77-78.
- 82 **Followed the patterns:** Freeman and Medoff, *What Do Unions Do?*, 150-154; Rosenfeld, *What Unions No Longer Do*, 49-50; 74-79; "Unions, Norms, and the Rise in U.S. Wage Inequality" by Bruce Western and Jake Rosenfeld, *American Sociological Review*, Vol. 76, No. 4, Aug. 2011; "Unions, Inequality, and Faltering Middle-Class Wages" by Lawrence Mishel, Economic Policy Institute, Aug. 2012; Cappelli, 110; Osterman, *Securing Prosperity*, 28, 64. For a more mixed picture, see "Non-union Wage Rates and the Threat of Unionization" by Henry Farber, *Industrial and Labor Relations Review*, Vol. 58, No. 3, 2005. **White-collar workers:** "The Effect of Blue-Collar Unions on White-Collar Wages and Fringe Benefits" by Loren N. Solnick, *Industrial and*

Labor Relations Review, Vol. 38, No. 2, Jan. 1985; Freeman and Medoff, 156–158.

- 83 **The southern clan:** In 1912, Sams was hired as a traveling sales manager for Coca-Cola. He left the company in 1917 to join the Navy, but not before locking in his most important sale: he courted, and then married, Lottie Crass, whose father was well on his way to becoming one of the most successful owners in the Coca-Cola bottling network. After Sams was discharged from the military, he joined his wife's family's business and helped it expand well past its Virginia base. At one point, the enterprise owned forty-two separate Coca-Cola franchises. In 1951, family members swapped stocks in various bottling franchises. The Sams faction gained control of thirteen bottling plants and sales centers, including Cumberland.
- 83 **"Been married":** Transcript of remarks by Sams to the employees of the Cumberland Coca-Cola Bottling Works, June 25, 1951, CCCB.
- 84 **Late September:** The election notice is in CCCB. **Mailed letters:** The employee list is in CCCB. **"You have security":** Sept. 22, 1951, letter from Coca-Cola executive Fred Hobbs to employees, CCCB.
- 84 **Fourteen to five:** The NLRB's tally of ballots is in CCCB. **"Single factor":** Undated note from Coca-Cola executive Fred Hobbs to Teamsters local business manager C. E. Stutzman, in response to Oct. 12, 1951, meeting between union and company officials. The five-cent threshold was long held sacrosanct within the Coca-Cola system (though in the late 1940s, some stores began selling a bottle of Coke for six cents). See, for instance, "Why Coke Cost a Nickel for 70 Years," Planet Money, National Public Radio, Nov. 15, 2012. **"Will not grant":** NLRB Charge Against Employer, Oct. 29, 1951, CCCB. **May 10:** NLRB Charge Against Labor Organization or Its Agents, July 8, 1952, CCCB.
- 84–85 **Mass strikes:** See "The Dimensions of Major Work Stoppages, 1947–59," Bulletin No. 1298, US Department of Labor, June 1961. **Fewer than a hundred:** "The Importance of Strike Size in Strike Research" by Jack W. Skeels, Paul McGrath, and Gangadha Arshanapalli, *Industrial and Labor Relations Review*, Vol. 41, No. 4, July 1988. For workers involved in strikes, this study covers the period 1953–1977. Also see "Work Stoppages in the United States and New Zealand" by E. Kingman Eberhart, *Economic Record*, June 1961. **Goons assaulted:** Affidavits from the two Chambersburg salesmen are in CCCB. Customers of the Cumberland plant were threatened, too. A couple of them returned the Coca-Cola they had purchased and asked for their money back.
- 85 **A 6 percent boost:** This was for the lowest-paid laborers in the plant. The route salesmen, who were paid a per-case commission, were subject to a different pay formula. **"Wear out":** July 31, 1952, memo from plant manager Roy Lottig to Sams, CCCB.

- 85 **Wage gains:** As calculated by the author based on a copy of the contract and other documents in CCCB. **“Until I nail”:** Sept. 2, 1952, memo from Lottig to Sams, CCCB.
- 85 **Company cancelled:** As noted in Dec. 22, 1953, letter from Coca-Cola attorney Fred Pollard to Teamsters local business manager C. E. Stutzman, CCCB. **After petitioning:** Copy of petition, filed Nov. 19, 1953, in CCCB. **Out on top:** NLRB Certification of Results of Election in CCCB.
- 86 **Won 83 percent:** “National Labor Board elections and results: 1936–1988,” Sutch and Carter, 2–352. Also see “Downsizing the Past” by Sanford Jacoby, *Challenge*, May/June 1998; Jacoby, *Modern Manors*, 6–7, 54. **“The Wail”:** A copy of the poem, from 1962, is in RWP.
- 86 **“Happiest sleep”:** “Downsizing the Past” by Sanford Jacoby, *Challenge*, May/June 1998; Jacoby, *Modern Manors*, 8.
- 86 **“Out of the way”:** March 15, 1954, letter from Sams to Lottig, CCCB. **“Any inkling”:** March 12, 1954, memo from Lottig to Sams, CCCB.
- 87 **“Born of loyalty”:** Labor Board v. Electrical Workers, No. 15, 346 U.S. 464 (1953).
- 87 **“What we want”:** Royce, *The Philosophy of Loyalty*, 230–231. For an excellent history on the concept of loyalty, from Socrates to Tocqueville and beyond, see Cecil, *Equality, Tolerance, and Loyalty*, 155–217.
- 87 **Fourteen:** As noted in Labor Board v. Electrical Workers, No. 15, 346 U.S. 464 (1953). **“Just or unjust”:** Notice to public in CCP. **“Right to decide”:** Statement given to the *Charlotte Observer*, July 10, 1949, CCP.
- 87–88 **Began picketing:** July 10, 1949, letter to WBT advertisers from local union president E. L. Stroupe, CCP. **“Beneficial exercise”:** Copies of Western Union telegrams in CCP. **August 24:** As noted in CCP. **First in the Carolinas:** “Chronology of WBTV” (wbvtv.com/story/10534472/chronology-of-wbvtv).
- 88 **“Second-Class City”:** Handbill found in CCP, JBP. Sterling Hicks also wrote to the Federal Communications Commission, suggesting that WBT’s television license be revoked because “the local outlet is not utilizing the full facilities as granted” (Aug. 6, 1949 letter from Hicks to FCC, CCP). **Some 5,000:** As noted in Labor Board v. Electrical Workers, No. 15, 346 U.S. 464 (1953).
- 88 **“New thing called”:** “Chronology of WBTV” (wbvtv.com/story/10534472/chronology-of-wbvtv). **“Little bitter taste”:** Sept. 2, 1949, letter from Bill Bethune to Bryan, JBP.
- 88 **“Since early July”:** Copies of Crutchfield’s letters to the employees are in CCP.
- 89 **Postcard campaign:** Copies of many of the postcards are in CCP. **Own mailer:** “WBT Would Like For You to Look at the Record,” CCP. **WBT broadcast:** “Chronology of WBTV” (wbvtv.com/story/10534472/chronology-of-wbvtv).

- 89 **Police arrested:** Details on the crime are drawn from “Police Thwart Dynamite Plot at WBT Tower,” *Charlotte Observer*, Jan. 23, 1950; “Sterling Hicks Arrested in Dynamiting Plot,” *Charlotte Observer*, Jan. 26, 1950; “Seize AFL Aid in Radio Tower Dynamite Plot,” *Chicago Daily Tribune*, January 27, 1950. There is also extensive documentation on the Hicks case in CCP. **Housepainter:** That was Chesley Lovell. **Ordered to serve:** “Hicks Ordered to Serve Term,” *Statesville Record & Landmark* of Statesville, North Carolina, May 3, 1951.
- 90 **Trial examiner ruled:** NLRB Division of Trial Examiners, Jefferson Standard Broadcasting and International Brotherhood of Electrical Workers, A.F. of L., Local 1229, Case No. 34-CA-170, Aug. 21, 1950. **“Physical sabotage”:** NLRB Decision and Order, Jefferson Standard Broadcasting and International Brotherhood of Electrical Workers, A.F. of L., Local 1229, D-5140, June 29, 1951.
- 90 **Technical grounds:** The appeals court found that by using the word “indefensible” instead of “unlawful,” the NLRB had “misconceived the scope of the established rule.” See “Court Reverses Finding of NLRB,” *Charlotte Observer*, Nov. 21, 1952. **Then took up:** May 4, 1953, letter to Crutchfield from Jefferson Standard’s outside counsel, Whiteford Blakeney, CCP. The Supreme Court, however, denied the company’s request to become a formal party in the proceeding.
- 90 **“Elemental cause”:** Labor Board v. Electrical Workers, No. 15, 346 U.S. 464 (1953). Also see Heckscher, 24–25. In his dissent, Justice Felix Frankfurter wrote: “To float such imprecise notions as ‘discipline and ‘loyalty’ in the context of labor controversies, as the basis of the right to discharge, is to open the door wide to individual judgment by [NLRB] members and judges.” **“Test in Firing”:** *U.S. News & World Report*, Dec. 18, 1953. **“Loyalty to the Boss”:** *Newsweek*, Dec. 21, 1953. **“Reds take over”:** “Loyalty of Employees Elemental, Nation’s Highest Court Decides,” *Greensboro Free Press*, Dec. 17, 1953.
- 91 **“Bite the hand”:** Dec. 10, 1953, letter from Hilker to Crutchfield, WBP. **“Truly sorry”:** March 27, 1954, letter from Richardson to Crutchfield, CCP.
- 91 **“Most controversial”:** “Boulware Loses G.E. Labor Post,” *New York Times*, Sept. 11, 1957. **“Grown men”:** Jan. 26, 1988, letter from Boulware to Virgil Day, LBP.
- 91–92 **Born in Springfield:** All biographical details, as well as Boulware’s quotation in this paragraph, are from typed notes in LBP; Sept. 9, 1957 corporate news release announcing that Jack Parker had replaced Boulware as head of GE’s public and employee relations, LBP. Also see Phillips-Fein, 97–98; Kim Phillips-Fein’s essay “American Counter-revolutionary: Lemuel Ricketts Boulware and General Electric, 1950–1960” in Lichtenstein, *American Capitalism*, 253–254.

- 92 **Stunned Wilson:** Phillips-Fein, 96. **Encircled GE factories:** Phillips-Fein, 95. **"Height of stupidity":** Phillips-Fein, 97; Phillips-Fein's essay in Lichtenstein, *American Capitalism*, 253. **Sympathy and support:** The details are from Phillips-Fein, 96; Phillips-Fein's essay in Lichtenstein, *American Capitalism*, 252–253. **National pattern:** Northrup, *Boulwarism*, 20; Phillips-Fein, 97; Phillips-Fein's essay in Lichtenstein, *American Capitalism*, 253. **Sidestepped:** Boulware, *The Truth About Boulwarism*, 2. Northrup, 26; Evans, *The Education of Ronald Reagan*, 37; Phillips-Fein, 97; Phillips-Fein's essay in Lichtenstein, *American Capitalism*, 254.
- 92–93 **"Rewarding approach":** This and all other quotations in the paragraph are from "Then and Now," a talk by Lemuel R. Boulward, General Electric Employee Relations Meeting, Aug. 31, 1977, LBP. Also see Boulware, 1–3.
- 93 **"Ridiculous situation":** Boulware, 3. **A salesman:** See "Proposed Program of Industrial & Community Relations," Aug. 1, 1945, LPB. Also cited by Phillips-Fein, 99; Phillips-Fein's essay in Lichtenstein, *American Capitalism*, 254. **"Job marketing":** Boulware, 24; Northrup, 28–29. **"Tried to diagnose":** Boulware, 24–25.
- 93–94 **A 9-point checklist:** The fully worded plan is in Boulware, 26–28. Also see Evans, 48–50; Northrup, 26.
- 94 **Boulware developed:** Boulware, 32; Evans, 54; Schatz, 172; Phillips-Fein, 100. **"Devoted to overcoming":** Boulware, 32–34. Also see "Memorandum of Interview with L. R. Boulware," Dec. 23, 1947, LBP. **"Keeps Trying":** These and the other headlines are from Boulware, 41–42. **"Hard-hitting":** Dec. 2, 1947, memo from Peare to Boulware, LBP.
- 94–95 **Salary structure:** Boulware, 74–75. **15,000 managers:** Boulware, 31. **Unionized workers:** The 120,000 included members of numerous unions. In addition to the biggest, the International Union of Electrical, Radio, and Machine Workers (IUE), and its rival United Electrical, Radio, and Machine Workers (UE), other unions representing GE employees included the International Association of Machinists (IAM), the United Automobile Workers (UAW), the Allied Industrial Workers (AIW), the International Brotherhood of Electrical Workers (IBEW), and more. **"Proemployee":** "Statement of General Electric Company Prepared For Presentation Before the Senate Committee on Labor and Public Welfare," Feb. 8, 1954, LBP. **"Essential humanity":** Boulware, 109.
- 95 **"Education campaign":** Phillips-Fein, 100. **Typical quarter:** This breakdown, from the first quarter of 1953, is found in Boulware, 56. **"Toe-to-toe struggle":** Boulware, 57.
- 95–96 **"Balanced best":** Boulware, 29–30; Northrup, 30. Boulware called these different stakeholder groups "contributor-claimants." GE's president Ralph Cordiner had a slightly different take in *New Frontiers for*

- Professional Managers*, 23: “A business must be managed in the balanced best interests of all the groups who contribute to its success, but the efforts of all must be focused on the customer. If the customer is well served, share owners, employees, suppliers, dealers, and communities will all prosper.” Also see Reich, *Saving Capitalism*, 120. **“Four parties”**: Freeman, Harrison, Wicks, Parmar, and De Colle, *Stakeholder Theory*, 69. **Johnson & Johnson**: See “Our Credo Values,” Johnson & Johnson (jnj.com/about-jnj/jnj-credo). Robert Wood Johnson wrote this in 1943. **General Motors**: “Memorandum on General Motors Profits,” 1950, UAW. **Kodak**: “SPICE Concept Guides Kodak Business Practices,” Management Letter, Jan. 8, 1971, KHC. The SPICE acronym was coined in the mid-1960s, though the philosophy predated that.
- 96 **“Socialist enemies”**: Boulware, 65. **“And their ilk”**: “Seek Truman Defeat” by Drew Pearson, *Post-Standard* of Syracuse, NY, March 20, 1950. **Better business climate**: Evans, 4. To this end, Boulware’s propaganda machine extended beyond the company and into the “plant communities” where GE operated, as well as to the larger business world. See Boulware, 58–60; Phillips-Fein, 102; Phillips-Fein’s essay in Lichtenstein, *American Capitalism*, 258–259. Also see, for example, “Steps to Take in City-Wide, Adult Economics & Good Citizenship Program,” Sept. 1949, LBP. **Kentucky twang**: Evans, 41; Phillips-Fein, 98. **“The arithmetic”**: Statement of L. R. Boulware to Fort Wayne, Ind., newspaper reporters, Dec. 3, 1952.
- 96 **Eight years**: Evans, 3. **“Left and right”**: Evans, 239. Reagan would later deliver the same speech, “A Time For Choosing,” on behalf of Republican presidential candidate Barry Goldwater in 1964. A different portion of the same speech is quoted in Perlstein, *Before the Storm*, 122–123.
- 96–97 **“Postgraduate course”**: Evans, 4. Also see Rothschild, *The Secret to GE’s Success*, 116. **Economics textbook**: Phillips-Fein, 101; Boulware, 35. **Boulware encouraged**: Boulware, 38; Phillips-Fein, 101; Phillips-Fein’s essay in Lichtenstein, *American Capitalism*, 258; Evans, 53. **Reading lists**: Boulware, 36, 38; Evans, 53. **The Road Ahead**: Boulware, 38; Evans, 54. **“Slow poison”**: Flynn, *The Road Ahead*, 126.
- 97 **DuPont course**: Boulware, 34; Phillips-Fein’s essay in Lichtenstein, *American Capitalism*, 257; Whyte, *The Organization Man*, 121. **Additional series**: Details on and quotes from the Carothers’s classes can be found in the General Electric Corporate Administration Records: 1892–1983, SMA. **Darling of**: Various speeches by Carothers on behalf of the American Liberty League can be found in the Jouett Shouse Collection at the University of Kentucky’s Special Collections Library.
- 97–98 **Direct part**: Northrup, 53. Carey lost the presidency of the UE in 1941 but became secretary-treasurer of the CIO and would hold that

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

- 98 **Common enemy:** In 1953, in what became known as “the Cordiner doctrine,” GE began firing employees “who admitted to being Communists or failed to clear themselves of charges of Communist affiliations leveled by witnesses before congressional committees or other government agencies” (Schatz, 239). **“Marched triumphantly”:** Northrup, 52–53.
- 98 **Pejoratively:** Evans, 45; Phillips-Fein, 100. Boulware, ix, said “Boulwarism is a term devised by others . . . largely in an attempt to use a bad-sounding name for that very good thing” GE was trying to do. **“Bunch of thieves”:** GE News Letter, May 28, 1954. **“Feasible and fair”:** “Boulwareism: C.I.O. Cries Foul As ‘Tough but Fair’ Wage Policy Spreads,” *Wall Street Journal*, Nov. 3, 1954. **“Trying to do right voluntarily”:** This is the subtitle of Boulware’s book *The Truth About Boulwarism*. He used the phrase constantly. See, for instance, “Employee and Plant Community Relations,” a digest of the presentation made to operating managers at the Waldorf-Astoria, New York, Oct. 1–2, 1955, LBP. Also see Rothschild, 117–119.
- 98–99 **Do two things:** This is spelled out well in “Boulwareism: C.I.O. Cries Foul As ‘Tough but Fair’ Wage Policy Spreads,” *Wall Street Journal*, Nov. 3, 1954. **“Now be obvious”:** GE Management Letter, June 9, 1954. **“Has created”:** “GE and CIO Union Opening Talks,” *Wall Street Journal*, July 19, 1955.
- 99 **“Captive audiences”:** Matles and Higgins, *Them and Us*, 248. Also cited in Schatz, 174. **“Nothing new”:** “Boulwareism: C.I.O. Cries Foul As ‘Tough but Fair’ Wage Policy Spreads,” *Wall Street Journal*, Nov. 3, 1954. Also cited in Phillips-Fein’s essay in Lichtenstein, *American Capitalism*, 255.
- 99 **Take-it-or-leave-it:** Boulware bristled at the term “take-it-or-leave-it,” saying that if the company learned of relevant new information in the course of bargaining, it would then change its offer accordingly. **But**

- one purpose:** “Boulwareism: C.I.O. Cries Foul As ‘Tough but Fair’ Wage Policy Spreads,” *Wall Street Journal*, Nov. 3, 1954. **Liked to brag:** From Carey’s *New York Times* obituary, Sept. 12, 1973. **Bantam:** Noted in Carey’s *New York Times* obituary, Sept. 12, 1973. **“Break every bone”:** Northrup, 84. This was during the 1960 negotiations with GE. **Change the ashtrays:** 1983 interview with Joseph Mangino, former union business manager, Hall of History Biographical and Oral History Collection, SMA.
- 99–100 **“Interunion conflict”:** Schatz, 226. **Frequent jockeying:** Schatz, 226–227. **Vote against:** Northrup, 53; Schatz, 227. **“Treated me”:** “On the Picket Line: Strikes at GE,” *Berkshire Eagle* of Pittsfield, Mass., July 5, 1988. **Shut him down:** Northrup, 55; Schatz, 227.
- 100 **Did win:** Casey statement on GE Settlement, Sept. 15, 1950, IUE; “A Short History of Collective Bargaining Between the International Union of Electrical, Radio, and Machine Workers, CIO, and the General Electric Company,” IUE; union news release on contract settlement, Sept. 2, 1954, IUE. **Didn’t receive:** Northrup, 55. **“Leave scars”:** “Boulwareism: C.I.O. Cries Foul As ‘Tough but Fair’ Wage Policy Spreads,” *Wall Street Journal*, Nov. 3, 1954. **“Unsound, unwise”:** From testimony before the Committee on Education and Labor, May 6, 1953.
- 100 **“Boulwarism will spread”:** From Carey’s keynote address to the local union leaders who would be part of the conference board leading the bargaining with GE, Jan. 1955, IUE. **Trying out versions:** “Boulwareism: C.I.O. Cries Foul As ‘Tough but Fair’ Wage Policy Spreads,” *Wall Street Journal*, Nov. 3, 1954.
- 100–101 **“Companywide strike”:** *Berkshire Evening Eagle* of Pittsfield, Mass., March 25, 1955. **“Was thin”:** Northrup, 63. **Record earnings:** “GE’s First-Half Net Gained 9%, Sales 5% Over ‘54,” *Wall Street Journal*, July 22, 1955. **“Staggering”:** July 25, 1955, memo from Lasser to Carey, IUE. **“Long-term peace”:** Northrup, 63.
- 101 **Bold demand:** “Union to Demand G.E. Annual Wage,” *New York Times*, July 19, 1955; “G.E., Union Open Talks on G.A.W.,” *New York Herald Tribune*, July 20, 1955; “IUE Begins Talks With GE For Wage Plan, Pay Boost,” *CIO News*, July 18, 1955. Also see “1955 Economic and Contract Proposals Submitted by the Negotiating Committee IUE-CIO GE Conference Board to General Electric Company,” July 19, 1955, IUE. **“Every respect”:** “Negotiations Open,” GE Employee Relations News Letter, July 20, 1955. **Carey fell ill:** Northrup, 63. **Six-foot-three:** Evans, 41. **Prenegotiation:** Northrup, 63.
- 101–102 **“Scurrilous attacks”:** This passage is excerpted from minutes of the negotiations, July 28, 1955, IUE.
- 102 **Didn’t get:** The company did agree to a contract reopener in 1958 to again explore the issues of job security and the protection of income of

laid-off workers. **Company agreed:** See “Summary of Major Economic Gains,” Aug. 12, 1955, IUE. Also see Aug. 12, 1955, letter from Carey and John Callahan to IUE locals recommending approval of the agreement, IUE. **“Not happy”:** This quotation, as well as Day’s reply, is from minutes of the negotiations, Aug. 10, 1955, IUE.

- 102 **Nearly 20 percent:** Union news release announcing the new contract, Aug. 12, 1955, IUE. **“Take this”:** “On the Picket Line: Strikes at GE,” *Berkshire Eagle* of Pittsfield, Mass., July 5, 1988. Also see Evans, 135–136. **Carey called it:** As noted in, among other places, “The Splendid Settlement,” *Time*, Aug. 22, 1955. This language was also highlighted in the union news release announcing the new contract, Aug. 12, 1955, IUE. The *New York Times* had a less kind assessment, saying that “observers feel that the IUE bargaining team was ‘outslicked’ and outmaneuvered by the GE negotiators” (“The Guaranteed Wage: An Analysis of Success and Failure of 2 Unions in Jobless Benefits Drive,” Aug. 16, 1955). **“Are maturing”:** “The Splendid Settlement,” *Time*, Aug. 22, 1955. **“Better foundations”:** Union news release announcing the new contract, Aug. 12, 1955, IUE.

CHAPTER 4

- 105 **Rochester Trust:** “‘Twas D-Day for Kodak Workers,” *Rochester Democrat and Chronicle*, March 15, 1955. **Mammoth:** Kodak Park spread over 1,200 acres. **Largest wage dividend:** *Rochester Democrat and Chronicle*, March 15, 1955; “Kodak Pays \$28 Million Wage Bonus,” *Rochester Times-Union*, March 14, 1955. Notably, Kodak shareholders didn’t like the wage dividend, saying it cut into their returns. For a discussion of this and other challenges with the formula, see Jacoby, *Modern Manors*, 79–80. **“Smugtown, USA”:** See the book of that name by Gerling.
- 105–106 **“Big financial event”:** “The Prodigious Life of George Eastman,” *Life*, April 26, 1954. **Bedroom suites:** *Rochester Democrat and Chronicle*, March 13, 1955. **Electric range:** *Rochester Times-Union*, March 14, 1955. **Worsted suits:** *Rochester Times-Union*, March 14, 1955. **“Will Call”:** “‘Twas D-Day for Kodak Workers,” *Rochester Democrat and Chronicle*, March 15, 1955. **Monroe County Savings:** *Rochester Democrat and Chronicle*, March 13, 1955. **First Federal:** *Rochester Times-Union*, March 14, 1955. **Rochester Savings:** *Rochester Times-Union*, March 12, 1955. **Security Trust:** *Rochester Democrat and Chronicle*, March 13, 1955. **Originally conceived:** Brayer, 353. **“Your good fortune”:** *Rochester Democrat and Chronicle*, March 13, 1955.
- 106 **“Get a bonus”:** *Rochester Democrat and Chronicle*, March 13, 1955. **Heinrich Motors:** *Rochester Times-Union*, March 14, 1955. **All held:**

- As advertised in the Rochester *Times-Union* and Rochester *Democrat and Chronicle*, March 11–14, 1955. **“Most important reasons”**: Rochester *Democrat and Chronicle*, April 26, 1955.
- 106–107 **“As best it could”**: “Eastman Kodak” by Geneva Seybold, National Industrial Conference Board, June 1958, KHC. **“Paramount consideration”**: “Kodak’s Industrial Relations Objectives and Where We Stand” by C. P. Cochrane, Oct. 1953, KHC.
- 107 **About \$1,000**: “Benefits Set Record at Kodak,” Rochester *Times-Union*, March 26, 1956. For 1955, total employee benefits totaled \$85.4 million. For a summary of employee benefits at Kodak through the 1950s, see Jacoby, *Modern Manors*, 78. **Began to offer**: Corporate news release, Sept. 3, 1953, KHC. “Some Aspects of Kodak’s Retirement Program,” Sept. 1955, KHC. **“Hardly convey”**: Remarks by D. E. McConville before the American Management Association Special Conference on Employee Benefits, March 5–7, 1958, KHC.
- 107 **Golf course**: Jacoby, *Modern Manors*, 80. **Recreation center**: Jacoby, *Modern Manors*, 80. **It sponsored**: Letter to Kodak Office employees, obtained Nov. 1956 from industrial relations, KHC. **Company teams**: “Bowling at Eastman Kodak Company,” KHC. The American Bowling Congress came to Rochester in 1956. **“Highly complex age”**: Untitled 1964 statement by Dr. Louis K. Eilers, KHC. **Automatic lanes**: “Bowling at Eastman Kodak Company,” KHC.
- 108 **On installment**: “Easy and Practical Way to Buy Stocks,” *Changing Times: The Kiplinger Magazine*, Feb. 1966. **“Buy gasoline”**: “The Quinby Plan,” *Time*, Oct. 19, 1953. **“Dollars, rabbits”**: Letter from Quinby published in *Changing Times: The Kiplinger Magazine*, Aug. 1951.
- 108 **Born in 1898**: Quinby obituary, *Rochester Times-Union*, Oct. 25, 1982. **A gentleman**: All biographical details, unless otherwise noted, are from 2012 interviews by the author with Quinby’s children, Congreve Quinby and Linda Letson. **On a yacht**: “After 28 Years—\$56.1 Million!” *The Brighton-Pittsford Post* of Pittsford, N.Y., Oct. 27, 1966.
- 108 **“Salesman by nature”**: From a 2012 interview by the author with Congreve Quinby. **As World War II ended**: As noted in “The Quinby Plan,” *Time*, Oct. 19, 1953. **Decade later**: “Quinby Accounts Up 38% in 1955; Growth Reported,” *The Daily Record* of Rochester, N.Y., Jan. 23, 1956.
- 108–109 **Other corporations**: “The Quinby Plan,” *Time*, Oct. 19, 1953. **Payroll deduction**: *Time*, Oct. 19, 1953. **Ten largest**: “Quinby Accounts Up 38% in 1955; Growth Reported,” *The Daily Record* of Rochester, N.Y., Jan. 23, 1956. **“Bales of money”**: 2012 author interview with Congreve Quinby.
- 109 **“Thinking time”**: Rochester *Democrat and Chronicle*, Feb. 15, 1948.
- 109 **“Comparatively simple”**: Gerling, 1.
- 109 **“The deeper sense”**: Davenport, *U.S.A. The Permanent Revolution*, 66–68. Also quoted, in part, in Miller and Nowak, *The Fifties*, 107.

- “People’s Capitalism”:** Miller and Nowak, 111–112. The term, they note, was coined by the Advertising Council. Also see Saval, 163; Metzgar, *Striking Steel*, 218–219.
- 109 **Tens of millions:** In the late 1950s, the poverty rate for all Americans was 22.4 percent, or 39.5 million individuals, according to the National Poverty Center at the University of Michigan. **“Inequality and deprivation”:** Galbraith, *The Affluent Society*, 239. These concerns are also noted in Miller and Nowak, 121–122. **“Unskilled workers”:** Harrington, *The Other America*, 25. Also see Davis and Wessel, *Prosperity*, 69–72; Miller and Nowak, 123; Weil, *The Fissured Workplace*, 40. Noting that “women and minorities still struggled for political equality and economic opportunity,” Reich (*Supercapitalism*, 16) calls the period from 1945–1975 the “Not Quite Golden Age.”
- 110 **Fewer than:** Reich, *Supercapitalism*, 29. Over the course of the decade, the portion of the US labor force classified as self-employed shrank from 26 percent to just 11 percent (Miller and Nowak, 116). **Half of the nation’s:** Reich, *Supercapitalism*, 29. **Around the globe:** Miller and Nowak, 116. **For export:** From 1946–78, in nearly every category of capital goods, the United States typically had a trade surplus, which grew substantially beginning in the early 1950s. In consumer goods, the United States typically had a deficit from 1925 to 1938, and then a postwar surplus that lasted until 1959 (“Trends in United States International Trade and Investment Since World War II” by William H. Branson, Herbert Giersch, and Peter G. Peterson in Feldstein, *The American Economy in Transition*, 230–231).
- 110 **Badly damaged:** “Since the true globalization of competition was just beginning in many industries in the 1950s and 1960s, it is hard to overestimate the early mover advantages that accrued to those nations that were in a position to exploit them in the early postwar years because their economies had not been damaged,” Porter writes in *The Competitive Advantage of Nations*, 545. Also see Cappelli, 75. **Military-industrial complex:** This was from Eisenhower’s speech of Jan. 17, 1961, in which he warned: “In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists, and will persist.” **20 percent:** Miller and Nowak, 117. Also see Reich, *Supercapitalism*, 42–43. **Outstripped:** Hall and Rosenberg, *Handbook of the Economics of Innovation*, 696. **Come to rely:** Hall and Rosenberg, *Handbook of the Economics of Innovation*, 696.
- 110 **Nation’s 16 million:** History and Timeline of the Servicemen’s Readjustment Act of 1944, US Department of Veterans Affairs (benefits.va.gov/gibill/history.asp). Not all scholars agree on the impact of the

legislation. “There is still considerable debate over whether the 1944 GI Bill had a large direct effect on education or simply enabled those who were drafted to achieve the education they would have attained had they not served in the military” (Goldin and Katz, *The Race Between Education and Technology*, 238). **“Marked gains”**: Hession and Sardy, *Ascent to Affluence*, 821. The authors cite other factors for enhanced productivity, as well, including the effects of mass production, investments in capital equipment, and advances in technology.

II0–III Productivity soared: Labor productivity grew by a robust 3 percent annually during the 1950s, while total factor productivity—a broader measure that accounts for effects in total output not caused by traditionally measured inputs of labor and capital—grew during the decade by an impressive 1.4 percent a year (Nouriel Roubini and David Backus, Lectures in Macroeconomics, Stern School of Business, New York University). Also see Davis and Wessel, 64. **Large boosts**: Between 1947 and 1958, steel workers saw a **III** percent rise in hourly earnings; those in autos, 80 percent; and those building machinery, 81 percent (from the US Bureau of Labor Statistics data found in CWP). **Up 54 percent**: “Compensation per full-time equivalent employee in all industries: 1929–1994,” Sutch and Carter, 2–283. **“Big fringes”**: “Higher Wages, Fewer Strikes,” *Business Week*, Dec. 31, 1955. Also see “Fringes: Benefits or Burdens” by Warren A. Lacke, a monograph from the 35th NAM Institute on Industrial Relations, KC; “Health, Insurance and Pension Plans in Union Contracts,” *Monthly Labor Review*, Sept. 1955; “Fringe Benefits,” *The New Republic*, June 15, 1963. **Almost half**: Reich, *Supercapitalism*, 35. Also see Hacker, *The Divided Welfare State*, 132. **“New peak”**: “A Survey of American Labor During 1955,” *Monthly Labor Review*, Feb. 1956. **“Avail yourself”**: Oct. 29, 1959 letter from the company’s Employees’ Retirement Plan Committee to Ralph Hayes, RHP.

III On cars: Davis and Wessel, 66; Gordon, *The Rise and Fall of American Growth*, 374–393. **Levittown-style**: Halberstam, *The Fifties*, 134–143; Davis and Wessel, 66; Gordon, *The Rise and Fall of American Growth*, 363–370. **TVs**: Davis and Wessel, 61; Gordon, *The Rise and Fall of American Growth*, 419–427. **Jet travel**: Davis and Wessel, 69; Gordon, *The Rise and Fall of American Growth*, 393–400. Also see Samuelson, *The Good Life and Its Discontents*, 38–39, on the rise of jet travel and nine other of the “most influential changes in consumer products and services since the war.” **Easy credit**: Miller and Nowak, 118–119; Halberstam, *The Fifties*, 506. **Madison Avenue**: In 1949, total ad spending on television stood at \$12.3 million; by 1951, that had climbed to \$128 million (Halberstam, *The Fifties*, 501). **“Frame of mind”**: Miller and Nowak, 118.

- III **Final steps:** Gordon, *The Rise and Fall of American Growth*, 319–320. **Good-sized portion:** Gordon, *The Rise and Fall of American Growth*, 352. **Less than half:** Gordon, *The Rise and Fall of American Growth*, 357. **Two toured:** Gordon, *The Rise and Fall of American Growth*, 357. Also see Greenhouse, 76. **“Any steelworker”:** Kitchen Debate transcript via TeachingAmericanHistory.org.
- II2 **“Lethal desires”:** Galbraith, 115. Also quoted, in part, in Davis and Wessel, 67.
- II2 **“Old barricades”:** “Industry and Labor: A New Era?” *New York Times Magazine*, Aug. 7, 1955. At the same time, Raskin did caution that “there remain many areas in which mistrust and divergent economic philosophies block a genuine partnership between employers and their unionized employees.” **“Numbed by martinis”:** “How Top Executives Live,” *Fortune*, July 1955. **Top rate:** “Historical Top Bracket and Rate,” Tax Policy Center, Urban Institute and Brookings Institution. **“Democratic luxury”:** Tedlow and Jones, *The Rise and Fall of Mass Marketing*, 14.
- II2–II3 **In the 1940s:** “The Great Compression: The Wage Structure in the United States at Mid-Century” by Claudia Goldin and Robert A. Margo, *The Quarterly Journal of Economics*, Feb. 1992. Also see Noah, *The Great Divergence*, 19–22; Davis and Wessel, 64–65. **Same narrowing:** Noah, 20. **Government intervention:** Davis and Wessel, 64. **War Labor Board:** Piketty, *Capital in the Twenty-First Century*, 298. **Twenty-five years:** “A Guide to Statistics on Historical Trends in Income Inequality,” Center on Budget and Policy Priorities, revised April 2014. **Unrivaled age:** Piketty, 294. **“More remarkable”:** Noah, 21.
- II3 **Its debut:** San Francisco lawyer and economist Louis O. Kelso created the first ESOP. See “The Origin and History of the ESOP and Its Future Role as a Business Succession Tool,” The Menke Group. Also see Kelso and Adler, *The Capitalist Manifesto*; Lawler and O’Toole, *America at Work*, 275–277. **Hundreds of other:** “Profit-Sharing: Profit or Loss?” by Peter F. Drucker, *New York Times Magazine*, Oct. 15, 1961. Another 34,000 or so plans were sometimes called “profit-sharing,” Drucker noted, but really were executive pension plans. **About half:** “Back to the Future: A Century of Compensation” by G. T. Milkovich and J. Stevens, Cornell University, School of Industrial and Labor Relations, Center for Advanced Human Resource Studies, 1999.
- II3 **“Most sought-after”:** “The Scanlon Plan,” *Time*, Sept. 26, 1955. Although Scanlon was in great demand, he suffered from a severe bronchial condition and his health was deteriorating badly at the time the article was published. He would pass away in Feb. 1956. **The son of:** Biographical details are from “Joseph N. Scanlon: The Man and the Plan” by Daniel Wren, *Journal of Management History*, Vol. 15, No. 1, 2009. Also see “The Steelworkers” by John Chamberlain, *Fortune*, Feb.

- 1944; "Joe Scanlon Tells the Experts How" by John Chamberlain, *Philadelphia Record*, Jan. 2, 1944.
- II4 **Nearly went under:** "Joseph N. Scanlon: The Man and the Plan" by Daniel Wren, *Journal of Management History*, Vol. 15, No. 1, 2009. **"Develop some method":** As quoted in "Worker Participation on Production Problems" by George P. Shultz, *Personnel*, Nov. 1951. Also quoted, in part, in Wren, "Joseph N. Scanlon: The Man and the Plan."
- II4 **"Gainsharing":** Blinder, *Paying for Productivity*, 32–33; Collins, *Gainsharing and Power*, 7–22; Bar-Haim, *Participation Programs in Work Organizations*, 43–49. Also see "The Difference Between Gainsharing & Profit Sharing," Masternak & Associates. **"Driving for":** Lesieur, *The Scanlon Plan*, 12–13.
- II4–II5 **Three crucial elements:** Frost, Wakely, and Ruh, *The Scanlon Plan*, 6–14. **Baseline ratio:** The formula was meant to be adjusted to fit the situation at hand. A manufacturer, for example, might use the ratio of labor costs to the value of production while a food warehouse might use man hours per ton of food processed. **"Like to see":** Lesieur, 42. **"Deeply rooted faith":** Lesieur, 5–6.
- II5 **"Cheerio":** Aug. 6, 1954, letter from Scanlon to E. J. Lever, JSP. **Give up that control:** See "Worker Participation on Production Problems" by George P. Shultz, *Personnel*, Nov. 1951. **Ripped off:** At Industrial Tape Corporation, for instance, the employees believed "quite strongly that they have made a distinct contribution" to enhance productivity, Scanlon said. But their "earnings have been to a great extent extremely limited" because of the mathematical model being used. For more, see the July 20, 1953, letter from Scanlon to Raymond A. Nash of Industrial Tape, JSP.
- II5 **Cornelius Company:** May 21, 1953, letter from Scanlon to journalist Russell W. Davenport, JSP. **Herman Miller:** June 27, 1950, letter from Carl Frost to Scanlon, JSP. **Adamson:** See "Every Man a Capitalist" by John Chamberlain, *Life*, Dec. 23, 1946.
- II5–II6 **LaPointe:** "Enterprise for Everyman" by Russell W. Davenport, *Fortune*, Jan. 1950; "The Lapointe Machine Tool Company and the Steelworkers" by George P. Shultz and Robert Crisara in Golden and Parker, *Causes of Industrial Peace*, 257–281; "Labor Peace at Lapointe: Bonus Plan Boosts Wages and Profits," *Christian Science Monitor*, Feb. 6, 1956. **More than 500:** "Enterprise for Everyman" by Russell W. Davenport, *Fortune*, Jan. 1950. Also see Shultz and Crisara in Golden and Parker, 268. **60 percent:** "The Scanlon Plan," *Time*, Sept. 26, 1955. **18 percent:** "Enterprise for Everyman" by Russell W. Davenport, *Fortune*, Jan. 1950. **Job security:** Shultz and Crisara in Golden and Parker, 276. **"Definite change":** "Incentive Compensation and Increased Productivity," remarks of Edward M. Dowd at the 355th Meeting of the Conference Board, JSP.

- 116 **When everybody:** Despite all of the positive press the Scanlon Plan received, it was used minimally. Only about sixty companies had signed up for it by 1955, not one of them a giant of American industry. Advocates contended that the significance of what Joe Scanlon had designed lay not in its numbers, but in how it tore down an unwelcome wall between employer and employee. The Scanlon Plan has “actually solved the question of a stake and incentive for the wage earner with no trace of paternalism or ‘do-goodism,’” said the journalist Russell Davenport. Also see “The Scanlon Plan,” *Time*, Sept. 26, 1955. The limits of the Scanlon Plan are explored in “Forty Years of Scanlon Plan Research: A Review of the Descriptive and Empirical Literature” by Michael Schuster, *International Yearbook of Organizational Democracy*, 1983.
- 116 **Welfare system:** As characterized in, among others, “The Politics of Economic Security: Employee Benefits and the Privatization of New Deal Liberalism” by Jennifer Klein, *Journal of Policy History*, Vol. 16, No. 1, 2004; Hacker, *The Divided Welfare State*, 132.
- 116 **New GE plan:** Details are described in “Family Medical Care Under Three Types of Health Insurance” by the School of Public Health and Administrative Medicine, Columbia University for the Foundation on Employee Health, Medical Care, and Welfare, 1962.
- 116 **Eight-year-old:** “G.E.’s Experience with Comprehensive Health Insurance” by E. S. Willis, *Monthly Labor Review*, June 1958.
- 116 **Eight in ten:** In one survey, more than 80 percent of employees indicated that they were “very well satisfied” or “fairly well satisfied” with the plan. See “Family Medical Care Under Three Types of Health Insurance” by the School of Public Health and Administrative Medicine, Columbia University for the Foundation on Employee Health, Medical Care, and Welfare, 1962. If there was any party left wanting, it was the Electrical Workers union, the IUE. From its perspective, GE’s insurance plan was a big black box, and the union’s inability to peek inside at the financial details was a source of great frustration. Because GE was the legal policyholder, it was also the company—and not the union or the workers themselves—that received millions of dollars annually in dividends, which Metropolitan Life shoveled out as an inducement to buy its products. For more on this, see Klein, 210; “The Politics of Economic Security: Employee Benefits and the Privatization of New Deal Liberalism” by Jennifer Klein, *Journal of Policy History*, Vol. 16, No. 1, 2004; “The Business of Health Security: Employee Health Benefits, Commercial Insurers, and the Reconstruction of Welfare Capitalism, 1945–1960” by Jennifer Klein, *International Labor and Working-Class History*, No. 58, Fall 2000. In June 1957, labor leader George Meany attacked GE before a Senate subcommittee for GE’s possible conflicts of interest, noting that two company directors—Phil Reed and Robert

- Woodruff—were also on the board of Metropolitan Life Insurance (July 11, 1957, letter from Reed to Woodruff, RWP). **“Been destroyed”**: As quoted in “Family Medical Care Under Three Types of Health Insurance.”
- 117 **The private sector**: Derickson, *Health Security for All*, 118; “The Politics of Economic Security: Employee Benefits and the Privatization of New Deal Liberalism” by Jennifer Klein, *Journal of Policy History*, Vol. 16, No. 1, 2004.
- 117 **A rarity**: Starr, 242. **Sickness benefits**: Starr, 242. **Some companies**: Starr, 200–202. **Principal duties**: Starr, 203. **States and cities**: Starr, 240. **Unlike in Europe**: Starr, 240.
- 117–118 **Led the charge**: Starr, 243–244; Derickson, 8; Klein, 11. **Receive coverage for**: Starr, 244–245. **Welfare capitalism**: Jacoby, *Modern Manors*, 4. **Tellingly**: Starr, 250–251. **Forerunner**: Mizruchi, 28; Collins, *The Business Response to Keynes*, 84.
- 118 **Positioning themselves**: Starr, 249. **“No remedy”**: Derickson, 12–13. **“Pitted both”**: Starr, 251.
- 118 **Who feared**: Starr, 252–253, 265–266; Derickson, 12. **“Dangerous device”**: Starr, 253. Also see Hacker, *The Divided Welfare State*, 195–196.
- 118 **Mostly moribund**: Starr, 257. **Bigger concern**: Starr, 258. **“Moderate means”**: Derickson, 44, quoting Michael Davis, a member of the Committee on the Costs of Medical Care.
- 119 **Committee on the Cost**: See Derickson, 41; Klein, 102. **Localities contribute**: Starr, 265. **“Incitement to revolution”**: Starr, 266; Derickson, 46. **“Utopian fantasies”**: Derickson, 46.
- 119 **Wasn’t as vital**: Starr, 266–267; Derickson, 50. **Wouldn’t be included**: Klein, 118. Starr, 269; Derickson, 65–68; Hacker, *The Great Risk Shift*, 40–41; Hacker, *The Divided Welfare State*, 206–212. **“So many telegrams”**: Marmor, *The Politics of Medicare*, 4. Also see Klein, 119.
- 119 **AFL favored**: Derickson, 73–74; Starr, 266. **Social-democratic agenda**: Boyle, *Organized Labor and American Politics*, 217–218; Moody, *Injury to All*, 39; Lichtenstein, *Labor’s War at Home*, 32. **“List of luxuries”**: Derickson, 81; Klein, 101. Greenberg was speaking at the National Health Conference, a landmark event, in July 1938.
- 119 **He toyed**: Starr, 277. **“Can’t do it”**: Starr, 279.
- 119–120 **Authored a bill**: Derickson, 87–88; Starr, 280; Klein, 160. **President Truman**: Starr, 281–282; Derickson, 93; Klein, 202. **“Let the people”**: Derickson, 94. **“The keystone”**: Starr, 285. Also see Hacker, *The Divided Welfare State*, 227–228.
- 120 **Backed by millions**: Starr, 287. **Government itself**: See “Employer-Sponsored Health Insurance and the Promise of Health Insurance Reform” by Thomas C. Buchmueller and Alan C. Monheit, National Bureau of Economic Research, Working Paper No. 14839, April 2009.

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

During the war: Starr, 311.

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

121 **Fastest-growing plans:** Starr, 327; Klein, 226–228. **A tether:** “The Business of Health Security: Employee Health Benefits, Commercial Insurers, and the Reconstruction of Welfare Capitalism, 1945–1960” by Jennifer Klein, *International Labor and Working-Class History*, No. 58, Fall 2000. See also “The Politics of Economic Security: Employee Benefits and the Privatization of New Deal Liberalism” by Jennifer Klein, *Journal of Policy History*, Vol. 16, No. 1, 2004.

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

121 **Some 28,000:** “GE Comprehensive Insurance Plan Started 10 Years Ago,” GE Employee Relations News, July 12, 1965. Also see Somers

- and Somers, *Doctors, Patients, and Health Insurance*, 383. **Coca-Cola:** The company adopted such a plan in Feb. 1957. See “Brief Summary of Major Medical Expense Plan for Personnel of the Coca-Cola Company,” RHP. **“Invitation to larceny”:** Somers and Somers, 385. Also see Klein, 202, 228.
- 122 **“New meaning”:** “Impact of Private Pension Funds,” *Business Week*, Jan. 31, 1959. Also see “GM Paces the U.S. Pension Parade,” *Life*, June 5, 1950. Regarding the phenomenal growth of pension funds through the 1950s, see Greenhouse, 283. **“Real security”:** “The Mirage of Pensions” by Peter F. Drucker, *Harper’s*, Feb. 1950. Also see Lowenstein, 25. **Tens of millions:** “Impact of Private Pension Funds,” *Business Week*, Jan. 31, 1959.
- 122 **“Magnitude and liberality”:** As quoted in a June 30, 1959, memorandum from GE’s corporate secretary, Ray Luebbe, to the board, PRP. **2 percent:** “Average Annual Inflation Rates by Decade,” InflationData.com (inflationdata.com/Inflation/Inflation/DecadeInflation.asp).
- 122–123 **Increase greatly:** “Employee-Benefit Plans, 1975” by Martha Remy Yohalem, *Social Security Bulletin*, Nov. 1977. **Proportion of Americans:** “Persons with hospital and surgical benefits, by type of private insurance plan: 1939–1992,” Sutch and Carter, 2–550. **“The exception”:** Derickson, 129.
- 123 **Golden glint:** “Glittering Symbol,” *Newsweek*, Dec. 6, 1954; “G.M. 50 Millionth a Gold Chevrolet,” *New York Times*, Nov. 24, 1954. **“Have money”:** As quoted in corporate news release, March 3, 1955, UAW. **In 1952:** “New Pitcher for GM,” *Newsweek*, Dec. 1, 1952.
- 123 **“Key variable”:** “Business Statesmanship,” *New York Times*, Jan. 21, 1954. For the company: “G.M.’s 1955 Profit Exceeds a Billion, Setting U.S. Mark,” *New York Times*, Feb. 3, 1956. **The economy:** See “Appraising the Business Outlook,” remarks delivered by Harlow H. Curtice to a luncheon for business leaders, Jan. 16, 1956, SA.
- 124 **“Curtice was aware”:** “Man of the Year: First Among Equals,” *Time*, Jan. 2, 1956.
- 124 **Its 57 officers:** “Compensation of General Motors Officers and Directors, 1947–1969” based on GM proxy statements, UAW. **Led the way:** “Executive Pay: Up With the Boom,” *Business Week*, June 2, 1956. **Pale in comparison:** “Executive Compensation: A New View from a Long-Term Perspective, 1936–2005” by Carola Frydman and Raven E. Saks, Finance and Economics Discussion Series Divisions of Research & Statistics and Monetary Affairs Federal Reserve Board, July 6, 2007.
- 124 **Stock-purchase plan:** “GM: Making Capitalists, Raising Money,” *Business Week*, July 16, 1955. Also see “The Workers Turn Into Owners,” *Business Week*, May 11, 1957, which describes other stock-purchase programs, including General Electric’s. **“Loyal to GM”:** “I’m with GM,” a corporate handbook for salaried personnel, Oct. 1956, SA.

- 124–125 **Tried to interest:** “GM: Making Capitalists, Raising Money,” *Business Week*, July 16, 1955. **Would win:** “GM Labor Agreement Chronology,” March 20, 1970, UAW. **Several years:** Reuther had been touting a guaranteed wage since 1947. In September 1951, the UAW established a staff committee to formally engage in an intensive study of the GAW (“Progress Report on Guaranteed Annual Wage Preparations,” Dec. 1953, UAW). **More and more:** “Reuther: More and More,” *Newsweek*, May 30, 1955.
- 125 **Ninety days:** “The Thinking Behind the UAW-CIO Guaranteed Employment Plan” by union research director Nat Weinberg, *Michigan Business Review*, March 1955. **Maintain the same:** “Questions and Answers About the UAW-CIO Guaranteed Employment Plan,” UAW.
- 125 **People above property:** Lichtenstein, *Walter Reuther*, 284; Barnard, 282. **Push the public sector:** Lichtenstein, *Walter Reuther*, 284. **Reduce their liabilities:** “Fight for the Annual Wage,” *Time*, Feb. 7, 1955.
- 125–126 **Never resulted:** Undated draft remarks by Walter Reuther to Chamber of Commerce, UAW. **Cited companies:** “A Pay Check Every Week of the Year,” May 1952. Also see “The Guaranteed Wage,” *Fortune*, April 1947. **The 1890s:** “Supplemental Unemployment Benefits: Problems of the Ford Plan,” *Indiana Law Journal*, Vol. 31, No. 3, Spring 1956.
- 126 **March and August:** “Seasonality in the Automobile Industry,” union analysis, June 5, 1950, UAW. **Never faced up:** April 1, 1953, interview notes with Laseau, RHGP.
- 126 **Allow ourselves:** March 11, 1955, letter to Frederic Donner from Brown, DBP. **Dread of the unknown:** Drucker, *The New Society*, 232. **Empty a promise:** “The Responsibilities of Management” by Peter F. Drucker, *Harper’s*, Nov. 1954. **Plan for GAP:** “Fight for the Annual Wage,” *Time*, Feb. 7, 1955. Also see “GAW: The Showdown—the Meaning,” *Business Week*, April 9, 1955.
- 126 **First at Ford:** Barnard, 284; Lichtenstein, *Walter Reuther*, 285–286; “Opening the Door for GAW,” *Business Week*, June 4, 1955. **With supplemental unemployment benefits:** “Labor’s New Victory” by Sumner H. Slichter, *The Atlantic Monthly*, Sept. 1955; Lichtenstein, *Walter Reuther*, 285–286. **Three more years:** “General Motors Ups the Bet,” *Newsweek*, July 4, 1955.
- 127 **Companies followed:** “Supplementary Unemployment Benefits of Ford and General Motors: Analysis and Implications,” an undated master’s thesis by Alexander G. Ayers Jr., Columbia University. **Only 2 percent:** “Growth in Employee-Benefit Plans: 1950–65” by Walter Kolodrubetz, *Social Security Bulletin*, April 1967.
- 127 **Socialistic state:** As quoted in “Labor’s New Victory” by Sumner H. Slichter, *The Atlantic Monthly*, Sept. 1955. **GAW-ful fraud:** Economic Council Letter, Sept. 1, 1955.

- ¹²⁷ **"Can't read English":** Sept. 19, 1955, letter from Sloan to Donaldson Brown, DBP. Also see Lowenstein, 26–28. **"Get everything":** "The G.A.W. Man," *Time*, June 20, 1955. **Pittsburgh Plate Glass:** "Supplementary Unemployment Benefits of Ford and General Motors: Analysis and Implications," an undated master's thesis by Alexander G. Ayers Jr., Columbia University. **"Own security":** Sept. 26, 1955, memo from Reuther to all international union executive board members and department heads, UAW.
- ¹²⁷ **On the cover:** "The G.A.W. Man," *Time*, June 20, 1955.

CHAPTER 5

- ¹³⁰ **Credit for that:** As Alfred D. Chandler Jr. wrote in "Management Decentralization: An Historical Analysis," *Business History Review*, Vol. 30, No. 2, June 1956: "The fundamental innovations in the major variations of decentralized administrative structures existing in large industrial concerns all came in the 1920s. The first and by far the most significant was that engineered by Irénée and Pierre DuPont in 1921. The two brothers created simultaneously for the DuPont company and for General Motors the organization that is still the model for companies decentralizing their operations along product lines." Also see Wren and Bedeian, *The Evolution of Management Thought*, 256. **Pushing responsibility:** Cordiner, 47. Also see "The Implications of Industrial Decentralization" by Ralph J. Cordiner, General Management Series, No. 134, American Management Association, 1945; "Problems of Management in a Large Decentralized Organization" by Ralph J. Cordiner, American Management Association, 1952; "Scientific Job Design and Development of Professional Managerial and Functional Nomenclature," Management Consultation Services, General Electric, Feb. 1954, RGGP; Warner, Unwalla, and Trimm, 177. **Hundreds upon hundreds:** Greenwood, *Managerial Decentralization*, 22, 58, 40–41. **"New arena":** Greenwood, 19. The financial analyst was Edward Currie. Also see Greenwood, 99; Warner, Unwalla, and Trimm, 214. **Surpassed:** Naisbitt, *Megatrends*, 12. Also see Saval, 156. **In 1959:** This was in the book *Landmarks of Tomorrow*.
- ¹³⁰ **"Security, complacency":** Greenwood, 18; O'Boyle, *At Any Cost*, 51. **"Manager's work":** Cordiner, 75–79.
- ¹³¹ **"Cold fish":** Greenwood, 97. **"Napoleonic":** O'Boyle 51. **Born in 1900:** "Ralph J. Cordiner, Ex-G.E. Head, Dies," *New York Times*, Dec. 6, 1973. **Private memoir:** Shared with the author by Cordiner's son-in-law, Frederick Lione Jr. **"Never forgot":** From a 2012 interview by the author with Lione.

- 131–132 **Came to count:** From Cordiner's private memoir. **"Very restive":** From Cordiner's private memoir. **Cordiner headed:** This and other biographical details are from Ralph J. Cordiner, Ex-G.E. Head, Dies," *New York Times*, Dec. 6, 1973; GE's corporate profile of Cordiner; Dec. 16, 1950, corporate news release about Cordiner's election as GE president; and his memoir. **He launched:** Greenwood, 143. Cordiner studied decentralization at General Motors from 1943 to 1950 before pushing forward with his own plan at GE.
- 132 **Blue Books:** Greenwood, 46–47. A fifth volume, *Professional Work in General Electric*, was drafted but never published. For more background on the Blue Books, see Tichy and Sherman, *Control Your Destiny or Someone Else Will*, 55–56; Rothschild, 101–114. **"Human happiness":** From Cordiner's introductory letter in the Blue Books.
- 132–133 **From MIT:** Biographical details from Zimet and Greenwood, *The Evolving Science of Management*, 7. **"Indefatigable formulator":** Zimet and Greenwood, ix–x. **"No longer":** Zimet and Greenwood, 201. **"Just happen":** Greenwood, 82. **Mold them:** Zimet and Greenwood, 207–210. In addition, GE actively encouraged managers to take outside classes at universities and elsewhere. **Reading list:** "Report on Manager Reading Plan," Management Consulting Services Division, General Electric, April 1953, RGGP.
- 133 **"Important activities":** Remarks at Production Services meeting, May 5, 1958, WRP. **Surveys indicate:** Brindle and Stearns, *Facing Up to Management Faddism*, 94. Also see Whyte, 111–128; Mills, *White Collar*, 85–86. **Wide range:** "Outline of Program for New Supervisors," Eastman Kodak, circa 1950, TSC. **"Dale Carnegie":** "Dale Carnegie Course in Effective Leadership," General Motors, 1949, SA. Also see "A Few Highlights of the GM Dale Carnegie Course," SA.
- 133 **Cordiner poured:** "GE's Talent Machine: The Making of a CEO" by Christopher A. Bartlett and Andrew N. McLean, Harvard Business School case study, revised Nov. 2006. **Fifteen-acre:** "The Crotonville Story," Management Development and Business Education Service," General Electric, Feb. 1965, LBP. Also see "Crotonville: The Origins of Industry's Best Management Training Institute" by Ronald G. Greenwood, 1979, LBP. **Management library:** "The Crotonville Story," Management Development and Business Education Service," General Electric, Feb. 1965, LBP.
- 133–134 **Would go through:** "The Crotonville Story," Management Development and Business Education Service," General Electric, Feb. 1965, LBP. The Advanced Management Course was halted in 1961, but Crotonville continued to offer other management classes of shorter duration, as well as other seminars and management conferences. The facility remained the focal point of GE's management education

- efforts. See Warner, Unwalla, and Trimm, 220–222. Whyte, 119–127, also discusses GE training outside of Crotonville. **Backlog:** Greenwood, 82. **POIM:** Zimet and Greenwood, x, 21–22; Evans, 72; 2011 and 2012 interviews by the author with former GE managers Arthur Stern and Jerry Suran. Lem Boulware’s antiunion agenda was also part of the training at Crotonville. **Outside experts:** Greenwood, 20. **“Acid test”:** Greenwood, 130–131.
- 134 **“Tent revival”:** 1979 interview with Neumann, Hall of History Biographical and Oral History Collection, SMA. Also see O’Boyle, 224. **“Cotton-pickin’ mind”:** Greenwood, 42. Phillippe would go on to become GE’s president from 1961 to 1963 and the company’s chairman from 1963 to 1967.
- 134–135 **Large surveys:** “Changing Employee Values: Deepening Discontent?” by M. R. Cooper, B. S. Morgan, P. M. Foley, and L. B. Kaplan, *Harvard Business Review*, Jan. 1979. **To jump:** Whyte, 162–163. Also see Osterman, *The Truth About Middle Managers*, 23. Cappelli, 66, cites other studies showing that “job hopping between companies was minimal.” **“Permanent members”:** Heckscher, 4. Also see Osterman, *Broken Ladders*, 4–5; Osterman, *The Truth About Middle Managers*, 24; Greenhouse, 76. **Nearly 100 percent:** “Changing Employee Values: Deepening Discontent?” by M. R. Cooper, B. S. Morgan, P. M. Foley, and L. B. Kaplan, *Harvard Business Review*, Jan. 1979.
- 135 **High turnover:** Greenwood, 99. One of the biggest jolts to the system was Cordiner’s elimination of administrative assistants (Greenwood, 54–55). **New breed:** Phillips-Fein, 103; Greenwood, 104–105; Schatz, 236. **“The ticket”:** Goldin and Katz, 169.
- 135 **“We performed”:** From a 2012 interview by the author with Suran. For more on Suran, see semiconductormuseum.com/Transistors/GE/OralHistories/Suran/Suran_Index.htm **“Survival of all”:** Whyte, 123. The environment Whyte describes ran counter to Cordiner’s stated intention to enforce “removal for incapacity or poor performance.”
- 136 **Reams of forms:** A slew of these mind-numbing forms and planning documents can be found in RGGP. **“In dogma”:** May 13, 1960, letter from Hurni to Smiddy, RGGP.
- 136 **Session C:** “GE’s Talent Machine: The Making of a CEO” by Christopher A. Bartlett and Andrew N. McLean, Harvard Business School case study, revised Nov. 2006. Also see Greenwood, 126–128. Some managers questioned how faithfully this system was actually implemented. Also see “ERI—Yardstick of Employee Relations” by Willard V. Merrihue and Raymond A. Katzell, *Harvard Business Review*, 1955. **“Self-motivation”:** Greenwood, 130. He is quoting from *The Work of a Professional Manager*, Book 3 of *Professional Management in General*

- Electric*. **“Competitive environment”**: From a 2012 interview by the author with Suran.
- 136 **Eight result areas**: Greenwood, 60–61. **“Chips are down”**: Greenwood, 108.
- 136–137 **Plead guilty**: See “Interim Report: The Recent Settlement of Electrical Industry Antitrust Cases,” Dec. 14, 1960, PRP. **“Choir practice”**: Geis, *White-Collar Criminal*, 87. **“Electrical Conspiracy”**: Part 1 ran in the magazine in April 1961; part 2, May 1961. **Was fined**: Fisse and Braithwaite, *The Impact of Publicity on Corporate Offenders*, 168; Geis, 85. Also see “Electrical Price Fixing Stirs Inquiry,” *CQ Almanac* 1961. **Fired the employees**: Fisse and Braithwaite, 178. **“Flagrant disregard”**: “Price Fixing at GE?” *Time*, Jan. 18, 1960. **“Lazy, indolent”**: “Personal File,” *Time*, June 16, 1961; Geis, 92. **Lay fault**: Kale, *Inverting the Paradox of Excellence*, 247; Geis, 92. **“Make their numbers”**: O’Boyle, 53. Also see Rothschild, 123–125.
- 137 **Watershed year**: The analysis and information in this paragraph, including the magazine quotes, are from “General Motors’ 1958 Reorganization: Transition Away from the Market” by Thomas L. Powers, Conference on Historical Analysis & Research in Marketing, 1993. Also see Hopper and Hopper, *The Puritan Gift*, 142–143, 190; Lutz, *Car Guys vs. Bean Counters*, 14.
- 137 **“My whole life”**: From a 2011 interview by the author with Stern. **Was promoted**: “IEEE Mourns Loss of 1975 President Arthur Stern,” *The Institute*, June 1, 2012. Also see “Arthur P. Stern dies at 86; transistor pioneer,” *Los Angeles Times*, June 12, 2012.
- 137–138 **“A silly way”**: Wilson, *The Man in the Gray Flannel Suit*, 227. For background on the novel, see Saval, 154, 166–168.
- 138 **Ticked off**: “The Man in the Gray Flannel Suit—As Psychiatrists See Him,” remarks by Ralph T. Collins before the American Management Association, 1956, KHC.
- 138 **“Excluding completely”**: Jan. 4, 1976, letter from Jones to Woodruff, RWP.
- 139 **“Without tears”**: Whyte, 131.
- 139 **“Are sanguine”**: Whyte, 155–156.
- 139 **“Farm system”**: This and all other quotes and information from Riland are from a 2012 interview by the author. The list of the alma maters of those employed by Kodak’s Business and Technical Personnel Department from Jan. 1929–July 1952 can be found in KHC.
- 140 **“Anything controversial”**: Whyte, 122. Also see Saval, 160–162, 167. **Also used**: Whyte, 173. **“Curious inquisitions”**: Whyte, 171. Also see Saval, 164–166. **“Extremely lucky”**: From a 2011 interview by the author with Stern.

- 141 **"You're not nuts":** From a 2011 interview by the author with Stern. **He accepted:** In 1961, Stern left GE for a job with even more responsibility at Martin-Marietta.
- 141 **Something of a robot:** Saval, 159, notes that C. Wright Mills "would call the white-collar class a group of 'cheerful robots.'"
- 141 **Worst economic slump:** "Measuring the 1957–58 Recession" by Geoffrey H. Moore, *The Analysts Journal*, Vol. 15, No. 1, Feb. 1959. Also see Glasner, *Business Cycles and Depressions*, 567. **Turned serious:** "The Economic Snowdown," *Time*, March 31, 1958. **Life magazine:** "Some Suffering Amid Well-Being," *Life*, Jan. 27 1958.
- 141 **"Relatives and neighbors":** "Good News for Bad," *Time*, Feb. 24, 1958. **Rate hit:** Labor Force Statistics from the Current Population Survey, US Bureau of Labor Statistics. The 7.5 percent is seasonally adjusted. **13 or 14 percent:** *Economic Report of the President*, Jan. 20, 1959. **General Electric alone:** "Resolution Adopted Unanimously by the IUE-GE Conference Board," July 19–20, 1958, UE. **General Motors:** According to notes in UAW, there were 338,000 workers at GM in December 1957 and 310,000 in December 1958. **No longer honor:** Wooten, 62; "A Method of Increasing the Security of Pension Benefits," *The Journal of Risk and Insurance*, Vol. 35, No. 1, March 1968. Wooten, 67, reports: "In October 1959, Studebaker-Packard and the UAW reached a settlement that reduced benefits for retirees to 85 percent of the level prior to the termination. Employees who were eligible to retire when the plan terminated but did not submit pension applications until after September 2, 1958, received a lump-sum payment of about forty-three dollars per year of service. Others got nothing." Also see Schieber, 139. The workers first hit by Studebaker's actions were employees of the former Packard Motor Car Co. Eventually, a much bigger group of Studebaker's hourly workers would see their pension benefits cut (in many cases to zero) when the company shut down its South Bend, Ind., plant in 1963. See Wooten, 73–76; Sass, 183–185; Lowenstein, 29–30; Ferguson and Blackwell, *Pensions in Crisis*, 3–4; Greenhouse, 78; Hacker, *The Divided Welfare State*, 80.
- 142 **A chance for:** Glasner, 567. **"Wave-like movement":** "Excerpts from Anti-Recession Program of Committee for Economic Development," *New York Times*, March 23, 1958. **"Is normalcy":** As quoted in "Famous Last Words," International Union of Electrical Radio and Machine Workers, IUE. McFarland was speaking to the annual Ladies Luncheon at the US Chamber of Commerce. **"Automation Depression":** *The Nation*, editorial, Nov. 29, 1958. Also see Schrifftgiesser, 199.
- 142 **Classical theorists:** Woirol, *The Technological Unemployment and Structural Unemployment Debates*, 1–7. **"Upward trends":** Woirol, 5.
- 142–143 **Productivity data:** Woirol, 8–11. **"Upon its hands":** As quoted in Woirol, 10.

- 143 **Were scarce:** Woirol, 17–18. **“Real issue”:** Woirol, 21.
- 143 **“New disease”:** Keynes’s essay can be found at econ.yale.edu/smith/econ116a/keynes1.pdf. It is cited in Brynjolfsson and McAfee, *Race Against the Machine*, 33; Brynjolfsson and McAfee, *The Second Machine Age*, 174. Also see “Automation Anxiety” by Daniel Akst, *The Wilson Quarterly*, Summer 2013. **Impose a levy:** Woirol, 21. **Once worked:** Biographical information on Herzel can be found at rogallery.com/Herzel_Paul/herzel-biography.html. **1935 print:** It is part of the collection at the Wolfsonian–Florida International University museum, library, and research center in Miami. **Divergent as ever:** Woirol, 50.
- 143–144 **On hold:** Woirol, 54. **Revived again:** Ford, *The Lights in the Tunnel*, 222, notes that Alan Turing initiated the field of artificial intelligence with his 1950 paper “Computing Machinery and Intelligence.” Also see “Automation: A New Dimension to Old Problems” by George P. Shultz and George B. Baldwin, *Annals of American Economics*, 1955; “The Impact of Automation on Production and Employment” by James B. Carey, Religion and Labor Foundation, Oct. 1957, RHGP. **ENIAC:** “Birth of the Computer,” Computer History Museum; “The Science and Technology of World War II” by Dr. David Mindell, University of North Carolina School of Education, as provided by the National Museum of World War II. **“Rebuild scientific affairs”:** “Electronic Computer Flashes Answers, May Speed Engineering,” *New York Times*, Feb. 15, 1946.
- 144 **“Second industrial revolution”:** Wiener, *The Human Use of Human Beings*, 151. **“Outsmarted”:** “Automation Gets Share of Blame for Continued High Unemployment in Wake of Business Recovery,” *Toledo Blade*, March 29, 1959. **“A ghost”:** “Rebellion in the Factory,” *The Nation*, Oct. 21, 1961. **“Horses felt”:** As quoted by James B. Carey in a May 1, 1961, address at City College of New York, IUE. **“Unmitigated Cruelty”:** Markoff, *Machines of Loving Grace*, 72; Ford, *Rise of the Robots*, 32.
- 144–145 **“Incredibly vigorous”:** Proceedings from Congress of American Industry, New York, Dec. 1–3, 1954, KC. **“The prophet”:** “John Diebold, 79, a Visionary of the Computer Age, Dies,” *New York Times*, Dec. 27, 2005. **To its payroll:** “Facing the Future With Confidence,” an address by GM President Harlow H. Curtice at the GM Motorama, New York, Jan. 1955, UAW. **“Completely refutes”:** Statement by GM vice president Louis G. Seaton before the US Senate Special Committee on Unemployment Problems, Detroit, Nov. 12, 1959, UAW. **“As I know”:** “Comment on Automation,” May 1957, KHC.
- 145 **IBM 701:** Testimony by Ralph J. Cordiner before the Joint Congressional Committee on the Economic Report, Subcommittee on Economic Stabilization, Oct. 26, 1955. Also see “The IBM 701 Defense Calculator,” Columbia University Computing History (columbia.edu/cu/computinghistory/701.html). **First company:** “GE’s Appliance Park

- Still an IT Innovator," *Computerworld*, Jan. 29, 2001. **To handle:** "First-Hand: The First Commercial Computer Application at General Electric" by Burton Grad, IEEE Global History Network, Dec. 2006. Regarding the Remington Rand UNIVAC, also see Saval, 157–158; Cortada, *The Digital Hand*, 25. **"Is drudgery":** *Wall Street Journal*, April 20, 1954. The headline of the ad was "How smart can machines be?"
- 145 **Discounted the danger:** Frank, *Buy American*, 102–114. **"Mistaken peddlers":** Frank, 114.
- 145–146 **"Automate or die":** "Automate or Die on the Competitive Vine," General Electric Issue-Grams, circa 1960, LBP. **Since 1953:** Flamm, *Mismanaged Trade?*, 57. **"To brainwash":** "The Truth About GE-Controlled Toshiba," issued by Local 1506 IUE-AFL-CIO, UE.
- 146 **"Urgently needed":** Statement by Ralph J. Cordiner to the Joint Congressional Committee on the Economic Report, Subcommittee on Automation and Energy Resources," July 25, 1960. Also see "Employment and Unemployment in the U.S. Economy, in General Electric," Relations Services, General Electric, 1960, KC. Cordiner was, in a way, promoting the latest in economic thought. As Ford (*The Lights in the Tunnel*, 135) notes: "The idea that long-term economic growth is, to a large extent, the result of advancing technology was formalized by economist Robert Solow in 1956." For a more nuanced view, see "What Economists Get Wrong About Science and Technology" by Konstantin Kakaes, *Slate*, May 17, 2012. **"Cheering it on":** "Automation: The Impact of Technological Change" by Yale Brozen, American Enterprise Institute, 1963. For another optimistic assessment, see "The Promise of Automation" by Peter F. Drucker, *Harper's*, April 1955.
- 146 **"Employees stranded":** "The Origins of the Manpower Development and Training Act of 1962" by Gladys Roth Kremen, US Department of Labor, 1974. **"Major factor":** "Automation Anxiety" by Daniel Akst, *The Wilson Quarterly*, Summer 2013. Also see Rifkin, *The End of Work*, 81–83. "Automation and Job Loss: The Fears of 1964," *Conversable Economist*, Dec. 1, 2014. Despite these concerns, the commission overall "was optimistic about the impact of technological change on the economy," writes Woirol, 113. Also see Ford, *Rise of the Robots*, 32–33; Markoff, 73–74.
- 147 **"You can't stop":** Lichtenstein, *Walter Reuther*, 290. Also see Serrin, 229–231; Markoff, 73. **"Near-paradise":** May 1, 1961, address at City College of New York, IUE.
- 147 **"More and more":** Statement by Walter Reuther before the US Senate Special Committee on Unemployment Problems, Detroit, Nov. 12, 1959, UAW. **They called:** See Carey's May 1, 1961, address at City College of New York, IUE; statement by Walter Reuther before the US Senate Subcommittee on Employment and Manpower, May 22, 1963, UAW.

- 147–148 **“Cushion the effect”**: “How Does Kodak Handle Automation and the Displaced Worker,” undated typescript, KHC. **Some 30,000**: “The Robot Invasion” by Rick Wartzman, *The American Prospect*, Sept./Oct. 2013. **“To stabilize”**: “General Electric’s Plan for Financing Retraining” by Earl S. Willis, *Management Record*, April 1962. The sentence about “maximizing employment security” comes from an earlier part of the article. Also quoted in Greenhouse, 78; Fraser, *White-Collar Sweatshop*, 100.
- 148 **Computer chip**: The inventor was Jack Kilby of Texas Instruments. See “The History of the Integrated Circuit” (nobelprize.org/educational/physics/integrated_circuit/history/).
- 148 **“Do you suppose”**: Vonnegut, *Player Piano*, 15.
- 148–149 **Building 49**: Shields, *And So It Goes*, 117. **“Got their dignity”**: “Playboy Interview: Kurt Vonnegut, Jr.,” *Playboy*, July 1973. Also quoted, in part, in Shields, 117. Also see Ford, *Rise of the Robots*, 32.
- 149 **“Surest way”**: “Labor’s Pay Raises Blamed in Slump,” *New York Times*, May 21, 1958.
- 149 **“Desperate and despicable”**: “Reaction’s Recession” by James B. Carey, an address to IUE-AFL-CIO Employment Security Conference, Washington, June 13–14, 1958, IUE.
- 149 **“Hard line”**: Brenner, *The Economics of Global Turbulence*, 61–63. Also see Mizruchi, 100. **“To the hilt”**: “Union Response to the Hard Line” by Jack Barbash, *Industrial Relations*, Vol. 1, No. 1, Oct. 1961.
- 150 **“Lost our way”**: May 5, 1954, letter from Scanlon to Meyer Bernstein, JSP. **“Soft and flabby”**: Lichtenstein, *Walter Reuther*, 368. Reuther made these remarks at the UAW’s 1962 convention.
- 150 **Aggressively publicized**: Fones-Wolf, 267; Metzgar, 90. **“Arrogance and bossism”**: Gross, *Broken Promise*, 138. **“Economic power”**: “Unions’ Economic Power Is Seen as a Contribution to Inflation,” *New York Times*, July 23, 1958. The CED’s report, “Defense Against Inflation,” is also referenced by Mizruchi, 99. Also see “Union Powers and Union Functions: Toward a Better Balance,” Committee for Economic Development, March 1964.
- 150–151 **“Dominant position”**: “Monopoly Power as Exercised by Labor Unions,” Study Group on Monopoly Power as Exercised by Labor Unions, National Association of Manufacturers, 1957. **Wolman’s path**: Biographical details from “Dr. Leo Wolman, Economist, Dies,” *New York Times*, Oct. 3, 1961. Also see Gross, *The Making of the National Labor Relations Board*, 17; “In Memoriam: Leo Wolman, 1890–1961,” *Political Science Quarterly*, Vol. 77, No. 3, Sept., 1962; Schlesinger, *The Coming of the New Deal*, 146.
- 151 **“Long ago erased”**: “Our Mounting Union Problem,” an address by Lemuel R. Boulware to the Southwest Electric Conference, Chandler,

- Ariz., March 30–April 1, 1958, LBP. GE had been railing against “compulsory unionism” since at least 1952.
- 152 **With its provision:** The relevant section of the Taft-Hartley Act is 14(b). See “Right-to-Work Laws,” *West’s Encyclopedia of American Law*, Edition 2, 2008. **Potent weapon:** “Fortress Unionism” by Rich Yeselson, *Democracy*, Summer 2013. **Eighteen states:** “Right-to-Work Laws: The Results Do Not Justify the Trouble,” *Time*, Nov. 24, 1958. **Nearly all:** Within a year of Taft-Hartley’s passage, seven of the thirteen southern states had passed right-to-work laws, notes Cherney, Issel, and Taylor, *American Labor and the Cold War*, 125. **Six other states:** “Right to Work in Practice” by Frederic Meyers, The Fund for the Republic, 1959. **“Disinterested bystander”:** Address by Ralph J. Cordiner before the Dallas Citizens’ Council, Oct. 11, 1957. **“Morally wrong”:** *The General Electric Monogram*, Oct. 15, 1958, PRP. Also see “What We Believe About Unionism,” GE Public & Employee Relations News, Nov. 14, 1958, ILIR; “A Report to Management: Compulsory Unionism,” GE Employee Relations News Letter, April 5, 1963, ILIR. **“Should fit”:** July 27, 1956, memo from L. R. Boulware, given to the author by the family of former GE executive J. Stanford Smith.
- 152 **“Exploit workers”:** “Labor Standards Are Lower in Right-to-Work States,” *American Federationist*, AFL-CIO, March 1958. **“Sweatshop days”:** “District No. 3 Adopts Resolution on Right to Work Legislation,” *Local 301 News*, IUE AFL-CIO, Schenectady, N.Y., May 2, 1958. **Matter of fairness:** “The ‘Right to Work’ Controversy” by Gerald J. Skibbins and Caroline S. Weymar, *Harvard Business Review*, July/August 1966.
- 152–153 **“Right-wing”:** See “Facts About The National Right to Work Committee,” Group Research Inc., Dec. 13, 1962, Institute for Research on Labor and Employment Library, UC Berkeley. The National Right to Work Committee’s papers are archived at the Hoover Institution at Stanford University. **Unions outspent:** “Right-to-Work Laws—Symbols or Substance?” by James W. Kuhn, *Industrial and Labor Relations Review*, Vol. 14, No. 4, July 1961. **“Bitter and vindictive”:** “Organized Labor in the Political Process: A Case Study of the Right-to-Work Campaign in Ohio,” *Labor History*, Winter 1963. **Only Kansas:** “Union Security and the Taft-Hartley Act” by Erwin S. Mayer, *Duke Law Journal*, Autumn 1961.
- 153 **“Our grandchildren”:** Nov. 18, 1958, memo from the BURR Agency to United Organized Labor of Ohio, UAW. **“Just the opposite”:** “Notes for Statement on Right-to-Work,” Nov. 10, 1958, LBP. Also see Fones-Wolf, 266.
- 153–154 **“General attitude”:** “Guide to Making a Business Climate Appraisal,” Community and Business Relations Service, General Electric, April

- 1959, LBP. **Eleven plants**: “GE Builds N.C. Plant,” *IUE-CIO News*, Jan. 3, 1955. Also see Rothschild, 117. **Moving away**: Schatz, 130, 233–235. **Train tour**: April 18, 1950, memo regarding the trip in RWP; other material related to the trip can be found in PRP. Also see Allen, *Secret Formula*, 290. **“Free enterprise”**: “GE Heads Eye Plant, See Georgia at Best,” *Atlanta Constitution*, April 28, 1950. **Racist attacks**: “Operation Dixie, the Red Scare, and the Defeat of Southern Labor Organizing” by Michel K. Honey in Cherny, Issel, and Taylor. **Thwarting**: Marshall, *Labor in the South*, 246–269; Cobb, *Industrialization and Southern Society*, 89–98. Also see Moody, 39. **The numbers**: “Comparison of GE Wage Rates: Southern-Northern Plants,” IUE.
- 154 **Transferring work**: Bluestone and Bluestone, *Negotiating the Future*, 72–73. Cobb, 90; French, *U.S. Economic History Since 1945*, 102. Also see Rosenfeld, 19; Uchitelle, 39–40. **Still had**: Boulware, 150. **“Loosely made”**: “Social Responsibilities of the Businessman,” an address by Ralph J. Cordiner to the Harvard Business School Club of New York, May 18, 1959, LBP.
- 154–155 **“Scratched the surface”**: Excerpts from Vinson’s remarks were included in a series of newspaper ads taken out by the Electrical Workers union in GE factory towns in the Northeast—e.g., “GE is Planning a Depression for Pittsfield,” IUE. **“Depression”**: IUE news release, July 22, 1954, IUE. **New investments**: Aug. 17, 1954, letter from GE’s Virgil Day to IUE President James B. Carey, IUE. **“Getting worse”**: Typed notes, Sept. 12, 1956, LBP.
- 155 **Nearly 34 percent**: The precise figure for the fraction of private-sectors workers unionized in 1958 was 33.9 percent; the all-time high, reached in 1953, was 35.7 percent, according to Troy and Sheflin, *Union Sourcebook*, Appendix A, Historical Statistics, 1897–1983. **Landslide**: The Democrats picked up forty-eight seats in the House and a record thirteen in the Senate. See Lichtenstein, *Walter Reuther*, 349. **“No fleeting fad”**: Lichtenstein, *Walter Reuther*, 350. **“Management offensive”**: Davis, *Prisoners of the American Dream*, 121–124. Quoted, as well, in Metzgar, 55. Also see Stebenne, *Arthur Goldberg*, 194–203. **Losers abounded**: Brenner, 62; Lichtenstein, *Walter Reuther*, 350. **Weakest set**: Lichtenstein, 296, notes that in 1958, the UAW “had been drawn into a subtle game of concession bargaining.” Also see “Peace at a Sound Price,” *Time*, Sept. 29, 1958. **No real gains**: Metzgar, 85, sees the 1959 steel strike as a “dramatic and decisive” union victory. But “many steel historians . . . have come to label the 1959 strike as a ‘watershed’ in the eventual decline of the American steel industry” (Brenner, Day, and Ness, 369). Stebenne, 220, writes: “Also suffering were the rank and file, many of whom lost their life savings during the strike and saw the union coffers their contributions had filled, drain dramatically.

- Although the union intervened with banks to prevent foreclosures on the membership's homes, many workers went into debt to survive. Some would spend years recovering what they had lost, and quite a few local unions faced similar problems." **60 percent:** "Future of Private-Sector Unionism in the United States" by Seymour Martin Lipset and Ivan Katchanovski, *Journal of Labor Research*, Vol. 22, No. 2, Spring 2001. **Shop floor:** "The Shift Power Balance in the Plant" by George Strauss, *Industrial Relations*, Vol. 1, No. 3, May 1962.
- 155–156 **Series of actions:** "The Economy: Action Now," *Time*, March 17, 1958; Schriftgiesser, 193. **Did its part:** "The 1957–1958 Recession: Recent or Current?" *Monthly Review*, Federal Reserve Bank of St. Louis, Aug. 1958. **20 percent cut:** Schriftgiesser, 194–197; "Income Levy of 20% Proposed," *New York Times*, March 23, 1958. **"Better salesmanship":** "Transcript of President's News Conference on Foreign and Domestic Issues," *New York Times*, April 24, 1958; Schriftgiesser, 196. Also see "Advertising: Auto Men 'Hollering' for Sales," *New York Times*, April 9, 1958.
- 156 **Supermarket owner:** All of the examples in this paragraph are from "The Hard Sell vs. Hard Times," *Life*, April 14, 1958.
- 156 **"Swift and sure":** Report of the 1958 General Electric Annual Meeting, PRP. Also see "GE's Chairman Is Now the Boss," *Business Week*, Apr. 26, 1958.
- 157 **Called upon:** "What General Electric Is Doing to Accelerate the Upturn in Business," an address by Ralph J. Cordiner to the American Management Association's Economic Mobilization Conference, May 20, 1958, LBP.
- 158 **Last long:** "The Three Recessions: Score Card Shows 1958's Was Shortest," *Time*, Aug. 4, 1958. **Eight months:** "U.S. Business Cycle Expansions and Contractions," National Bureau of Economic Research. **Stock market:** The Dow Jones Industrial Average rose nearly 34 percent in 1958. **"Was blessed":** "Business in 1958," *Time*, Dec. 29, 1958. **"Welfare state":** Harrington, *Life in the Crystal Palace*, 37. Also quoted, in part, in Saval, 169.
- 158 **"Arrives a day":** Harrington, *Life in the Crystal Palace*, 23. Also quoted in Saval, 155.

CHAPTER 6

- 161 **Became a riot:** All details on the riot are from "Time Arc of Rochester's 1964 Riots," Rochester *Democrat and Chronicle*, July 19, 2014; "Rochester Riot Timeline," Independent Television Service; "July '64," California Newsreel (newsreel.org/transcripts/july64.htm); "Some Boy Causing

- Fuss' First Warning Of Trouble in Rochester Riot Area," Associated Press, July 28, 1964; "New Rioting in Rochester," *Chicago Tribune*, July 26, 1964. **Temperature:** Historical data from Weather Underground. **The music:** Selections drawn from the "Hot 100" for the week of July 25, 1964, *Billboard*.
- 162 **"Bull" Connor:** Schlesinger, *The Cycles of American History*, 410. **Ratcheted up:** See "July '64," California Newsreel (newsreel.org/transcripts/july64.htm).
- 162 **In the end:** Figures from "1964 Riots Revisited: 3 Days That Shook Rochester," *Rochester Democrat and Chronicle*, July 19, 2014.
- 162 **Would witness:** Rucker and Upton, *Encyclopedia of American Race Riots*, lxii–lxiii. The New York City (Harlem) riot had broken out just days before the one in Rochester. **"So good":** This and the next quotation are from "Kodak, FIGHT, and the Destination of Civil Rights in Rochester, New York: 1966–1967" by R.D.G. Wadhvani, *The Historian*, 1997. Also see, Horwitt, *Let Them Call Me Rebel*, 453–454.
- 163 **Frederick Douglass:** "July '64," California Newsreel (newsreel.org/transcripts/july64.htm); RBFS; Horwitt, 453–454. **Six-decade-long:** Wilkerson, *The Warmth of Other Suns*, 9–11. **1950 to 1960:** Independent Television Service (pbs.org/independentlens/july64/city.html); Horwitt, 454. **Mirroring trends:** Ginzberg, *Business Leadership and the Negro Crisis*, 7. **Substandard housing:** Horwitt, 454–455. **Unemployment rate:** "Kodak, FIGHT, and the Destination of Civil Rights in Rochester, New York: 1966–1967" by R.D.G. Wadhvani, *The Historian*, 1997. **"Kodak dollar":** Wadhvani, "Kodak, FIGHT, and the Destination of Civil Rights in Rochester, New York: 1966–1967."
- 163 **Had tripled:** Delton, 33. **White-collar jobs:** Delton, 40. **Plans for Progress:** Dobbin, *Inventing Equal Opportunity*, 43–49. For more, see Delton, 177–191; Reed, *The Diversity Index*, 69–83. **Ten times:** Dobbin, 49.
- 163–164 **"Have outstripped":** From Kenneth B. Clark's essay, "The Crisis: Attitudes and Behavior," in Ginzberg, 24. **"Not recovered":** "Equal Opportunity and Equal Pay" by Herbert R. Northrup, *Management Personnel Quarterly*, Fall 1964. **Were managers:** Aronowitz, *False Promises*, 177. **"White Male Wanted":** Reed, 101. **Small businesses:** As noted in "The Responsibilities of Business to Minority Enterprise" by General Motors Chairman James M. Roche at the New York Chamber of Commerce, May 7, 1970, UAW.
- 164 **On the books:** "Demolition Means Progress: Race, Class, and the Deconstruction of the American Dream in Flint, Michigan," a doctoral dissertation by Andrew R. Highsmith, University of Michigan, 2009. The first provision covering racial discrimination in a union contract was negotiated between GM and the UAW in 1961 (Dobbin, 92). **Worst jobs:** Serrin, 15, 234–235. **The 1940s:** See Lichtenstein, *Walter*

- Reuther, 209. **Large numbers:** In Detroit, the heart of the industry, blacks made up 4 percent of the auto workforce at the start of World War II; by 1960, that figure had climbed to 16 percent (Sugrue, *The Origins of the Urban Crisis*, 147). Also see Halpern, 46. **"In writing":** Highsmith dissertation. The commission's finding came in 1966. **"To abide":** This was in 1957. Lichtenstein, *Walter Reuther*, 373; also quoted in Zieger, *For Jobs and Freedom*, 140. **"Hireable blacks":** Wright, *On a Clear Day You Can See General Motors*, 275. **Not one black:** Hill and Jones, *Race in America*, 286.
- 164 **Individual managers:** Sugrue, 148. **"Stoner's Society":** "Demolition Means Progress: Race, Class, and the Deconstruction of the American Dream in Flint, Michigan," a doctoral dissertation by Andrew R. Highsmith, University of Michigan, 2009.
- 165 **Organized protests:** "Demolition Means Progress: Race, Class, and the Deconstruction of the American Dream in Flint, Michigan," a doctoral dissertation by Andrew R. Highsmith, University of Michigan, 2009. Also see "N.A.A.C.P. Plans a GM Job Drive," *New York Times*, April 9, 1964. **Forty-two cities:** Hill and Jones, 286. **"We will show":** Darden, Hill, Thomas, and Thomas, *Detroit: Race and Uneven Development*, 71. **A statement:** Miller, *The Postwar Struggle for Civil Rights*, 101.
- 165 **Long championed:** See Lichtenstein, *Walter Reuther*, 370. **"Our own freedom":** Excerpts of Reuther's remarks, Aug. 28, 1963, The King Center. For an in-depth account of the role that Reuther played in organizing the march, see Boyle, *The UAW and the Heyday of American Liberalism*, 176–180.
- 165–166 **Had set up:** Halpern, 34, 45–46; Lichtenstein, *Walter Reuther*, 211. **Slow to appoint:** Lichtenstein, *Walter Reuther*, 373–381. The Trade Union Leadership Council, a black protest movement within the UAW itself, was formed in 1957. Also see Serrin, 150–152; Hill and Jones, 277–279. **"No interest":** "Demolition Means Progress: Race, Class, and the Deconstruction of the American Dream in Flint, Michigan," a doctoral dissertation by Andrew R. Highsmith, University of Michigan, 2009. This complaint came in 1968. **Systematically kept:** Sugrue, 161. **A threat:** Zieger, 158; "The Long Exception: Rethinking the Place of the New Deal in American History" by Jefferson Cowie and Nick Salvatore, *International Labor and Working-Class History*, Fall 2008. **"Who dominated":** Zieger, 141.
- 166 **Held fewer:** Widick, *Auto Work and Its Discontents*, 56–57; Sugrue, 157. **Personally invested:** From a 2011 interview with Roche's children, Jim Roche and Joan Quinlan; Serrin, 255; "GM Helping Suppliers Improve Standards: Roche," *Jet*, Oct. 28, 1971. **Leon Sullivan:** Zweigenhaft and Domhoff, *Diversity in the Power Elite*, 97–99; "GM Makes Bold Move

- to Help Blacks Gain Economic Power,” *Jet*, Feb. 25, 1971. **“National scale”**: “Job Bias Charged to Four Companies and Major Unions,” *New York Times*, Sept. 18, 1973. The Equal Employment Opportunity Commission levied charges of job discrimination against GM and the others not only on the basis of race, but also gender and national origin.
- 166–167 **Find itself charged**: Also charged by the Equal Employment Opportunity Commission in the same action were Ford and Sears. **As early as**: Purcell and Mulvey, *The Negro in the Electrical Manufacturing Industry*, 31; Reed, 114; Northrup and Rowan, *The Negro and Employment Opportunity*, 155; “Equal Opportunity: A Long-Standing, Continuing Commitment in General Electric,” *Community and Government Relations Bulletin*, General Electric, April 17, 1964. **Had chaired**: The Commission’s report “To Secure These Rights,” can be found at trumanlibrary.org/civilrights/srights1.htm. Also see “Deeds v. Ideals,” *Time*, Nov. 10, 1947. **Pledge its support**: Dobbin, 84. Although GE touted its support for the initiative, Reed (114) notes that the company never formally signed on, thereby failing to agree to any of the affirmative action initiatives that other Plans for Progress participants did. **Fred Borch**: “Johnson Appoints Borch to Civil Rights Committee,” *Employee Relations News*, General Electric, July 13, 1964. The panel was the National Citizens Committee for Community Relations. **“Positions of responsibility”**: “Equal Opportunity: A Long-Standing, Continuing Commitment in General Electric,” *Community and Government Relations Bulletin*, General Electric, April 17, 1964. **“Dragged grudgingly”**: See vice president Virgil Day’s essay, “Progress in Equal Opportunity at General Electric,” in Northrup and Rowan, 156.
- 167 **The stories**: “At Work in Industry Today,” *Management Development and Employee Relations Services*, General Electric, 1964. **60,000 copies**: Northrup and Rowan, 162. **Less than 1 percent**: Reed, 182. This was as of Dec. 1962.
- 167 **Special tune**: May 24, 1937, memorandum from DeSales Harrison to Perry Bechtel, RWP.
- 167–168 **Form stand**: Allen, *Secret Formula*, 283. For a harsher portrait of how Woodruff reacted to violence against blacks at Ichauway, see Pendergrast, 279. **Donating money**: July 10, 1945 letter from Ralph Hayes to Woodruff, RWP. **To raise**: Jan. 6, 1959, letter from Woodruff to Bishop Arthur J. Moore, RWP. **Tuskegee Institute**: RWP; Allen, *Secret Formula*, 286. **A tour**: Nov. 7, 1952 letter from Harrison Jones to Ivan Allen Jr., RWP. Also see “Executives Tour 6 Negro Colleges,” *New York Times*, Nov. 22, 1952; Allen, *Secret Formula*, 287. **“Most significant”**: Nov. 22, 1952, letter from Benjamin Mays to Woodruff, RWP.
- 168 **“Chimpanzee”**: Pendergrast, 267. **Backing for governor**: This was all part of a deal in which Talmadge would support a general sales tax

- instead of a tax aimed specifically at soft drinks, according to Allen, *Secret Formula*, 314–316. Also see Capparell, *The Real Pepsi Challenge*, 168–173. **“Klan-loving Hummon”**: “A Defeated Herman Talmadge and the Black Vote,” *Southern Changes*, Vol. 3, No. 1, 1980. **“God advocates”**: “Herman Talmadge, Georgia Senator and Governor, Dies at 88,” *New York Times*, March 22, 2002. **“Little disgusted”**: “Georgia: Pick the Winning Side,” *Time*, June 26, 1950. Also quoted in Capparell, 169.
- 168 **A big lead**: Capparell, 116, 134; Allen, *Secret Formula*, 285–286. **Under-served market**: Pendergrast, 266. **Began to advertise**: This was under the leadership of pioneering African-American ad man Moss Kendrix. See “The Company that Taught the World to Sing: Coca-Cola, Globalization, and the Cultural Politics of Branding in the Twentieth Century,” a doctoral dissertation by Laura A. Hymson, University of Michigan, 2011. Also see Capparell, 227. **Star athletes**: Pendergrast, 266. As Hymson details in her dissertation, Jackie Robinson was the centerpiece of Coke’s initial advertising efforts in the black community. **Did not hire**: Hays, *The Real Thing*, 198; Allen, *Secret Formula*, 285.
- 168–169 **New York**: A protest in 1950 was organized by the Harlem-based National Fair Play Committee. See Capparell, 187–188; “The Company that Taught the World to Sing: Coca-Cola, Globalization, and the Cultural Politics of Branding in the Twentieth Century,” a doctoral dissertation by Laura A. Hymson, University of Michigan, 2011. **Omaha**: Capparell, 188. **Champaign**: “Coca-Cola Official Promises to Hire Negroes,” *Jet*, Oct. 5, 1961. **Atlanta**: Atlanta Ministers Boycott Coca-Cola,” Southern Christian Leadership Conference Newsletter, Sept. 1963; Pendergrast, 280. **Chicago**: Operation Breadbasket, a project of the Southern Christian Leadership Conference, negotiated thirty new and upgraded jobs for blacks from the Coca-Cola Bottling Company of Chicago in August 1966. See the news release from The King Center: thekingcenter.org/archive/document/operation-breadbasket-o. **“Manual or menial”**: The group was called the Negro Ministers of Atlanta. See Atlanta Ministers Boycott Coca-Cola,” Southern Christian Leadership Conference Newsletter, Sept. 1963. **Pave the way**: Allen, *Secret Formula*, 337; Hays, 198. **“That is reviled”**: McWhorter, *Carry Me Home*, 249. **“Tell your neighbors”**: From King’s “I’ve Been to the Mountaintop” speech, delivered in Memphis on April 3, 1968. A transcript is available at The King Center. King would also call for blacks to stop using Sealtest milk and Wonder Bread, among other products and services. He was assassinated the next day, April 4.
- 169 **Sat next to**: Branch, *Pillar of Fire*, 405.
- 169 **“Created equal”**: Johnson’s radio and television remarks upon signing the Civil Rights Act, July 2, 1964, LBJ Presidential Library.

- 169 **Prohibited discrimination:** "The Civil Rights Act of 1964 and the Equal Employment Opportunity Commission," National Archives and Records Administration.
- 170 **"Close the springs":** Johnson's radio and television remarks upon signing the Civil Rights Act, July 2, 1964, LBJ Presidential Library. **First black:** "Kenneth Clark, Who Fought Segregation, Dies," *New York Times*, May 2, 2005. **"The frustration":** Clark's essay in Ginzberg, 26.
- 170 **Lay the groundwork:** Kenneth Clark, Who Fought Segregation, Dies," *New York Times*, May 2, 2005. **"Business should accept":** Clark's essay in Ginzberg, 31–32.
- 170–171 **"Concerted effort":** Delton, 36–37.
- 171 **Tried to entice:** Sethi, *Business Corporations and the Black Man*, 19–20; Horwitt, 456; "Kodak, FIGHT, and the Destination of Civil Rights in Rochester, New York: 1966–1967" by R.D.G. Wadhwani, *The Historian*, 1997.
- 171 **Born in:** Horwitt, 5–6. "Saul Alinsky, 63, Poverty Fighter and Social Organizer Is Dead," *New York Times*, June 13, 1972. **Capone's men:** Horwitt, 20–22. "The Agitator" by Ryan Lizza, *The New Republic*, March 19, 2007. Also see "Playboy Interview: Saul Alinsky," *Playboy*, March 1972. **Great fodder:** Horwitt, 3–4. **Alinsky worked:** Horwitt, 23–35, "Saul Alinsky, 63, Poverty Fighter and Social Organizer Is Dead," *New York Times*, June 13, 1972; "Playboy Interview: Saul Alinsky," *Playboy*, March 1972. **Allied himself:** Horwitt, 59. **Grew broader:** Horwitt, 68.
- 171 **"Wanted to try":** "Playboy Interview: Saul Alinsky," *Playboy*, March 1972.
- 172 **"Rubbing raw":** "Saul Alinsky, 63, Poverty Fighter and Social Organizer Is Dead," *New York Times*, June 13, 1972. Also see Horwitt, 458. **Trained Barack Obama:** See "Obama Has a Calm, Disciplined Approach to Challenges," *National Journal*, Oct. 27, 2008. **Undergraduate thesis:** "For Clinton and Obama, a Common Ideological Touchstone," *Washington Post*, March 25, 2007. **"Faithfully reflect":** As quoted in the introduction to "Playboy Interview: Saul Alinsky," *Playboy*, March 1972. **"Jolly good fun":** As quoted in the introduction to "Playboy Interview: Saul Alinsky," *Playboy*, March 1972. This was in response to the publication of Alinsky's 1971 book, *Rules for Radicals*. **"Critics are right":** "Playboy Interview: Saul Alinsky," *Playboy*, March 1972.
- 172 **Expanded his work:** "Playboy Interview: Saul Alinsky," *Playboy*, March 1972. **New York City:** Horwitt, 280–302. **California:** Horwitt, 222–235. **Woodlawn:** Horwitt, 390–449. **"Do without hiring":** Horwitt, 458. **Two-year contract:** Horwitt, 457; Sethi, 20. **"Antiquated paternalism":** Horwitt, 461–462.
- 173 **Long list:** Horwitt, 466. **Xerox:** Horwitt, 488–489.

- 173 **"Hold discussions"**: "Nondiscrimination in Employment," Kodak Management Letter, June 28, 1962, KHC. Also see Sethi, 24. **"Many peanuts"**: Dobbin, 59. **"Say it blatant"**: 2008 interview with Ingram, RBFS. **About 600**: "Scientist With a Cause," *Ebony*, December 1969. **33,000**: "Kodak to Pay Dividend Tuesday," *The Daily Record* of Rochester, N.Y., March 13, 1964.
- 173-174 **Florence**: All details are from Horwitt, 464. **Walked into**: Sethi, 26-27; "Kodak, FIGHT, and the Destination of Civil Rights in Rochester, New York: 1966-1967" by R.D.G. Wadhwani, *The Historian*, 1997. **"Only mass based"**: Wadhwani, "Kodak, FIGHT, and the Destination of Civil Rights in Rochester, New York: 1966-1967." Also see Sethi, 27.
- 174 **"Arbitrary demand"**: "Kodak, FIGHT, and the Destination of Civil Rights in Rochester, New York: 1966-1967" by R.D.G. Wadhwani, *The Historian*, 1997. **"Aren't something"**: Sethi, 27. **"Tell us"**: Horwitt, 490. **Stopped attending**: Sethi, 29-30. The two sides also exchanged letters through this period in which they talked right past each other. Correspondence found in KHC; FFP. **"No basis"**: Sethi, 29.
- 174-175 **Kodak announced**: Sethi, 30; Horwitt, 490; "Kodak, FIGHT, and the Destination of Civil Rights in Rochester, New York: 1966-1967" by R.D.G. Wadhwani, *The Historian*, 1997. Also see Oct. 22, 1966 corporate news release, KHC; FFP. **"A fraud"**: "FIGHT Vows New Push for Kodak Jobs," *Rochester Democrat and Chronicle*, Oct. 26, 1966. **"Instamatic jobs"**: Transcript of remarks on WORK-TV, Oct. 26, 1966, KHC. Also quoted in part in Sethi, 30. **"One of the crummiest"**: Transcript of remarks on WORK-TV, Oct. 26, 1966, KHC.
- 175 **Taking the brunt**: "Kodak, FIGHT, and the Destination of Civil Rights in Rochester, New York: 1966-1967" by R.D.G. Wadhwani, *The Historian*, 1997; Sethi, 30. **John Mulder**: Sethi, 31; Horwitt, 490-491. **Led by managers**: Sethi, 31. **Reached a deal**: Sethi, 31-32; Horwitt, 491; Wadhwani, "Kodak, FIGHT, and the Destination of Civil Rights in Rochester, New York: 1966-1967."
- 175 **"Vision"**: "Kodak, FIGHT, and the Destination of Civil Rights in Rochester, New York: 1966-1967" by R.D.G. Wadhwani, *The Historian*, 1997. **"Hell he has"**: Sethi, 33. **"Into the future"**: Sethi, 33. **"Faint odor"**: Sethi, 33. Also see Horwitt, 492.
- 176 **"They've broken"**: "The Fight That Swirls Around Eastman Kodak," *Business Week*, April 29, 1967. Also quoted in Sethi, 33. **"No good"**: "Kodak, FIGHT, and the Destination of Civil Rights in Rochester, New York: 1966-1967" by R.D.G. Wadhwani, *The Historian*, 1997. **"Sincerely regrets"**: Sethi, 34.
- 176 **"A sham"**: Sethi, 37. **"Meetings about meetings"**: Horwitt, 494; Sethi, 37; "Kodak, FIGHT, and the Destination of Civil Rights in Rochester, New York: 1966-1967" by R.D.G. Wadhwani, *The Historian*, 1997. **"At**

- the doorstep**: Memo from Florence to Kodak president Louis Eilers, FFP. Also quoted in Horwitt, 495.
- 176 **"Color film"**: Horwitt, 493. **Already plotting**: Sethi, 38.
- 176–177 **"Other is men"**: Oct. 1957 speech by Talley to the overseas vice presidents of the Coca-Cola Export Corporation, RWP. **"Many young men"**: Undated brochure found in KHC. **Less than 20 percent**: Reed, 185, notes that just 16 percent of IBM's employees were female in 1969. At Pepsi, it was 14 percent. **"Can you tell me"**: Kessler-Harris, *In Pursuit of Equity*, 189.
- 177 **To resign**: Kessler-Harris, *In Pursuit of Equity*, 28; Blackwelder, *Electric City*, 153. **PYM List**: As described in an Aug. 1, 1968, letter from Phil Reed to Everett Case, PRP. Also see Nye, *Image Worlds: Corporate Identities at General Electric*, 96. **"Our theory"**: Kessler-Harris, *In Pursuit of Equity*, 29. **Were stigmatized**: "The Quiet Revolution That Transformed Women's Employment, Education, and Family" by Claudia Goldin, National Bureau of Economic Research, Working Paper No. 11953, Jan. 2006.
- 177–178 **"Man-run company"**: Kessler-Harris, *In Pursuit of Equity*, 29. **"Respectable"**: "The Quiet Revolution That Transformed Women's Employment, Education, and Family" by Claudia Goldin, National Bureau of Economic Research, Working Paper No. 11953, Jan. 2006. Goldin notes that women constituted 24 percent of all clerical workers in the United States in 1900; by 1930, that figure had risen to 52 percent. Also see Kanter, *Men and Women of the Corporation*, 26–27. **"Become stenographers"**: Quoted in Bessen, 62. Chesterton, a Brit, was referring specifically to the streets of London, where women had demonstrated for women's suffrage in 1910. **By the 1940s**: Goldin, "The Quiet Revolution That Transformed Women's Employment, Education, and Family." Also see, McCulloch, *White-Collar Workers in Transition*, 177.
- 178 **"Massive scale"**: Milkman, *Gender at Work*, 1. **Fraction of women**: Milkman, *Gender at Work*, 13, 51. **Big increases**: Milkman, *Gender at Work*, 50. **"Piling up evidence"**: Milkman, *Gender at Work*, 120. **"More precise"**: Milkman, *Gender at Work*, 120. **"Monotony didn't seem"**: 1979 interview with Male, Hall of History Biographical and Oral History Collection, SMA. Also quoted in Blackwelder, 170.
- 178 **"Rain or shine"**: See "Rosie the Riveter: Real Women Workers in World War II," Library of Congress (loc.gov/rr/program/journey/rosie-transcript.html). **Ephemeral figure**: Kessler-Harris, *Out to Work*, 295; Deslippe, "Rights, Not Roses," 17. **Even earlier**: Milkman, *Gender at Work*, 112. **Women were drummed**: Milkman, *Gender at Work*, 113. **Left willingly**: Deslippe, 14; Kessler-Harris, *Out to Work*, 295–296. Collins, *When Everything Changed*, 98, goes so far as to assert that "most of the single women readily complied with society's demand that they go back

- home and leave the jobs for the returning veterans.” **Four out of five:** Deslippe, 14. **Numerous tricks:** Milkman, *Gender at Work*, 113–115. **By 1946:** Milkman, *Gender at Work*, 113.
- 178–179 **Kitchens and bedrooms:** See Kessler-Harris, *Out to Work*, 296. **Coauthor:** Farnham wrote the book with journalist Ferdinand Lundberg. **“Terrific cost”:** From a video found at [youtube.com/watch?v=UOH-PyZecVM](https://www.youtube.com/watch?v=UOH-PyZecVM). Regarding *Modern Woman: The Lost Sex*, see Deslippe, 15; Kessler-Harris, *Out to Work*, 297. **Magazine poll:** Deslippe, 15.
- 179 **“I am sure”:** Friedan, *The Feminine Mystique*, 134.
- 179 **Ever more women:** The female labor force participation rate in the United States rose from 36 percent in 1955 to 43 percent in 1969. But this jump was all due to increased participation among married women, where the rate increased from 29 percent to 36 percent over that same span. Among single women, the rate actually went down, from 61 percent to 57 percent. (“Female labor force, by marital status: 1955–1999,” Sutch and Carter, 2–93.) Also see “A Century of Change: The U.S. Labor Force, 1950–2050” by Mitra Toossi, *Monthly Labor Review*, May 2002; Kessler-Harris, *Out to Work*, 302–303; “The Quiet Revolution That Transformed Women’s Employment, Education, and Family” by Claudia Goldin, National Bureau of Economic Research, Working Paper No. 11953, Jan. 2006. **Part-time work:** In 1969, more than 90 percent of men who worked did so full-time, compared with just 74 percent of women who worked (“Persons at work and working full-time, by age, sex, and race: 1956–1997,” Sutch and Carter, 2–314). **Antidiscrimination laws:** These included the Equal Pay Act of 1963, Title VII of the Civil Rights Act of 1964, executive orders in 1965 and 1967 pertaining to affirmative action, and Title IX of the Educational Amendments Act of 1972 (“Labor Force” by Susan B. Carter, Sutch and Carter, 2–29). Also see Collins, *When Everything Changed*, 75–81, 104–105. She tells the story of how Representative Howard Smith, a Virginia Democrat, originally added to the Civil Rights Act the amendment protecting women “as a joke.” **Pill:** The Food and Drug Administration approved its use in 1960. At first, it was accessible only to married women. But in the 1970s, following key court rulings, the pill began to be widely available to single women as well. This allowed them to put off marriage and concentrate on their education, including graduate school. See Collins, *When Everything Changed*, 102–103; Goldin, “The Quiet Revolution That Transformed Women’s Employment, Education, and Family”; “50 Years of Legal Birth Control: How It Changed the Workplace for Women,” *Fortune*, June 7, 2015.
- 179–180 **Their start:** Hatton, *The Temp Economy*, 2. **By millions:** Hatton, 2, 14–20. **By 1961:** Hatton, 5–6.

- 180 **With names:** Hatton, 13. **Would mollify:** Hatton, 3, 12–13, 22–27. **“Double life”:** Hatton, 23–24. **“White Gloves”:** Hatton, 13–14. **“Rosie was working”:** Hatton, 12.
- 180 **Agencies circumvented:** Hatton, 3–5. **Wind up affecting:** Hatton (3–4, 12, 14) notes that despite the public image they carefully cultivated, many temp agencies actually hired men all along. By the early 1960s, nearly half of Manpower’s workers were male.
- 180 **“Radical consequences”:** Kessler-Harris, *Out to Work*, 300.
- 180–181 **Explicitly offered:** June 27, 1953, minutes, Conference on Women’s Rates, National UE-GE Conference Board, HQP; “Discrimination GE Style for 29 Years” by Helen Quirni, typescript, 1997, HQP; Cobble, *The Other Women’s Movement*, 120. **Fort Wayne:** Testimony of Electrical Workers President James Carey during hearings on the Equal Pay Act before the US Senate Subcommittee on Labor, Aug. 1, 1962. **Double seniority lists:** April 4, 1969, meeting minutes between the Electrical Workers and GE on “General Grievance on Discrimination of Women,” HQP. **Fought much harder:** This was true primarily at the international level; locals often lagged in promoting women’s rights. See Deslippe, 38–39, 98–101; Cobble, 119–120; Milkman, *Gender at Work*, 74–77. **Succeeded in eliminating:** Cobble, 120. Also see “Is Mama in a Speed-Up Too?: GE, UE, and Representations of Women in the Postwar Workplace” by Lisa Kannenberg, *Organization of American Historians*, March 1995; “UE Strike Victory at Tung-Sol Narrows Women’s Differential,” UE District 4 Fair Practices Bulletin, June 12, 1953, HQP. **Remained the same:** April 4, 1969, meeting minutes between the Electrical Workers and GE on “General Grievance on Discrimination of Women,” HQP.
- 181 **Painfully slow:** Blackwelder, 167–171. **Adelaide Oppenheim:** All details on, and quotes from, Oppenheim are gleaned from a 1976 interview with her, conducted by the Oral History Research Office at Columbia University.
- 182 **Only six:** According to Oppenheim’s oral history. **“Scarcely anything”:** Collins, *When Everything Changed*, 22. Also see Kanter, *Men and Women of the Corporation*, 17.
- 182 **“Girl engineers”:** Ad from Feb. 1959, found in the files of SMA. **Accounted for:** Collins, *When Everything Changed*, 20. **“The problem”:** “A Shopping Tour! Gal Engineer Goes to GE’s ‘Store’ For Jet Engine Control Parts,” *Cincinnati Inquirer*, Feb. 18, 1958.
- 180–181 **“Pink-collar ghetto”:** The term is used by Blackwelder, 157. **Trapped there:** Kanter, *Men and Women of the Corporation*, 71–72, 98–99, 136, 159–161. **“Do you type?”:** “The Quiet Revolution That Transformed Women’s Employment, Education, and Family” by Claudia Goldin,

- National Bureau of Economic Research, Working Paper No. 11953, Jan. 2006.
- 183 **1950s guidebook**: “English Know-How: For Women Only . . . Especially Those Who Want to Get Ahead,” SMA. This focus on appearance and grooming for secretaries had a long tradition, including through the curriculum at the Katharine Gibbs School, which through the late nineteenth and early twentieth centuries trained and placed “Gibbs girls” into some of the best secretarial jobs. See Kanter, *Men and Women of the Corporation*, 27.
- 183–184 **“Winsome lass”**: GE Oakland News, Nov. 1, 1961, UE. **“Visitor from Mars”**: “Visiting Lady Engineer Proof Distaff Capable in Industry,” *General Electric News*, Oct. 29, 1954, SMA.
- 184 **“Really opened”**: “Discrimination GE Style for 29 Years” by Helen Quirni, typescript, 1997, HQP. This change occurred in 1975. **Took a job**: Biographical details on Quirini are from HQP.
- 184 **Gilbert challenged**: Reed, 184–185. **Class action**: Reed, 185–186. **Great anticipation**: Dobbin, 166–171. **GE won**: General Electric Co. v. Gilbert, 429 U.S. 125 (1976). See “Another Ruling With Widespread Impact,” *U.S. News & World Report*, Dec. 20, 1976.
- 184–185 **Pregnancy Discrimination Act**: Dobbin, 171. **GE did away**: Reed, 186. **“The mindset”**: Quoted in Reed, 186.
- 185 **“Men Helping Man”**: This slogan was used during 1971 and 1972 in advertisements that appeared in, among other publications, *Time*, *Life*, *U.S. News & World Report*, *Newsweek*, *Business Week*, *Forbes*, and, somewhat ironically, *Black Enterprise*. See Miller and Swift, *Words and Women*, 29.
- 185 **“Couldn’t ask”**: Horwitt, 495. **Buckingham Palace**: Alinsky, *Rules for Radicals*, 171.
- 185 **Began contacting**: Horwitt, 496–497. **Wasn’t trying**: Alinsky, 172; Horwitt, 496. **“The razor”**: Alinsky, 175.
- 186 **Became nervous**: Horwitt, 496. **“Megacorporations”**: “Playboy Interview: Saul Alinsky,” *Playboy*, March 1972.
- 186 **Just 40,000**: Sethi, 38; Horwitt, 497. **Some 600**: “Negroes Protest Kodak Policies, Disrupt Meeting,” *Cleveland Press*, April 26, 1967. **Bused in**: Horwitt, 497. **Held signs**: “Civil Rights Group Turns Kodak Parley Into Shouting Match,” *Pittsburgh Press*, April 26, 1967. **“Snaps the Shutter”**: Horwitt, 498. **About forty**: “Its Exposure to Alinsky a Kodak Jolt,” *Chicago Daily News*, April 26, 1967; “Negroes Quit Kodak Meeting, Threaten ‘War,’ *The Plain Dealer*, April 26, 1967. **Sat alongside**: “Kodak, FIGHT, and the Destination of Civil Rights in Rochester, New York: 1966–1967” by R.D.G. Wadhvani, *The Historian*, 1997. **“Mr. Chairman”**: Transcript of annual meeting, KHC. **“Throw him out”**: Sethi, 40.

- 186–187 **Florence repeated:** Sethi, 40. **“White arrogance”:** “Kodak Refuses to Restore Negro Job Pact; Rights Group Vows ‘War’ Against Concern,” *Wall Street Journal*, April 26, 1967; “Its Exposure to Alinsky a Kodak Jolt,” *Chicago Daily News*, April 26, 1967. **“Yes or no”:** “Negroes Quit Kodak Meeting, Threaten ‘War,’” *The Plain Dealer*, April 26, 1967. The words in this account are slightly different from those in the meeting transcript in KHC. **His finger:** Sethi, 40. **Paused:** “Negroes Protest Kodak Policies, Disrupt Meeting,” *Cleveland Press*, April 26, 1967. **“No, sir”:** Sethi, 40. **“Out of here”:** “Its Exposure to Alinsky a Kodak Jolt,” *Chicago Daily News*, April 26, 1967. **Lobbed slights:** “Civil Rights Group Turns Kodak Parley Into Shouting Match,” *Pittsburgh Press*, April 26, 1967.
- 187 **“This is war”:** “New Threat for Employers? What a Negro Group Seeks from Kodak,” *U.S. News & World Report*, May 8, 1967. Also see “Kodak, FIGHT, and the Destination of Civil Rights in Rochester, New York: 1966–1967” by R.D.G. Wadhwani, *The Historian*, 1997. **Raised his requirement:** “Negroes Quit Kodak Meeting, Threaten ‘War,’” *The Plain Dealer*, April 26, 1967. **Might picket:** Sethi, 41. **“We go”:** Sethi, 41. **“Silks and satins”:** Sethi, 41. **Pilgrimage:** Sethi, 41. **By surprise:** Horwitt, 499.
- 187 **Lose support:** Horwitt, 500–501. **“Won’t hold”:** Horwitt, 501. Also see Weisman, *Daniel Patrick Moynihan*, 145–146. **A statement:** Kodak, FIGHT, and the Destination of Civil Rights in Rochester, New York: 1966–1967” by R.D.G. Wadhwani, *The Historian*, 1997; Sethi, 42. **“Have a deal”:** Wadhwani, “Kodak, FIGHT, and the Destination of Civil Rights in Rochester, New York: 1966–1967.” **“Walk taller”:** Horwitt, 502.
- 187–188 **“Combat poverty”:** Sethi, 43. **Business Opportunities Corporation:** Sethi, 44–45; “Kodak, FIGHT, and the Destination of Civil Rights in Rochester, New York: 1966–1967” by R.D.G. Wadhwani, *The Historian*, 1997. **Mold shop:** Sethi, 44. **Teens on Patrol:** “Urban Opportunities . . . No Longer Business as Usual,” a presentation by Kodak vice president Gerald B. Zornow to the National Association of Photographic Manufacturers, Oct. 21, 1968, KHC. Also see “Industry Gives New Hope to the Negro,” *Ebony*, June 1968.
- 188 **Training programs:** “Urban Opportunities . . . No Longer Business as Usual,” a presentation by Kodak vice president Gerald B. Zornow to the National Association of Photographic Manufacturers, Oct. 21, 1968, KHC; “Equal Employment Opportunity: Eastman Kodak Company’s Positive Program,” KHC. **National Alliance:** Delton, 228–234; “Industry Gives New Hope to the Negro,” *Ebony*, June 1968. Coca-Cola’s participation in the NAB is discussed in a Sept. 12, 1968, memo from J. Paul Austin to R. W. Woodruff, RWP. **Rochester Jobs Inc.:** Sethi, 38–39. **Florence scoffed:** Sethi, 39. **“Trying to do”:** “Kodak Faces the

- Urban Crisis,” KHC. Also quoted in “Industry Gives New Hope to the Negro,” *Ebony*, June 1968.
- 188 **Blacks worked for:** “Scientist With a Cause,” *Ebony*, December 1969. **4 percent:** Kodak had about 47,000 employees in Rochester in 1968.
- 188 **Occupational segregation:** “Occupational segregation indexes, by sex, race, and nativity: 1850–1990,” Sutch and Carter, 2–253. **Would narrow:** “Median earnings of full-time workers, by sex and race: 1960–1997,” Sutch and Carter, 2–294. **White-collar jobs:** Amanda E. Lewis, Maria Krysan, Sharon M. Collins, Korie Edwards, and Geoff Ward’s essay “Institutional Patterns and Transformations: Race and Ethnicity in Housing, Education, Labor Markets, Religion, and Criminal Justice” in Krysan and Lewis, *The Changing Terrain of Race and Ethnicity*, 80. Also see Delton, 285. **Miniscule fraction:** In manufacturing, blacks held just 1 percent of managerial and administrative positions in 1970, according to Kelley, *Into the Fire*, 58. **Twice the rate:** “Black Unemployment Rate Is Consistently Twice That of Whites” by Drew DeSilver, Pew Research Center, Aug. 2013. **“Mixed results”:** “A Decade of Struggle,” *Ebony*, Jan. 1975.
- 189 **Entered the workforce:** The labor force participation rate for women increased from 37.7 percent in 1960 to 43.3 percent in 1970. Among married women during that span, the rate jumped from 31.9 percent to 40.5 percent. (“Female labor force, by marital status: 1955–1999,” Sutch and Carter, 2–93.) **Two-thirds:** Collins, *When Everything Changed*, 98. **Sixty cents:** This figure held remarkably steady through the late 1970s, as noted in “The Gender Pay Gap” by Francine D. Blau and Lawrence M. Kahn, *The Economists’ Voice*, Vol. 4, No. 4, 2007. Also see “Explaining Trends in the Gender Wage Gap,” a report by the White House Council of Economic Advisers, June 1998. **“Glass ceiling”:** The term would then enter the popular press in the mid-1980s. See “The Phrase ‘Glass Ceiling’ Stretches Back Decades,” *Wall Street Journal*, April 3, 2015. It’s important to note that black women often face a particularly pernicious form of discrimination—an “intersectional experience” that is “greater than the sum of racism and sexism,” in the words of Kimberle Crenshaw (“Demarginalizing the Intersection of Race and Sex: A Black Feminist Critique of Antidiscrimination Doctrine, Feminist Theory, and Antiracist Politics,” *The University of Chicago Legal Forum*, 1989). **“Has not resulted”:** Kanter, *Men and Women of the Corporation*, 16–17.

CHAPTER 7

- 191 **“The twentieth century”:** “Pressures on Management and Management’s Own Initiatives: A Two-Way Street,” remarks by Virgil Day

before the Twentieth Annual Roundtable Conference sponsored by the Industrial Relations Committee of the Edison Electric Institute, Sept. 27, 1967, ILIR. **Low voice:** From a 2013 interview by the author with Day's son, John.

- 191 **Private pilot:** From a 2013 interview by the author with Day's son, John. **Air travel:** In 1960, there were about 56 million American airplane passengers. That number nearly tripled by 1969 to 158 million, according to Rielly, *The 1960s*, 227. **Highway system:** "USA Interstate Highway System: Miles/Kilometers Opened by Year," Wendell Cox Consultancy (publicpurpose.com/hwy-intmiles.htm).
- 192 **Large jumps:** "Wage Levels and Inequality: Measuring and Interpreting the Trends" by Marvin H. Kusters, American Enterprise Institute, 1998; "Futurework: Trends and Challenges for Work in the 21st Century," US Department of Labor, 1999. **Been docile:** "Historical Inflation Rates: 1914–2015," US Inflation Calculator, CoinNews.net; Cairncross and Cairncross, *The Legacy of the Golden Age*, 224. **Mild recession:** Glasner, 568; "Survey of Current Business," US Department of Commerce, Jan. 1961. Also see "The Recession Is Over," *Life*, April 14, 1961. The magazine noted that industrial production fell only 8 percent, compared with 14 percent during the 1957–58 downturn. GNP dropped a mere 1 percent. The recession officially lasted for eleven months, from April 1960 through February 1961.
- 192 **"Moving again":** Greider, *Secrets of the Temple*, 329; Wells, *Economist in an Uncertain World*, 19; Cagan, Estey, Fellner, McLure, and Moore, *Economic Policy and Inflation in the Sixties*, 207. **Ramp up:** Greider, *Secrets of the Temple*, 329–331; Samuelson, *The Great Inflation and Its Aftermath*, 17; "Macroeconomic Policy in the 1960s: The Causes and Consequences of a Mistaken Revolution" by Christina D. Romer, University of California at Berkeley, Sept. 2007. Also see "Let's Not Forget the Decade the Liberals Love to Hate: The 1960s and President Kennedy's Successful, Supply-Side Tax Cuts" by Mark J. Perry, *Carpe Diem*, American Enterprise Institute, Aug. 17, 2013. **"Fine-tune":** Greider, *Secrets of the Temple*, 331. Also see Samuelson, *The Great Inflation and Its Aftermath*, 56–57. **"With proper fiscal":** Wells, *Economist in an Uncertain World*, 20. **Laureate:** Samuelson won the Nobel Prize in 1970.
- 192–193 **Hubris:** Wells, *Economist in an Uncertain World*, 21. **"Effectively abolishing":** Wells, *Economist in an Uncertain World*, 20. **Master plan worked:** Greider, *Secrets of the Temple*, 331; Wells, *Economist in an Uncertain World*, 21; Samuelson, *The Good Life and Its Discontents*, 88–89. **Economy had expanded:** "Annual Real Gross Domestic Product, Not Seasonally Adjusted," Economic Data, Federal Reserve Bank of St. Louis. **Unemployment rate:** "Labor force, employment, and unemployment: 1938–2000," Sutch and Carter, 2–85. **On its cover:** Noted

- in Samuelson, *The Great Inflation and Its Aftermath*, 62; Samuelson, *The Good Life and Its Discontents*, 74. **"In Washington"**: "We Are All Keynesians Now," *Time*, Dec. 31, 1965. **A record**: "U.S. Business Cycle Expansions and Contractions," National Bureau of Economic Research (nber.org/cycles/US_Business_Cycle_Expansions_and_Contractions_20120423.pdf).
- 193 **"New ballgame"**: "Pressures on Management and Management's Own Initiatives: A Two-Way Street," remarks by Virgil Day before the Twentieth Annual Roundtable Conference sponsored by the Industrial Relations Committee of the Edison Electric Institute, Sept. 27, 1967, ILIR. **"Wage explosion"**: "Labor: More—Now!," *Time*, Sept. 2, 1966.
- 193 **Issued guideposts**: Wells, *Economist in an Uncertain World*, 21; Samuelson, *The Great Inflation and Its Aftermath*, 93; Cagan, Estey, Fellner, McLure, and Moore, 207–211. **"Competition from abroad"**: "Another Look at the 'Wage Guideposts,'" Relations News Letter, General Electric, Aug. 13, 1963, ILIR. **Two decades**: Siracusa, *Encyclopedia of the Kennedys*, 525. **"Industrial statesmanship"**: Siracusa, 525.
- 193–194 **Six dollars**: Cagan, Estey, Fellner, McLure, and Moore, 225. **"Terrible mistake"**: Sabato, *The Kennedy Half Century*, 98. **"Fucked me"**: Sabato, 99. **Arthur Goldberg**: He had been general counsel of the United Steelworkers before entering government. **"Father told me"**: Sabato, 99; Schlesinger, *A Thousand Days*, 659. **"S.O.B. Club"**: Sabato, 100.
- 194 **Companies followed**: Schlesinger, *A Thousand Days*, 659. **"This serious hour"**: Transcript of presidential news conference, April 11, 1962, John F. Kennedy Presidential Library and Museum. **Agents raided**: Sabato, 99; Schlesinger, *A Thousand Days*, 660; Cagan, Estey, Fellner, McLure, and Moore, 225–226. **Also approached**: Schlesinger, *A Thousand Days*, 660. **Three days after**: Schlesinger, *A Thousand Days*, 660.
- 194 **Truly believed**: Eisenhower, *Waging Peace*, 379–380. Also see Wells, *Economist in an Uncertain World*, 15; "How Eisenhower and Congressional Democrats Balanced a Budget" by Rudy Penner, *TaxVox*, Tax Policy Center, Dec. 17, 2012. **Far more focused**: Samuelson, *The Great Inflation and Its Aftermath*, 47–74. The government's target was an unemployment rate of no higher than 4 percent, with inflation presumably running at 3 percent to 4 percent. **"Greatly exaggerated"**: Tobin, *The New Economics One Decade Older*, 101. Also quoted in Wells, *Economist in an Uncertain World*, 20. Also see "America's Peacetime Inflation: The 1970s" by J. Bradford DeLong, National Bureau of Economic Research, Jan. 1997 (nber.org/chapters/c8886). **Nobel Prize**: He won in 1981.
- 195 **Vietnam**: Regarding the war's fueling of inflation—and President Johnson's reluctance to push for a tax increase to tamp down economic demand—see Cairncross and Cairncross, 224–229; Wells, *Economist in an Uncertain World*, 23; Samuelson, *The Great Inflation and Its Aftermath*, 14.

- "Famous debate":** Greider, *Secrets of the Temple*, 333. **Contract negotiations:** Samuelson, *The Great Inflation and Its Aftermath*, 94. **Bethlehem Steel:** Samuelson, *The Great Inflation and Its Aftermath*, 94. **Aluminum and copper:** Samuelson, *The Great Inflation and Its Aftermath*, 95. **Price of lamb:** Samuelson, *The Great Inflation and Its Aftermath*, 95. **Egg prices:** Samuelson, *The Great Inflation and Its Aftermath*, 96.
- 195 **Ignored his own:** "Gone Guideposts," *Time*, Aug. 12, 1966. **3 percent:** It was 3.2 percent. **4 percent:** It was 4.3 percent. **Settled on 5:** It was 4.97 percent, to be exact. See "Airlines: Back to Work Through an Open Gate," *Time*, Aug. 26, 1966; Samuelson, *The Great Inflation and Its Aftermath*, 96; Cagan, Estey, Fellner, McLure, and Moore, 172. **"Will not cause":** "End 44-Day Air Strike," *Chicago Tribune*, Aug. 20, 1966. **"Thoroughly shreds":** Airlines: Back to Work Through an Open Gate," *Time*, Aug. 26, 1966. Also see Samuelson, *The Great Inflation and Its Aftermath*, 96.
- 195 **"Can force them":** "Steel: Why Not?" *Time*, Aug. 12, 1966.
- 195–196 **Consumer prices:** "Historical Inflation Rates: 1914–2015," US Inflation Calculator, CoinNews.net; Cairncross and Cairncross, 224. Also see Cagan, Estey, Fellner, McLure, and Moore, 175–178. **"Whether or not":** "Pressures on Management and Management's Own Initiatives: A Two-Way Street," remarks by Virgil Day before the Twentieth Annual Roundtable Conference sponsored by the Industrial Relations Committee of the Edison Electric Institute, Sept. 27, 1967, ILIR.
- 196 **Biggest economic malady:** Wells, *Economist in an Uncertain World*, 34; "A Legacy of Trouble for 1970's," *New York Times*, Jan. 11, 1970. **More intent:** Wells, *Economist in an Uncertain World*, 34; Samuelson, *The Great Inflation and Its Aftermath*, 63. **"In the abstract":** Collins, *More: The Politics of Economic Growth in Postwar America*, 112. **"Gradualism":** Collins, 112; Wells, *Economist in an Uncertain World*, 34–35; Cagan, Estey, Fellner, McLure, and Moore, 58–63. Also see "Nixon's Gradualism Path," *New York Times*, Sept. 16, 1970. **"Level things off":** "Address to the Nation on the Rising Cost of Living," Oct. 17, 1969, found in Nixon, *Public Papers of the Presidents of the United States*, 809. **Nixon pledged:** "Administration's Role So Far Is Hands Off," *New York Times*, Nov. 2, 1969; "Labor's Opening Fight for Higher Wages," *Time*, Nov. 7, 1969; "First Big Test for Nixon's Hold-Down on Wages," *U.S. News & World Report*, Nov. 3, 1969. **To "jawbone":** "Address to the Nation on the Rising Cost of Living," Oct. 17, 1969, found in Nixon, *Public Papers of the Presidents of the United States*, 811. Also see Cagan, Estey, Fellner, McLure, and Moore, 229–230.
- 196 **Kicking in:** "Address to the Nation on the Rising Cost of Living," Oct. 17, 1969, found in Nixon, *Public Papers of the Presidents of the United States*, 809–810. **Accelerated less quickly:** Annualized growth in the

Consumer Price Index went from 6.6 percent in the second quarter to 5.4 percent in the third; annualized growth in the Wholesale Price Index went from 5.7 percent to 3.2 percent during that same timeframe (Wells, *Economist in an Uncertain World*, 258). **What with:** Nixon had cut federal spending by more than \$7 billion a year and extended a government surtax. **"Tail end":** "Inflation: More, More, More," *Time*, Sept. 19, 1969. **"A consensus":** "When Bad News Is Good News," *Life*, Oct. 17, 1969. Also see "Nixon Policy Slowly Curbing Inflation," *Chicago Tribune*, Sept. 15, 1969.

- 196–197 **"Everybody's problem":** "Letter to Business and Labor Leaders on the Rising Cost of Living," Oct. 18, 1969, found in Nixon, *Public Papers of the Presidents of the United States*, 813. Also quoted in Wells, *Economist in an Uncertain World*, 40. **"Bad for business":** "Address to the Nation on the Rising Cost of Living," Oct. 17, 1969, found in Nixon, *Public Papers of the Presidents of the United States*, 810. **Didn't even want:** "Address to the Nation on the Rising Cost of Living," Oct. 17, 1969, found in Nixon, *Public Papers of the Presidents of the United States*, 811; Wells, *Economist in an Uncertain World*, 35; Cagan, Estey, Fellner, McLure, and Moore, 229–230. **"Commits errors":** Letter to Business and Labor Leaders on the Rising Cost of Living," Oct. 18, 1969, found in Nixon, *Public Papers of the Presidents of the United States*, 813.
- 197 **The same week:** "Inflation: More, More, More," *Time*, Sept. 19, 1969. **"Isn't going to be":** "U.S. Faces Period of Labor Unrest," *New York Times*, Dec. 1, 1969. **"Get our equity":** "U.A.W. Proposes That Labor Raise \$50-Million Fund to Aid G.E. Strikers," *New York Times*, Nov. 9, 1969. **"The supermarket":** "An Acid Test for Nixon's Plea for Restraint," *New York Times*, Oct. 26, 1969.
- 197 **Unit labor costs:** From Bureau of Labor Statistics figures published in Cagan, Estey, Fellner, McLure, and Moore, 197. A key reason that this measure started to rise so significantly in the late 1960s is that wages were rising sharply at the same time that productivity was beginning to fall. **"Conveyer belt":** Samuelson, *The Great Inflation and Its Aftermath*, 146.
- 198 **"Source of the problem":** "U.A.W. Proposes That Labor Raise \$50-Million Fund to Aid G.E. Strikers," *New York Times*, Nov. 9, 1969. **"Is overreaching":** From "Union Power and the New Inflation," *Fortune*, Feb. 1971. Quoted in Phillips-Fein, 156; Cowie, *Stayin' Alive*, 221.
- 198 **"Powerful oligarchy":** Waterhouse, *Lobbying America*, 98. **10 percent:** "Roger's Roundtable," *Time*, Aug. 29, 1969. **"Irritate them":** Linder, *Wars of Attrition*, 197. **Was formed:** Linder, 182–205; "New Blough Panel to Fight Increase in Building Costs," *New York Times*, Aug. 21, 1969. Mizruchi, 107–108. **By coordinating:** Linder, 193–194. **"Runaway wages":** Linder, 197. **Indicated otherwise:** Linder, 201–205.

- 198 **"Roger's Roundtable":** Waterhouse, 100. **Were involved:** Waterhouse, 100; Linder, 198. **Including:** Waterhouse, 116–117. **"Of all evil":** Linder, 203. Day served as chairman of the Roundtable's Coordinating Committee.
- 198–199 **Would suspend:** See Nixon's "Statement on Suspending Davis-Bacon Act Provisions for Federal Construction Projects," Feb. 23, 1971 (<http://presidency.ucsb.edu/ws/?pid=3319>). **Took credit:** Waterhouse, 101. Also see Lambert, 203; Cowie, 149–150. **"But too little":** Waterhouse, 101.
- 199 **A series:** "U.S. Faces Period of Labor Unrest," *New York Times*, Dec. 1, 1969; Serrin, 5.
- 199 **In October:** Negotiations had started in August, but the company made its first formal offer on Oct. 7, 1969. See "G.E. Gives Unions First Money Offer," *New York Times*, Oct. 8, 1969. **Unions representing:** "Labor's Opening Fight for Higher Wages," *Time*, Nov. 7, 1969. **"Acid test":** "An Acid Test for Nixon's Plea for Restraint," *New York Times*, Oct. 26, 1969. Also see "First Big Test for Nixon's Hold-Down on Wages," *U.S. News & World Report*, Nov. 3, 1969. **"Crucial effect":** "Administration's Role So Far Is Hands Off," *New York Times*, Nov. 2, 1969. **As high:** "GE Bind Tightens," *Business Week*, Sept. 6, 1969; "An Acid Test for Nixon's Plea for Restraint," *New York Times*, Oct. 26, 1969; "Test of Strength at G.E.," *New York Times*, Oct. 28, 1969; "Administration's Role So Far Is Hands Off," *New York Times*, Nov. 2, 1969; "Labor's Opening Fight for Higher Wages," *Time*, Nov. 7, 1969.
- 199–200 **"Companies inspired":** "Unions Now Face Tougher Management," *New York Times*, Oct. 2, 1960. **"Truthful and forthright":** "Truthful and Forthright Bargaining Shows GE Determination to Do Right," *General Electric News*, April 22, 1960, LBP. **"Brainwashing":** "Why There Is a Strike at General Electric," International Union of Electrical, Radio and Machine Workers, BL; "Boulwarism at the Crossroads" by James B. Carey, *I.R. Review*, Le Moyne College, Spring 1962, IUE. **"Our viewpoint":** "Why There Is a Strike at General Electric," International Union of Electrical, Radio and Machine Workers, BL.
- 200 **Far apart:** "G.E. Strike Voted; Begins Tomorrow," *New York Times*, Oct. 1, 1960; "Facts in the G.E. Strike," *New York Times*, Oct. 3, 1960.
- 200 **"Thick head":** "Strike at G.E.," *Time*, Oct. 10, 1960. **Soundproofed:** Northrup, 84.
- 200 **First major walkout:** Brenner, Day, and Ness, 70. **Its plants open:** Schatz, 228; Northrup, 89; "Violence on the Picket Line," *Time*, Oct. 17, 1960. **With hatpins:** "Violence on the Picket Line," *Time*, Oct. 17, 1960. **Scattered nails:** Oct. 1, 1960, memo from Stuart MacMackin of GE Legal Operations, LBP. **Two GE factories:** "G.E. Strike Effect Varies Across U.S.," *New York Times*, Oct. 4, 1960. **Six people:** "G.E. Strike Effect Varies Across U.S.," *New York Times*, Oct. 4, 1960. **Marked**

- men**: “Violence on the Picket Line,” *Time*, Oct. 17, 1960. **Deflated their tires**: Northrup, photograph before 89.
- 200–201 **Lukewarm at best**: Schatz (228) notes that five of the IUE’s 46 GE locals voted not to strike in the first place. Also see “Showdown for Carey,” *New York Times*, Oct. 23, 1960. **“Did not have”**: Northrup, 88. **“Suicidal expedition”**: “Hari Carey?” *Time*, Oct. 31, 1960. **Began to materialize**: Northrup, 89.
- 201 **“Benedict Arnold”**: “G.E. Strike Ends; Company Victor,” *New York Times*, Oct. 23, 1960. Also quoted in Schatz, 228. **“Demands are musts”**: “The Story of General Electric’s 1960 Negotiations with the IUE,” LBP. **Offering all along**: Schatz, 227; “G.E. Strike Ends; Company Victor,” *New York Times*, Oct. 23, 1960. **“Nobody ever wins”**: “G.E. Strike Ends; Company Victor,” *New York Times*, Oct. 23, 1960. **“Worst setback”**: “G.E.’s Labor Formula,” *New York Times*, Oct. 25, 1960. Also quoted in Northrup, 90; Schatz, 227.
- 201 **IUE filed**: *Decisions of National Labor Relations Board*, “Statement of Case,” General Electric Company and International Union of Electrical, Radio and Machine Workers, AFL-CIO. Cases Nos. 2-CA-7581-I, 3-CA-7581-92, 2-CA-7581-4, and 2-CA-7864 (post 10-CA-4682). Dec. 16, 1964. All details in this chapter about GE’s conduct during the 1960 negotiations and the course of the litigation, unless otherwise noted, are drawn from this document. Also see “‘Boulwareism’: Legality and Effect,” *Harvard Law Review*, Vol. 76, No. 4, Feb. 1963; Gross, *Broken Promise*, 187–189. **In the past**: Similar charges, brought in 1954 and 1958, had been dismissed by the NLRB, according to Northrup, 91.
- 202 **Full NLRB**: In addition to *Decisions of National Labor Relations Board*, see “NLRB Finds General Electric Failed to Bargain in Good Faith,” Dec. 16, 1964, NLRB news release, ILIR; Statement by General Electric vice president Virgil Day, Dec. 16, 1964, ILIR. **Was retired**: He stepped down on Jan. 1, 1961. **“Common misrepresentation”**: “Collective Bargaining and the ‘Suffocating Blanket,’” an address by Virgil B. Day before the Twelfth Annual Industrial Relations Conference of the Electronic Industries Association, April 14, 1965, ILIR. **“Fully and frankly”**: “Truth in Bargaining and Free Speech,” an address by Virgil B. Day before the Cincinnati Personnel Association and Society for the Advancement of Management, Feb. 4, 1965, ILIR.
- 202–203 **Media rushed**: All of these quotations from the press are found in “Flood of Comment in Nation’s Press Supports Company in NLRB Case,” Relations News Letter, General Electric, Feb. 1, 1965, ILIR.
- 203 **Slowly through**: The course of the litigation is recounted in *National Labor Relations Board v. General Electric Co., Respondent, and International Union of Electrical, Radio, and Machine Workers, AFL-CIO, Intervenor*, 418 F.2d 736 (1969).

- 203 **In 1963:** Northrup, 147–152; “Electric Union and G.E. Settle,” *New York Times*, Sept. 26, 1963. **In 1966:** “Pact at General Electric,” *New York Times*, Oct. 17, 1966. The newspaper called the settling of the contract without a strike “a triumph of good sense over the temptation on both sides to indulge in a pointless test of economic muscle.” **“Build a statue”:** Sept. 21, 1960, letter from Buckley to Boulware, LBP. Also quoted in Evans, 106. **More infighting:** “Carey Faces Fight at I.U.E. Session,” *New York Times*, Sept. 20 1964. **“Judas element”:** “Carey Denounces ‘Judases’ in Union,” *New York Times*, Sept. 17, 1962. **Investigation found:** “Carey’s Election Is Ruled Illegal,” *New York Times*, April 6, 1965; “Carey Quits, Jennings New IUE President,” *Chicago Tribune*, April 8, 1965; “Electrical Union Names Jennings,” *New York Times*, April 8, 1965; Schatz, 227.
- 203–204 **Voracious reader:** “Dedicated Unionist: Paul Joseph Jennings,” *New York Times*, April 6, 1965; “G.E. Strike Leader,” *New York Times*, Oct. 27, 1969. **Become “personalized”:** “Jennings Vows to Avoid ‘Personalized’ Bargaining with GE,” *Employee Relations News*, General Electric, June 21, 1965.
- 204 **“Tough-minded”:** “G.E. Strike Leader,” *New York Times*, Oct. 27, 1969. **Single bloc:** “G.E. and 11 Unions Agree on a Pact,” *New York Times*, Oct. 15, 1966. Last-minute intercession by a special White House panel, acting after President Johnson had said that a strike would harm the war effort in Vietnam, had sealed the deal. Also see “G.E. Strike Delay Won by President,” *New York Times*, Oct. 3, 1966.
- 204 **Just a tad:** “G.E. and 11 Unions Agree on a Pact,” *New York Times*, Oct. 15, 1966; “Who Won in the GE Settlement,” *Business Week*, Oct. 22, 1966. **“Father-knows-best”:** “Shambo Says Negotiating With GE Is Just Like ‘Shoveling Smoke,’” *Berkshire Eagle* of Pittsfield, Mass., Sept. 29, 1969.
- 204 **The dozen:** “Labor’s Opening Fight for Higher Wages,” *Time*, Nov. 7, 1969. Though the coalition consisted of twelve unions, a total of thirteen would go out on strike against the company. The United Electrical Workers, while independent, cooperated with the coalition. **“Is hungry”:** “Costliest GE Contract?” *Business Week*, June 28, 1969.
- 204 **“Our conviction”:** Sept. 9, 1969, “IUE Negotiations Status Report” from Moore to GE managers, UE.
- 204–205 **Wanted a contract:** “GE Strike Termed 99% Effective by Unions,” *Wall Street Journal*, Oct. 28, 1969; “G.E. Negotiations Hit a Snag,” *New York Times*, Oct. 25, 1969. **Stressed that wages:** “Borch Discusses Strike With Shareowners,” *Employee Headliner*, General Electric Residential Distribution Transformer Plant, UE. **“Best offer”:** “G.E. Gives Unions First Money Offer,” *New York Times*, Oct. 8, 1969. **“The worst”:** “2 Unions Reject G.E. Pact Offer,” *New York Times*, Oct. 9, 1969.

- 205 **Violence flared:** "GE Strike Termed 99% Effective by Unions," *Wall Street Journal*, Oct. 28, 1969. Also see "Pickets Keep Nonstrikers Out of Main G.E. Plant," *New York Times*, Oct. 29, 1969; "GE Settles Down for a Long Ordeal," *Business Week*, Nov. 1, 1969.
- 205 **"Pettifogging insistence":** National Labor Relations Board v. General Electric Co., Respondent, and International Union of Electrical, Radio, and Machine Workers, AFL-CIO, Intervenor, 418 F.2d 736 (1969).
- 205-206 **"Has been provoked":** Oct. 29, 1969 IUE news release, IUE. **"Can't conceive":** "G.E. Is Unyielding on Its Offer to Unions Despite Decision of Court," *New York Times*, Oct. 30, 1969. Also see "The Issue Is Boulwarism," *The Nation*, Nov. 10, 1969; "Founder of 'Boulwarism,'" *New York Times*, Nov. 3, 1969. **Had rid:** "G.E. Strike Leader," *New York Times*, Oct. 27, 1969; "GE Strike: An End to Boulwarism?" *Wall Street Journal*, Oct. 28, 1969. **"We'll hold out":** "GE Strike: An End to Boulwarism?" *Wall Street Journal*, Oct. 28, 1969.
- 206 **Federal Mediation:** "G.E. Strike Talks Bring No Progress," *New York Times*, Nov. 8, 1969. **GE official hoped:** "G.E. Talks Scheduled," *New York Times*, Nov. 16, 1969. Also see "Hint of a Break in GE Deadlock," *Business Week*, Nov. 15, 1969. **"Twenty-two no's":** "No Progress in G.E. Strike," *New York Times*, Nov. 19, 1969.
- 206 **Bought meat:** "Inflationary End to a Class War," *Time*, Feb. 9, 1970. **"Job openings":** This and all other details and quotations in this paragraph are from "Schenectady, Largely Tied to G.E., Carefully Girds for a Long Strike," *New York Times*, Nov. 13, 1969. Also see "GE Strike Effects Ripple On and On," *Christian Science Monitor*, Dec. 12, 1969; "G.E. Strikers in Schenectady Defy a Winter of Discontent," *New York Times*, Jan. 27, 1970. **Strike benefits:** After the eighth week of the walk-out, strikers would also be eligible for weekly unemployment benefits of sixty-five dollars a week.
- 206-207 **Emergency convention:** "Union Votes New G.E. Strike Funds," *New York Times*, Nov. 22, 1969. **Production was running:** "Strike at G.E. Is Seen Erasing Earnings," *New York Times*, Dec. 11, 1969.
- 207 **National boycott:** "Meany Says Nationwide Boycott of G.E. Is Planned," *New York Times*, Nov. 21, 1969; "Labor Threatens Boycott of G.E. If Strike Isn't Settled by Friday," *New York Times*, Nov. 25, 1969; "A.F.L.-C.I.O. Opening Boycott of G.E. Products," *New York Times*, Nov. 28, 1969; "Boycott of GE Goods May Prolong Strike," *Business Week*, Nov. 29, 1969; "Boycott at G.E.," *Time*, Dec. 5, 1969. **"Public posturing":** "Labor Threatens Boycott of G.E. If Strike Isn't Settled by Friday," *New York Times*, Nov. 25, 1969. **"Foreign goods":** "Federation Steps Up Its Attack on GE," *Business Week*, Nov. 22, 1969. Also see the undated GE newspaper advertisement headlined, "Why do union officials ignore competition?" found in UE. **"Always hurts":** "Meany

Says Nationwide Boycott of G.E. Is Planned,” *New York Times*, Nov. 21, 1969. **Wasn’t cutting:** “Impact Is Slight in Boycott of G.E.; But Merchants Say Effect of Strike Is Substantial,” *New York Times*, Dec. 7, 1969. Also see “Boycott of G.E. Gets Mixed Shopper Reaction,” *New York Times*, Jan. 14, 1970. **A flop:** “Points for Both Sides in G.E. Pact,” *New York Times*, Feb. 1, 1970.

- 207 **Of the 135:** This and all other details on the economic impact of the strike in various localities are from “Impact Is Slight in Boycott of G.E.; But Merchants Say Effect of Strike Is Substantial,” *New York Times*, Dec. 7, 1969. **Carrier Corporation:** “GE Suppliers, Clients, Plant Communities Begin to Suffer as the Walkout Drags On,” *Wall Street Journal*, Jan. 21, 1969. **Wiping out:** “Strike at G.E. Is Seen Erasing Earnings,” *New York Times*, Dec. 11, 1969. In the end, earnings plunged 85 percent during the quarter and 22 percent for the full year. See “G.E. Profit in All 1969 Fell 22% on Fourth Quarter’s Strike Slump,” *New York Times*, Feb. 20, 1970.
- 207–208 **It scrapped:** “G.E. and Unions Trade Offers as Strike Enters Its 7th Week,” *New York Times*, Dec. 8, 1969; Dec. 8, 1969, letter from H. D. Beck Jr., GE’s manager of Western operations, to employees, UE. **“The maximum”:** “Strike at G.E. Is Seen Erasing Earnings,” *New York Times*, Dec. 11, 1969. **“Strong argument”:** “GE Strike: When Is a Breakthrough Not a Breakthrough?” *New York Times*, Dec. 22, 1969.
- 208 **Ended the negotiations:** “Unions Break Off G.E. Strike Talks,” *New York Times*, Dec. 12, 1969. **“Beat us down”:** “Heat but No Light at General Electric,” *Business Week*, Dec. 13, 1969. **“May be dead”:** “GE Strike: When Is a Breakthrough Not a Breakthrough?” *New York Times*, Dec. 22, 1969.
- 208 **“Sought to lure”:** The AP story was quoted in the Strike Report of Dec. 22, 1969, UE. **About to write:** “U.S. Again Moves to Organize Talks in Walkout at G.E.,” *New York Times*, Jan. 9, 1970. Earlier, Meany had disclosed a plan to raise \$1 from each of the AFL-CIO’s 13.5 million members to support the GE strikers. In the end, the campaign achieved less than 20 percent effect. See “Union Seeks Suit on G.E. Bargaining,” *New York Times*, Nov. 4, 1969; “Points for Both Sides in G.E. Pact,” *New York Times*, Feb. 1, 1970. **Fuller than ever:** “GE Strike: When Is a Breakthrough Not a Breakthrough?” *New York Times*, Dec. 22, 1969. **“Human dignity”:** “Inflationary End to a Class War,” *Time*, Feb. 9, 1970. **Christmas came:** “Union Aide Says G.E. Shows No Response,” *New York Times*, Dec. 20, 1969. **New Year’s:** “G.E. Negotiations Adjourn; Strike to Enter 11th Week,” *New York Times*, Dec. 31, 1969.
- 208–209 **Entered the fray:** “Top U.S. Mediator Enters G.E. Talks,” *New York Times*, Jan. 8, 1970. For more on the mediator, J. Curtis Counts, see

- "The Man Who Mediated the 95-Day G.E. Strike," *New York Times*, Jan. 31, 1970. **He shuttled:** "Mediator's Talks With G.E. and Strikers Are Fruitless," *New York Times*, Jan. 10, 1970; "G.E. Talks Viewed As Showing Gain," *New York Times*, Jan. 17, 1970; "Mediator's Role Seen Coming to a Head Soon," *Berkshire Eagle* of Pittsfield, Mass., Jan. 23, 1970. **Would give:** "G.E. Unions Said to Have Reached Accord Lifting Wages About 25% Over 40 Months," *Wall Street Journal*, Jan. 30, 1970; "G.E. Negotiators Report Accord in 95-Day Strike," *New York Times*, Jan. 30, 1970; "Inflationary End to a Class War," *Time*, Feb. 9, 1970; "Basis of Strike Settlement on Economic Issues," UE; "Two Unions' Panels Approve Agreements With G.E.," *New York Times*, Jan. 31, 1970. **Would decline:** Cert. denied, 397 U.S. 965 (1970). **Legitimately negotiated:** "The Rough Road to GE's Settlement," *Business Week*, Jan. 31, 1970; "Two Unions' Panels Approve Agreements With G.E.," *New York Times*, Jan. 31, 1970. **Articles of surrender:** "Hope of Strike Settlement Grows With Reports of New GE Offer," *Berkshire Eagle* of Pittsfield, Mass., Jan. 27, 1970.
- 209 **"In the ballpark":** "Points for Both Sides in G.E. Pact," *New York Times*, Feb. 1, 1970. **"Does not work":** "Inflationary End to a Class War," *Time*, Feb. 9, 1970. Also see "Changing Times," *The Nation*, Feb. 16, 1970. **"Sense of guilt":** Feb. 16, 1970, letter from Boulware to Fred Borch, LBP.
- 209 **"Among the losers":** "Inflationary End to a Class War," *Time*, Feb. 9, 1970. **Slowing down:** "The Rising Risk of Recession," *Time*, Dec. 19, 1969.
- 209 **The mildest:** "1970: The Year of the Hangover," *Time*, Dec. 28, 1970. **Output shrank:** Wells, *Economist in an Uncertain World*, 258. **Unemployment rate:** Wells, *Economist in an Uncertain World*, 258. **Productivity lagged:** Output per man-hour in the private sector was up less than 1 percent for the year—far below its historical norm (Cagan, Estey, Fellner, McLure, and Moore, 196). **Profits shriveled:** They fell to under \$50 billion at the end of 1970 from about \$55 billion the year before ("Corporate Profits After Tax," Economic Data, Federal Reserve Bank of St. Louis). **Barely abating:** The Consumer Price Index was up 5.7 percent in 1970, just under the 5.8 percent increase it had experienced in 1969 (Wells, *Economist in an Uncertain World*, 258). **Were baffled:** "Inflation's Stubborn Resistance," *Time*, Dec. 14, 1970; Greider, *Secrets of the Temple*, 334. **"We underestimated":** "The Rising Risk of Recession," *Time*, Dec. 19, 1969.
- 209–210 **Smear'd their faces:** All details in this paragraph are from "Inflation's Stubborn Resistance," *Time*, Dec. 14, 1970.
- 210 **Sign of the fall:** Lichtenstein, *Walter Reuther*, 438; Cowie, 43. **Group of luminaries:** Lichtenstein, *Walter Reuther*, 438. **"We felt so close":** This

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

- 210 **Intelligent and articulate:** For a well-rounded description of Woodcock, see Serrin, 49–53. **“Easy to be”:** “The Unknown Who Leads the Walter P. Reuther Memorial Strike,” *New York Times*, Sept. 27, 1970.
- 211 **“Timber Dick”:** Serrin 53. **By 6 percent:** Serrin, 6. Also see March 10, 1970, memo from George Weaver to Frank LaBita, “Last Three Contract Settlements at ‘Big Three,’ UAW. **Had consumed:** Serrin, 6; Lichtenstein, *Walter Reuther*, 419; “Auto Workers Hear the Drums Again,” *Time*, Sept. 28, 1970. Also see “The UAW, the Auto Companies, The Public Interest, and 1970 Auto Negotiations,” July 8, 1970, UAW. **To cap:** Serrin, 7, 27; Lichtenstein, *Walter Reuther*, 419, 436; “Woodcock in Crucial Test in Auto Talks,” *New York Times*, Sept. 6, 1970. The cap had been eight cents per hour per year. **Biggest mistake:** “Big Stakes in the Auto Talks,” *Time*, Sept. 7, 1970.
- 211 **Fighting for:** “Woodcock in Crucial Test in Auto Talks,” *New York Times*, Sept. 6, 1970. **“Thirty-and-out”:** Serrin, 7. Also see Lowenstein, 40–42. **Behind this sentiment:** Serrin, 16, 219–242. Also see “The Man on the Assembly Line—A Generation Later” by Robert H. Guest and Stanley H. Udy, undated typescript, RHGP; “The Grueling Life on the Line,” *Time*, Sept. 28, 1970. **To the surprise:** Lichtenstein, *Walter Reuther*, 400–401. **“Not about money”:** Sept. 26, 1964, “Dear Friend” letter from Reuther, ILIR. **Month-long walkout:** “Union Moves to End 27-Day G.M. Strike; Sets Weekend Vote,” *New York Times*, Oct. 22, 1964. **More relief time:** “GM Strike: Prototype for More Conflict,” *The Nation*, Nov. 16, 1964.
- 211 **More than 40 percent:** Serrin, 13. **“Blue-collar blues”:** The term was coined in a July 1970 *Fortune* magazine piece, “Blue-Collar Blues on the Assembly Line.” For more on the history and use of the term, see Hamilton and Wright, *State of the Masses*, 20–30. Interestingly, the UAW's Woodcock hated the concept, dismissing it as “elitist nonsense” that was demeaning to workers. For more on Woodcock's perspective, see Serrin, 319; “There's Still a Car in Your Future,” *Challenge*, May/June 1974. **Drugs or alcohol:** Cowie, 46; Serrin, 311. **“Never make it home”:** “The Blue-Collar Blues of the 1970s” by Stephen Meyer, Automobile in American Life and Society, Dearborn and Benson Ford Research Center, University of Michigan.
- 212 **“Working-class militancy”:** “The Blue-Collar Blues of the 1970s” by Stephen Meyer, Automobile in American Life and Society, Dearborn and Benson Ford Research Center, University of Michigan. **Local demands:** Barnard, 353. **Played hooky:** Figures are from Serrin, 14, 232. Also see “Price Stability—An Attainable Goal?” an address by James M. Roche at the St. Louis Chamber of Commerce Salute Luncheon,

- Feb. 20, 1970, UAW. **Even sabotaged:** Johns, *The Sociology of Organizational Change*, 47. Also see Cowie, 46; Weir, 436.
- 212 **National poster child:** Things boiled over during a three-week strike in Lordstown in the spring of 1972, a walkout that brought about the slowing of the line. Details on the situation at Lordstown are drawn from Weir, 434–437; Cowie, 42–49; “The Blue-Collar Blues of the 1970s” by Stephen Meyer, Automobile in American Life and Society, Dearborn and Benson Ford Research Center, University of Michigan.. Also see Serrin, 286; 318–319. **“Changing lifestyle”:** “The 1972 Lordstown Strike,” Walter P. Reuther Library (reuther.wayne.edu/node/10756).
- 212 **“Scratch your nose”:** The quotations from the Lordstown workers are from “The Blue-Collar Blues of the 1970s” by Stephen Meyer, Automobile in American Life and Society, Dearborn and Benson Ford Research Center, University of Michigan.
- 212–213 **“Mentally depressing”:** From an employee questionnaire, apparently administered in 1974, CCCB. **“Depended upon”:** “Company Management Expresses Serious Concern About Attendance,” Management Letter, Feb. 24, 1970, KHC. **“Constant surveillance”:** “Statement of Local 506 and of the Individual Employees Protesting Contract Violations and Invasions of Privacy,” March 1967, UE.
- 213 **“White-collar moan”:** Terkel, *Working*, xi–xii.
- 213 **“To the bone”:** Serrin, 13.
- 213–214 **Low productivity:** See “Auto Industry Struggling to Stop Lag in Productivity,” *New York Times*, Aug. 8, 1970. **“Fact of economic life”:** “Price Stability—An Attainable Goal?” an address by James M. Roche at the St. Louis Chamber of Commerce Salute Luncheon, Feb. 20, 1970, UAW. Also quoted, in part, in Serrin, 11–12. Also see “Statement of General Motors to UAW,” July 21, 1970, UAW.
- 214–215 **Went nowhere:** “Auto Pact Talks Evoke Pessimism,” *New York Times*, Sept. 10, 1970; “G.M. Raises Its Contract Offer to Union,” *New York Times*, Sept. 12, 1970; “Auto Union Cuts First-Year Wage Demands but Remains Firm on Other Issues as Strike Deadline Nears,” *New York Times*, Sept. 13, 1970; “Collision Course in Detroit,” *Time*, Sept. 14, 1970. **Walked off:** “Car Pact Expires: U.A.W. and Company Blame Each Other for Talks’ Failure,” *New York Times*, Sept. 15, 1970. **Into weeks:** “Auto Workers Hear the Drums Again,” *Time*, Sept. 28, 1970; “G.M. Strike Impact Begins to Spread,” *New York Times*, Oct. 3, 1970; “Where the Strike Hurts,” *Time*, Oct. 27, 1970; “G.M. Strike Begins to Hurt Workers,” *New York Times*, Nov. 8, 1970. **Morale:** “Striking Auto Workers Attend Class,” *New York Times*, Oct. 18, 1970. **Food stamps:** “Where the Strike Hurts,” *Time*, Oct. 27, 1970. **In losses:** GM lost \$77 million in the third quarter and \$135 million in the fourth quarter, with

- the strike responsible for both deficits. See "GM Lists Quarterly Loss at Record \$135-Million," *New York Times*, Jan. 29, 1971. **Suppliers and showrooms:** "G.M. Strike Impact Begins to Spread," *New York Times*, Oct. 3, 1970. **Strike fund:** Serrin, 256; "The High Price of Peace in Detroit," *Time*, Nov. 23, 1970. **Suddenly intensified:** "Auto Negotiators Focus on Pay Issue," *New York Times*, Nov. 10, 1970; "General Motors and Auto Union Press for Settlement," *New York Times*, Nov. 11, 1970. **An agreement:** Serrin, 266–273; "General Motors and Union Reach Terms for Pact," *New York Times*, Nov. 12, 1970.
- 215 **Sparred primarily:** All details on the GM and UAW offers are from various news reports, including "Issues of Strike at G.M.," *New York Times*, Sept. 16, 1970. **"Less than equitable":** "Car Pact Expires: U.A.W. and Company Blame Each Other for Talks' Failure," *New York Times*, Sept. 15, 1970.
- 215 **Back pay:** "Collision Course in Detroit," *Time*, Sept. 14, 1970. **"Extreme":** "Union to Strike G.M. at Midnight if Pay Talks Fail," *New York Times*, Sept. 14, 1970. **"Grocery bills":** "Progress-Sharing Can Mean Industrial Peace" by C. E. Wilson, *Reader's Digest*, Sept. 1952. **"Piss on":** Serrin, 20.
- 215 **Final contract:** "General Motors and Union Reach Terms For Pact," *New York Times*, Nov. 12, 1970; "The High Price of Peace in Detroit," *Time*, Nov. 23, 1970; Serrin, 264; "Significance of the UAW Strike Against General Motors Corporation in 1970" by Irvin Bluestone, UAW. **"Look forward to":** "The Grueling Life on the Line," *Time*, Sept. 28, 1970.
- 216 **"Crippling blow":** "The Early Retirement Time Bomb," *Nation's Business*, Feb. 1, 1971. Also see "Economic Implications of the Automobile Strike," American Institute for Economic Research, Sept. 28, 1970. **More expense:** Lowenstein, 32, 36, 40–42. **Out of control:** Figures are from "Price Stability—An Attainable Goal?" an address by James M. Roche at the St. Louis Chamber of Commerce Salute Luncheon, Feb. 20, 1970, UAW. **No outlier:** "Fringe Benefits Hit Record High," *Nation's Business*, Sept. 1968. **Would grow:** "The Fringe Fever Keeps Rising," *U.S. News & World Report*, Oct. 25, 1976; "Hidden Raises: Those 'Fringes' Keep on Growing," *U.S. News & World Report*, Oct. 31, 1977. **"Promise too much":** "Why Bigger Pensions Will Be Harder to Come By," *U.S. News & World Report*, March 15, 1976. Also see "The Funding of Negotiated Pension Plans" by Robert C. Kryvicky, *Transactions of Society of Actuaries*, Vol. 33, 1981.
- 216 **Jacked up:** Serrin, 288. Also see "Car Price Rises Anticipate Pact," *New York Times*, Sept. 20, 1970. **"Fantastic victory":** "Settlement at G.M. Revives 'Progress Sharing,'" *New York Times*, Nov. 15, 1971. Also see "Significance of the UAW Strike Against General Motors Corporation

- in 1970" by Irvin Bluestone, UAW. **"Beyond the control":** "G.M. Settlement and Inflation," *New York Times*, Nov. 19, 1971.
- 216 **It denounced:** Serrin, 277–278; "Pay and Price Rises Peril Economy: Nixon Aides," *Chicago Tribune*, Dec. 2, 1970. Also see Lowenstein, 36–37. **"If everyone":** Second Inflation Alert, Council of Economic Advisers, Dec. 1, 1970, UAW. **Set a pattern:** Serrin, 295–296; Wells, *Economist in an Uncertain World*, 70–71. **Had doubled:** Serrin, 296. The trend would continue. See "For 5 Million—An 'Inflation Cushion,'" *U.S. News & World Report*, Sept. 29, 1975. **Spillover:** Rosenfeld, 74–79; "How Top Nonunion Companies Manage Employees," *Harvard Business Review*, Sept./Oct. 1981. **White-collar employees:** "Occupational Salary Levels for White-Collar Workers," *Monthly Labor Review*, Oct. 1982.
- 217 **Still rampant:** Wholesale prices, in particular, were high, climbing at a 4.9 percent rate in the second quarter (Wells, *Economist in an Uncertain World*, 258). **"Rules of economics":** Wells, *Economist in an Uncertain World*, 72. Also quoted, in part, in "The Nixon Shock," *Bloomberg Businessweek*, Aug. 4, 2011. Also see "The Phillips Curve Falls Flat" by Gus Tyler, National Committee for Full Employment, 1977, UAW. **Nowhere left:** Yergin and Stanislaw, *The Commanding Heights*, 113. **Committee for Economic Development:** "A High-Level Call for Guidelines," *Time*, Dec. 7, 1970. **Ordered a freeze:** See "Transcript of President's Address on Moves to Deal With Economic Problems," *New York Times*, Aug. 16, 1971. Also see Blinder, *Economic Policy and the Great Stagflation*, 25–35. **Hadn't meddled:** "Dr. Nixon Prescribes Shock Therapy," *New York Times*, Aug. 22, 1971. The quotation from the high-ranking government official is from this article.
- 217 **President established:** "Who's Who on Pay Board, Price Commission," *Chicago Tribune*, Oct. 23, 1971. The Pay Board and the Price Commission operated under the Cost of Living Council. **Woodcock:** The UAW president, along with other labor representatives, would quit Pay Board in 1972, saying that while wages had been rigidly controlled, corporate profits were allowed to soar. See Cowie, 151–152. **5.5 percent:** "Key Member of Pay Board Envisions a Long Phase 2," *New York Times*, Nov. 29, 1971; Wells, *Economist in an Uncertain World*, 82. **"Psychology of inflation":** "The Pay Board: An Inside Look," *New York Times*, April 2, 1972. **Consumer prices:** They were rising at only a 3.4 percent annual rate during the second half of 1972. See Wells, *Economist in an Uncertain World*, 90. **Dollar into gold:** Greider, *Secrets of the Temple*, 334–340; Rickards, *Currency Wars*, 82–91; "The Nixon Shock," *Bloomberg Businessweek*, Aug. 4, 2011; Wells, *Economist in an Uncertain World*, 75–76. **Since 1944:** This was when the Bretton-Woods agreement was signed. **Surcharge:** See "The Nixon Shock After Forty Years:

The Import Surcharge Revisited” by Douglas A. Irwin, *World Trade Review*, Vol. 12, No. 1, Jan. 2013.

- 218 **Pumping more money:** Greider, *Secrets of the Temple*, 342–344; Wells, *Economist in an Uncertain World*, 84. **Output took off:** GNP grew at 7 percent in 1972, compared with 5.5 percent in 1971 (Wells, *Economist in an Uncertain World*, 258). **Unemployment:** The jobless rate declined to 5.6 percent in 1972 (and 5.3 percent in the fourth quarter) from 5.9 percent in 1971. Also see “Not Enough Jobs,” *Time*, Oct. 9, 1972. **Manipulation:** Friedman and Levantrosser, *Richard M. Nixon: Politician, President, Administrator*, 232–233; Samuelson, *The Good Life and Its Discontents*, 96; Madrick, *Age of Greed*, 52, 58–68. **Landslide:** Nixon won with 60.7 percent of the popular vote. **“People can see”:** “Issues ’72: Nixon v. McGovern on Taxes, Prices, Jobs,” *Time*, Oct. 30, 1972.
- 218 **Permanent crutch:** Wells, *Economist in an Uncertain World*, 104. **Scaled them back:** Blinder, *Economic Policy and the Great Stagflation*, 108–110; “A New Investigation on the Impact of Wage and Price Controls,” *Federal Reserve Bank of Minneapolis Quarterly Review*, Spring 1978. **“Time to return”:** “Phase IV: Controls, Because of Shortages,” an address by Richard C. Gerstenberg before the Financial Executives Institute, Oct. 22, 1973, found in *Vital Speeches of the Day*. **9 percent:** The Consumer Price Index rose 8.8 percent for 1973 (Wells, *Economist in an Uncertain World*, 259). **Reacting to:** Greider, *Secrets of the Temple*, 339–340, 344; “1973–74 Oil Crisis,” part of “Slaying the Dragon of Debt,” a research project by the Regional Oral History Office of the Bancroft Library at the University of California at Berkeley; Shojai, *The New Global Oil Market*, 105–106. **In 1974:** The Consumer Price Index increased 12.2 percent for the year; the Wholesale Price Index rose 21.3 percent (Wells, *Economist in an Uncertain World*, 259).
- 218 **Tripped up:** “Economic Considerations Regarding the First Oil Shock, 1973–1974” by Livia Ilie, May 2006, posted in the Munich Personal RePEc Archive (mpira.ub.uni-muenchen.de/6431/1/MPRA_paper_6431.pdf). Other factors helped trigger the recession, including rising food prices and contractionary monetary and fiscal policies (Blinder, *Economic Policy and the Great Stagflation*, 35–39). **More calamitous:** By most measures the recession was the most serious since 1937. See “The Recession and Recovery of 1973–1976” by Victor Zarnowitz and Geoffrey H. Moore, National Bureau of Economic Research, Oct. 1977 (nber.org/chapters/c9101). **Stock market:** The S&P 500 fell 45.7 percent from January 1973 to December 1974. See “Stock Market Crashes and Their Aftermath: Implications for Monetary Policy” by Frederic S. Mishkin and Eugene N. White, Asset Price Bubbles Conference, April 23, 2002. **8.5 percent:** It would hit 8.6 percent in March 1975, when the recession was officially declared over. **Twice that big:**

Green, *The World of the Worker*, 236. **Different names:** “Can Capitalism Survive?” *Time*, July 14, 1975. **“Misery Index”:** “The Brookings Institution’s Arthur Okun—Father of the ‘Misery Index’” by Ron Nessen, Brookings Institution, Dec. 17, 2008. For a different view of stagflation and how to fix it, see Weitzman, *The Share Economy*.

218–219 **New industry:** “A History of the Outplacement Industry, 1960–1997,” a doctoral dissertation by Martha A. Redstrom-Plourd, Virginia Polytechnic Institute, 1998. **Had laid off:** “The Recession: Gloomy Holidays—And Worse Ahead,” *Time*, Dec. 9, 1974. Also see “Auto Workers: Reducing Work Time” by Howard Young, Nov. 16, 1976, UAW. **Several thousand:** From the testimony of Richard Brewer, GM’s director of pension plans, in *Sprague v. General Motors*, US District Court, Eastern District of Michigan, 90-CV-70010 (1993). There were 3,245 special early retirements at the company in 1974. **“Emotionally charged”:** Testimony from *Sprague v. General Motors*, US District Court, Eastern District of Michigan, 90-CV-70010 (1993).

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

219 **Profit margins:** Figures (Samuelson, *The Good Life and Its Discontents*, 114) are based on US Commerce Department data for nonfinancial firms (all corporations excluding banks, insurance companies, securities houses, and the like). **“What oats are”:** “The Importance of Profits and Free Enterprise” an address by Richard C. Gerstenberg to the NAM Congress of American Industry, Dec. 13, 1971, LBP. **Would pinpoint:** See, for example, “A Retrospective Look at the U.S. Productivity Growth Resurgence” by Dale W. Jorgenson, Mun S. Ho, and Kevin J. Stiroh, Federal Reserve Bank of New York, Feb. 2007. For a different take, see “A Retrospective on the Postwar Productivity Slowdown” by William Nordhaus, Yale University. **Less than half:** Friedman, *The Moral Consequences of Economic Growth*, 197. He notes that the average annual growth in labor productivity, from 1948 to 1973, of 2.9 percent declined to 1.4 percent over the next twenty years. Also see Melman, *Profits Without Production*, 164. **Possible explanations:** “The U.S. Productivity Slowdown: What the Experts Say” by William E. Cullison, *Economic Review*, Federal Reserve Bank of Richmond, July/Aug. 1989; Magaziner and Reich, *Minding America’s Business*, 41–59.

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

- 220 **America welcomed:** Brenner, 45. Also see “Report of the National Identification Committee,” General Motors Board of Directors, April 3, 1961, CWP. **They provided:** In addition to providing markets for export, overseas locations also offered American companies attractive investment opportunities (Brenner, 59). And Lynn (*End of the Line*, 5) notes that US government leaders “encouraged corporations to entwine America’s economy with other industrial nations” so as to “make the West’s system of production more efficient to better serve the common struggle against the Soviet Union.” To that point, also see Prestowitz, *Trading Places*, 490. **On their head:** Webber and Rigby, *The Golden Age Illusion*, 49. **Their own:** See “Manufacturing Innovation: Lessons from the Japanese Auto Industry” by Michael A. Cusumano, *MIT Sloan Management Review*, Fall 1988. Also see Uchitelle, 47; Cappelli, 75–76; Lynn, *End of the Line*, 91–92. **Leapfrogged America:** Brenner, 45. Also see Chandler, Amatori, and Hikino, *Big Business and the Wealth of Nations*, 89–101; 307–335. **Other countries:** Ross and Trachte, *Global Capitalism*, 105; Piore and Sabel, *The Second Industrial Divide*, 179. **Since 1888:** Magill, *Chronology of Twentieth-Century History: Business and Commerce*, Vol. 2, 1036–1038; Hopper and Hopper, 206; Lynn, *End of the Line*, 25. **Trade deficit:** US Trade in Goods and Services—Balance of Payments Basis, US Census Bureau (census.gov/foreign-trade/statistics/historical/gands.pdf). Also noted in “The Forty-Year Slump” by Harold Meyerson, *The American Prospect*, Sept./Oct. 2013.
- 220 **Cost 45 percent less:** Calculated from figures in Halberstam, *The Reckoning*, 308. Also see “Imports and the Future of the U.S. Automobile Industry” by Jose A. Gomez-Ibanez and David Harrison Jr., *The American Economic Review*, Vol. 72, No. 2, May 1982. **Twice as many:** Buchholz, *From Here to Economy*, 100; Chandler, Amatori, and Hikino, 324. **100,000 Hondas:** Keller, *Rude Awakening*, 50. **Quick to point out:** “Price Stability—An Attainable Goal?” an address by James M. Roche at the St. Louis Chamber of Commerce Salute Luncheon, Feb. 20, 1970, UAW. **60 percent:** “The Comparative Status of the US Auto Industry: A Study of the Influences of Technology in Determining International Industrial Competitive Advantage,” National Academy of Sciences, 1982. **Pull concessions:** “We Are Driven: Life on the Fast Line at Datsun,” *Mother Jones*, August 1982.
- 221 **“The unrest”:** Cowie, 72–73.
- 221 **“Fundamental breakpoint”:** The Forty-Year Slump” by Harold Meyerson, *The American Prospect*, Sept./Oct. 2013. Also see Friedman, 199.
- 221–222 **Driven in part:** Lynn, *End of the Line*, 120. **Washington’s aim:** Lynn, *End of the Line*, 90–93. **In foreign factories:** Harrison and Bluestone, *The Great U-Turn*, 26–27. **To sell back:** Van Horn and Schaffner, *Work in America*, 49. Also see Harrison and Bluestone, 30. By the early 1970s, about one-third of auto industry investment was being made abroad

- (Lash and Urry, *The End of Organized Capitalism*, 164). For a history of how American companies had invested abroad throughout the twentieth century, at least to some degree, see Lynn, *End of the Line*, 94–96.
- “Stop foreigners”:** *General Electric News*, Oct. 1972, ILIR. **30,000 jobs:** Kirsch, *In the Wake of the Giant*, 13. Also see Nash, *From Tank Town to High Tech*, 114.
- 222 **Larger and larger share:** “Service Industries and Economic Performance,” US Department of Commerce, Economics and Statistics Administration, March 1996. Also see Kalleberg, *Good Jobs, Bad Jobs*, 46–47. **60 percent:** Davis, *Managed by the Markets*, 2. **“Post-industrial society”:** Bell, *The Coming of Post-Industrial Society*, 15. **“Poorest paid”:** All information on the Coca-Cola symposium, including speaker transcripts, is from CC.
- 222 **“New class”:** Sobel (*The White-Collar Working Class*, 132) also notes that “the class and work situations of white collar and blue collar labor have blurred.”
- 222–223 **Had joined:** “Employment History of J. Paul Austin,” RWP. Also see Pendergrast, 274–275.
- 223 **“Find himself liberated”:** Toffler, *Future Shock*, 125.
- 223 **“Talmudic fashion”:** “Inflation and Recession: Attacking the Double-Trouble,” an address by Philip M. Klutznick before CED trustees and guests, Jan. 9, 1975, found in *Vital Speeches of the Day*. **Real-estate developer:** See his obituary, “Philip M. Klutznick, 92, Builder and a Leader in Jewish Affairs,” *New York Times*, Aug. 17, 1999.
- 223 **Day’s prompting:** Linder, 207; Waterhouse, 101. **Had merged:** The Business Roundtable was formed in 1972 by the merger of three groups: the Construction Users Anti-Inflation Roundtable; the March Group, which was made up of a small number of CEOs, including GE’s Fred Borch, who met to consider public policy issues; and the Labor Law Study Committee, which had been cofounded by GE’s Virgil Day. For more on the Labor Law Study Committee and its early efforts to help keep employers free of unions, see Gross, *Broken Promise*, 200–209, 217–224. **Now surpassed:** Mizruchi, 171–179; “Rehabilitation Project: Once-Mighty CED Panel of Executives Seeks a Revival, Offers Advice to Carter,” *Wall Street Journal*, Dec. 17, 1976; Gross, *Broken Promise*, 235; Cowie, 231–232. Also see Hacker and Pierson, 116–136.
- 223–224 **Different spot:** Mizruchi, 164–168; Waterhouse, 93. **“Larger public interest”:** Mizruchi, 177. **“To a weakening”:** Mizruchi, 179. **Self-interested:** Mizruchi, 157; Phillips-Fein, 192–199; Judis, 167–168.
- 224 **Introduced:** For background on Humphrey-Hawkins, see Uchitelle, 124–128. **Virtual copy:** “The Employment Act of 1946: Some History Notes” by G. J. Santoni, Federal Reserve Bank of St. Louis, Nov. 1986. **Joined with:** Waterhouse, 146.

- 224 **Marshaled successfully:** Waterhouse, 146; Moody, 138; Vogel, *Fluctuating Fortunes*, 157–158. **Completely overhauled:** The law ultimately signed by President Carter in 1978 was, in fact, a shell of the original bill. **“Americans desire”:** From testimony before the Senate Committee on Banking, Housing, and Urban Affairs, May 10, 1978. **“Democratic government”:** Schriftgiesser, 96–97.

CHAPTER 8

- 227 **Close relationship:** Allen, *Secret Formula*, 364; Pendergrast, 309–310; Hays, 60; Louis and Yazijian, *The Cola Wars*, 273–296. **“Our crowd likes”:** Quoted in Allen, *Secret Formula*, 364; Pendergrast, 310. **Ever-wider group:** “Telling Jimmy About Jobs,” Executive View by Marshall Loeb, *Time*, June 12, 1978. **As in “God”:** “Telling Jimmy About Jobs,” Executive View by Marshall Loeb, *Time*, June 12, 1978; “GE’s Welch Powering Firm Into Global Competitor,” *Washington Post*, Sept. 23, 1984.
- 227–228 **Was born:** All biographical details on Jones and his family are from a 2012 interview by the author with Jones’s son, Keith; “Reginald Harold Jones, 86, Dies; Led General Electric,” *New York Times*, Jan. 2, 2004; Welch, *Jack: Straight from the Gut*, 80.
- 228 **Chain-smoking:** Levinson and Rosenthal, *CEO: Corporate Leadership in Action*, 22. **“Horatio Alger story”:** From a 2012 interview by the author with Jones’s son, Keith.
- 228 **Giving advice:** As reflected in papers found in Charles L. Schultze Correspondence Files and White House Central File, JCPL. **High levels:** Consumer prices were running at an annual rate of 6.5 percent in 1977 and 7.6 percent in 1978, while annual unemployment in those years stood at 7.1 percent and 6.1 percent, respectively. **Energy crisis:** “Oil Shock of 1978–79,” Federal Reserve History (federalreservehistory.org/Events/DetailView/40); Greider, *Secrets of the Temple*, 13–14; Shojai, 106–108; Piore and Sabel, 178–179; Madrick, 152.
- 228 **Now assumed:** Greider, *Secrets of the Temple*, 15–17. **Government calculated:** Figures are noted in Greider, *Secrets of the Temple*, 101. **“Inflation doesn’t slow”:** Greider, *Secrets of the Temple*, 17.
- 229 **“Actually got numbers”:** “Carter’s ‘Crisis of Confidence’ Speech, American Experience, (pbs.org/wgbh/americanexperience/features/general-article/carter-crisis-speech/). Also see Cowie, 301–305.
- 229 **“In a nation”:** Speech transcript found at the University of Virginia’s Miller Center (millercenter.org/president/speeches/speech-3402).
- 229 **Brief bump:** Greider, *Secrets of the Temple*, 15; Cowie, 306; Madrick, 154. **Accused him:** Carter’s ‘Crisis of Confidence’ Speech, American

Experience, (pbs.org/wgbh/americalexperience/features/general-article/carter-crisis-speech/).

- 229–230 **Had no faith:** Biven, *Jimmy Carter's Economy*, 28; Greider, *Secrets of the Temple*, 182. **"Thick as the carpets":** Quoted in Biven, 26. **Out to attack:** Greider, *Secrets of the Temple*, 75–123; Samuelson, *The Great Inflation and Its Aftermath*, 119–120; Biven, 307–309. **Quite difficult:** Greider, *Secrets of the Temple*, 124–151, 364; Samuelson, *The Great Inflation and Its Aftermath*, 123–124; Madrick, 166. **Since World War II:** Biven, 24. **Stopped digging:** Biven, 25.
- 230 **Pushed forward:** Greider, *Secrets of the Temple*, 181–185; Samuelson, *The Great Inflation and Its Aftermath*, 125–126; Biven, 319. **People cut up:** Greider, *Secrets of the Temple*, 185. **Visa lost:** Samuelson, *The Great Inflation and Its Aftermath*, 126; Greider, *Secrets of the Temple*, 186. **To the dismay:** Greider, *Secrets of the Temple*, 186. **"Into the tank":** Greider, *Secrets of the Temple*, 187. Also see Madrick, 167. **Another recession:** It had officially started in January 1980 and would last until July. **Near 8 percent:** It hit 7.8 percent in July 1980. **13 percent:** In July 1980, it was running at a 13.13 percent year-over-year rate.
- 230 **"Finds itself challenged":** Quoted in O'Boyle, 50; Sherman and Tichy, 45. For details on these underlying trends, see "The Productivity Slowdown: Causes and Policy Responses" Background for Statement of Alice M. Rivlin before the Subcommittee on Oversight and Investigations, House Committee on Energy and Commerce, Congressional Budget Office, June 1, 1981. Also see the Business Roundtable's position papers on capital formation sent by Jones on July 6, 1977, to Charles Schultze, chairman of the Council of Economic Advisers, JCPL.
- 230–231 **"President of Japan":** "Steel Blues," *Newsweek*, Oct. 3, 1977. **10,000 people:** Buss and Redburn, *Shutdown at Youngstown*, 1. Also see Uchitelle, 131–133, 135–137. **50,000 jobs:** Fraser, *The Age of Acquiescence*, 224. **One thousand factories:** Buss and Redburn, 2. **900,000 a year:** Harrison and Bluestone, 37.
- 231 **"Pathetic mausoleums":** Fraser, *The Age of Acquiescence*, 226. **"Older folks mourn":** Rudacille, *Roots of Steel*, 15. **"America uses things":** "America's Fastest Shrinking City: The Story of Youngstown, Ohio" by Sean Posey, Hampton Institute, June 18, 2013. Posey is quoting from William Serrin's 1992 book *Homestead: The Glory and Tragedy of an American Steel Town*. **Fates befell:** The cities mentioned here are among sixty-five "older industrial cities" that as of 2007 were "still struggling to boost their economies and increase opportunity for the over 16 million people that call these places home," according to the Brookings Institution report "Restoring Prosperity: The State Role in Revitalizing America's Older Industrial Cities." **Hardest hit:** Wilson, *The Truly Disadvantaged*, 39–46.

- 231 **Bruce Springsteen:** See Cowie, 207–209, 337–338, 342; “Born to Run and the Decline of the American Dream” by Joshua Zeitz, *The Atlantic*, Aug. 24, 2015.
- 232 **“Only Herbert Hoover”:** Biven, 33.
- 232 **Jones had offered:** These recommendations were contained in a Dec. 20, 1977, draft paper that Jones had his team write for President Carter at the behest of Treasury Secretary Michael Blumenthal, JCPL.
- 232 **Was trounced:** Reagan won with nearly 51 percent of the popular vote and nearly 91 percent of the electoral vote. **Formally told:** Welch, 87.
- 232 **Been raised:** Welch, 6–7. **Union man:** From a 2012 interview by the author with Welch; O’Boyle, 47. **Five foot eight:** Tichy and Sherman, 18. **To captain:** Welch, 9. **Then landed:** Welch, 14–17; Tichy and Sherman, 68.
- 233 **Almost left:** Welch, 21; Tichy and Sherman, 69. **“From differentiation”:** Welch, 25. **“Dinks”:** Tichy and Sherman, 48.
- 233 **GE persuaded Welch:** Welch, 24–25. **General manager:** Welch, 36; Sherman and Tichy, 70. **Vice president:** Welch, 43. **Group executive:** Welch, 49; Sherman and Tichy, 74. **“Constructive conflict”:** Welch, 42; Sherman and Tichy, 70. **“Anti-establishment”:** Welch, 42. **Consumer sector:** Welch, 65; Sherman and Tichy, 75. **Vice chairmen:** Welch, 81.
- 233 **Thinking about:** Welch, 47. **“Wasn’t stupid”:** From a 2012 interview by the author with Welch.
- 233–234 **Arrogance and rudeness:** Welch, 42; Lane, *Jacked Up*, 23. **Two competitors:** One was John Burlingame, age fifty-eight. The other was Ed Hood, fifty. **A bad temper:** Welch, 42–43; Lane, 113–114. **Chewed gum:** Lane, 205. **Bit his nails:** “GE’s Welch Powering Firm Into Global Competitor,” *Washington Post*, Sept. 23, 1984. **“Stuttering over-achiever”:** Lane, 278. **Middle finger raised:** Lane, 129. For more on Welch as a maverick, see Rothschild, 190–193; “General Electric: Reg Jones and Jack Welch” by Christopher A. Bartlett, Francis J. Aguilar, and Kenton W. Elderkin, Harvard Business School case study, June 1991; Welch, 87; O’Boyle, 46. For more background on the process to pick Welch, see Vancil, *Passing the Baton*, 187–194; Tichy and Sherman, 62–64; “Reginald Jones Discusses Selecting Jack Welch as the New CEO of GE,” “Talking History,” recorded June 12, 2000 (albany.edu/talkinghistory/archivalaudio/geohp-reginald-jones-zahavi-6-12-2000(selection).mp3).
- 234 **Had championed:** Welch, 77; O’Boyle, 63. **“Street kid”:** Welch, 80. **“Distinctive set”:** O’Boyle, 42. **Ceiling tiles:** Welch 49. Welch also took note of this telling detail in a 2012 interview by the author. Also see Tichy and Sherman, 50–51. **At a start-up:** See “GE’s Welch Powering Firm Into Global Competitor,” *Washington Post*, Sept. 23, 1984. **“Able to select”:** Vancil, 194. Also see Rothschild, 183–186.

- 234 **Supply of money:** From “Growing Fast in a Slow-Growth Economy,” Welch’s Dec. 8, 1981, speech to the financial community at the Hotel Pierre, New York. The speech is included in Welch, 447–451. **Statistical comparisons:** From a 2012 interview by the author with Welch. **“No room”:** Welch, 449. **“Fix it”:** Welch, 109; Tichy and Sherman, 114; O’Boyle, 70.
- 234–235 **“Dare to try”:** Welch, 450.
- 235 **Blah, blah, blah:** See Lane, 156. **Many years:** Tichy and Sherman, 187–189, 272–273. **Thousands and thousands:** Tichy and Sherman, 273. **“Also can liberate”:** Lane, 24.
- 235 **First flattening:** Tichy and Sherman, 291. Welch noted that before you can really change a company’s culture, “you’ve first got to do the hard structural work. Take out the layers. Pull up the weeds. Scrape off the rust.” **Managers made up:** Tomasko, *Downsizing*, 1–2. **“Layer on layer”:** From a 2012 interview by the author with Welch.
- 235–236 **“Guy’s shirt collar”:** Tichy and Sherman, 57. **Refined the system:** Borch introduced strategic planning into GE and moved the company from being organized around individual product lines into strategic business units. During his tenure, Jones announced a “sector” organization structure, introducing a new level of management that represented a macrobusiness or industry area. For more on these changes, see “GE . . . We Bring Good Things to Life” by James L. Heskett, Harvard Business School case study, revised Feb. 9, 2000; “Jack Welch: General Electric’s Revolutionary” by Joseph L. Bower, Harvard Business School case study, revised April 12, 1994. Also see Rothschild, 149–182. **“Dense impenetrability”:** Tichy and Sherman, 60.
- 236 **“Fired them all”:** From a 2012 interview by the author with Welch. Also see Rothschild, 207–208. **Department itself:** Tichy and Sherman, 186; Lane, 69. **He dumped:** From a 2012 interview by the author with Welch. **He pared:** Tichy and Sherman, 102. **“You asshole”:** Lane, 281. **“Fucking idiot”:** Lane, 28. **Never cared:** Lane, 185. **To like him:** Lane, 57. **Shark painting:** Lane, 115. **“Sent home”:** Lane, 115, 312. **To about 900:** Tichy and Sherman, 102.
- 236 **GE eliminated:** O’Boyle, 32; these figures were derived by comparing employment totals in 1978–1979 and the spring of 1996, as reported by local newspapers in the seven cities. Also cited by Greenhouse, 85. **“Where our fathers”:** “News of Layoffs Dulls G.E. Centennial in Schenectady,” *New York Times*, Nov. 26, 1986.
- 237 **Another recession:** It would officially last from July 1981 until November 1982. **Hell-bent:** Greider, *Secrets of the Temple*, 431–432; Samuelson, *The Great Inflation and Its Aftermath*, 106–107. **Adding greatly:** Greider, *Secrets of the Temple*, 448, 530. **“Have to suffer”:** Greider, *Secrets of the Temple*, 419; Samuelson, *The Great Inflation and Its Aftermath*, 116. Reagan had said this in 1978.

- 237 **Almost 11 percent:** It was 10.8 percent in November and December 1982. **In autos:** Greider, *Secrets of the Temple*, 454. **Went bankrupt:** Greider, *Secrets of the Temple*, 455. Also see Cappelli, 77. **20 million:** Greider, *Secrets of the Temple*, 454. **Homebuilders sent:** Samuelson, *The Great Inflation and Its Aftermath*, 128. **Auto dealers:** Greider, *Secrets of the Temple*, 461; Samuelson, *The Great Inflation and Its Aftermath*, 128.
- 237 **For the year:** Inflation statistics are from inflation.eu/inflation-rates/united-states/historic-inflation/cpi-inflation-united-states.aspx. **“Long nightmare”:** Greider, *Secrets of the Temple*, 554. Reagan said this in January 1983 as part of his message to Congress transmitting his fiscal 1984 federal budget. **The longest:** It would last for ninety-two months.
- 237–238 **Until 1987:** The jobless rate for 1986 was 7 percent. In 1987 it was 6.2 percent. **Having peaked:** This was when 19.6 million employees worked in the sector, representing 22 percent of the labor force. See “Manufacturing Jobs for the Future,” Congressional Joint Economic Committee, Dec. 2013; “The Surprisingly Swift Decline of U.S. Manufacturing Employment” by Justin R. Pierce and Peter K. Schott, Dec. 2012. Also see Uchitelle, 139. **Had failed:** Cowie, 288–296; Rosenfeld, 25–27. **Legitimizing the replacement:** McCartin, *Collision Course*, 344. Rosenfeld (84–87) points out that Reagan stressed his support for private-sector work stoppages even as he rejected the right of government employees to walk off the job—a view backed by a 1971 Supreme Court decision that federal employees have no legal right to strike. (See “Strikers and the Law,” *New York Times*, Aug. 5, 1981. Yet despite that, the air-traffic controllers dispute did set a pattern through the private sector as well. Also see Greenhouse, 81–82; Uchitelle, 39, 142; Madrick, 171; Reich, *Saving Capitalism*, 129. **“Recast the crimes”:** The former consultant was Martin Levitt. Quoted in Greenhouse, 247. **Reagan accelerated:** Harrison and Bluestone, 95; Uchitelle, 129–131. Also see Madrick, 172; Stiglitz, *The Roaring Nineties*, 101–103. **Two decades following:** “Deregulation and the Labor Market” by James Peoples, *The Journal of Economic Perspectives*, Vol. 12, No. 3, Summer 1998. In telecommunications, the decline was from 55 percent to 29 percent; in airlines, it was from 45 percent to 36 percent. The figures are for the period 1978 to 1996. Also see Greenhouse, 82–83.
- 238 **Combination of tactics:** Rosenfeld, 24–25; Harrison and Bluestone, 48–50; Sweeney and Nussbaum, *Solutions for the New Work Force*, 44–46; Osterman, *Securing Prosperity*, 65; “No Holds Barred: The Intensification of Employer Opposition to Organizing” by Kate Bronfenbrenner, Economic Policy Institute, Briefing Paper No. 235, May 20, 2009. **“Unions responded”:** Rosenfeld, 24. **Whereas labor:** “National Labor Board elections and results: 1936–1988,” Sutch and Carter, 2–352. Also see Wunnav, *The Changing Role of Unions*, 330. **Wage concessions:**

- McCartin, 345; Harrison and Bluestone, 39–43. Also see Feldstein, *American Economic Policy in the 1980s*, 132–133. **40 percent:** Harrison and Bluestone, 40.
- 238 **“Social revolution”:** From the president’s January 25, 1988, State of the Union address, Ronald Reagan Presidential Library and Museum. **Since 1960:** Harrison and Bluestone, x. **With pensions:** “History of Pension Plans,” Employee Benefit Research Institute, March 1998. Specifically, 46 percent of private-sector workers had some kind of pension plan coverage in 1980; that number declined to 43 percent by 1990. Also see “The Fall in Private Pension Coverage in the United States” by David E. Bloom and Richard B. Freeman, *The American Economic Review*, Vol. 82, No. 2, May 1992. **To go down:** “Job-Based Health Insurance, 1977–1998: The Accidental System Under Scrutiny” by Jon R. Gabel, *Health Affairs*, Vol. 18, No. 6, Nov./Dec. 1999. The percentage of workers with health coverage from their employer went from 66.7 percent in 1977 to 63.9 percent in 1987. **First time:** “Employee Benefit Plans, 1975” by Martha Remy Yohalem, *Social Security Bulletin*, Nov. 1977.
- 238–239 **Far different:** Tomasko, 32. **Imposing tariffs:** Lynn, *End of the Line*, 76–77. Also see Glickman and Woodward, *The New Competitors*, 267–268. **Nearly caught up:** Locke, *The Collapse of the American Management Mystique*, 161. In the mid-1980s, he writes, the United States produced 21 percent of the world’s industrial output, while Japan produced 19 percent. **Mitsubishi purchased:** Lynn, *End of the Line*, 24–25. The deal was struck in Oct. 1989. **“Subsidiary of Mitsubishi”:** Lynn, *End of the Line*, 25. Also see Prestowitz, 68.
- 239 **Period of stagnation:** See, for instance, “The 1990s in Japan: A Lost Decade” by Fumio Hayashi and Edward Prescott, *Review of Economic Dynamics*, Vol. 5, No. 1, 2002. **“Japan Problem”:** Lynn, *End of the Line*, 26.
- 239 **Routinely recall:** Uchitelle, 24. **Began tracking:** “Job Displacement” by Lori G. Kletzer, University of California at Santa Cruz Department of Economics, Working Paper No. 388, Nov. 1997. Also see “Displaced Workers: Trends in the 1980s and Implications for the Future,” Congressional Budget Office, Feb. 1993; Uchitelle, 5. **Had enacted:** WARN was enacted on August 4, 1988, overriding President Reagan’s veto. See “The Worker Adjustment and Retraining Notification Act (WARN)” by Linda Levine, Congressional Research Service, Sept. 26, 2007. Uchitelle (138) notes that most companies have been able to slip through WARN’s “large loopholes or simply violate the law.” **“Virtually all workers”:** Doeringer, *Turbulence in the American Workplace*, 2.
- 239–240 **Being taken on:** Rosenbaum, *Market Dominance*, 100–103. **Early retirement:** Swasy, *Changing Focus*, 31. **Three years later:** Swasy, 33; Tomasko, 30; “A Bleak Picture at Kodak,” *Newsweek*, Feb. 24, 1986. **Meant to streamline:** “G.M. Sets Change Two Groups,” *New York Times*, Jan.

- 11, 1984. **“Long-lived loyalties”**: Keller, *Rude Awakening*, 116. **“A global market”**: Keller, *Rude Awakening*, 108. **Gains in efficiency**: “G.M. Sets Change Two Groups,” *New York Times*, Jan. 11, 1984; “GM Plans a Great Divide,” *Newsweek*, Jan. 9, 1984.
- 240 **On and on**: One survey found that 24 percent of companies experienced significant layoffs and 20 percent offered early retirement incentives between 1985 and 1987 (Doeringer, 143). **At DuPont**: Tomasko, xv. **US Steel**: Greenhouse, 80–81. **AT&T slashed**: “24,000 A.T.&T. Jobs to Be Eliminated from Systems Unit,” *New York Times*, Aug. 22, 1985. **The next year**: “A.T.&T. Will Cut 27,400 Jobs,” *New York Times*, Dec. 19, 1986. **Ford jettisoned**: “A.T.&T. and Ford Plan Huge Job Cuts,” *New York Times*, Aug. 25, 1985. **Chevron shrank**: “Staff Reduction of 12% Announced by Chevron,” *New York Times*, June 13, 1986.
- 240 **Nearly 170,000**: Tichy and Sherman, 23. Welch, 129, uses a different set of figures: “We went from 411,000 employees at the end of 1980 to 299,000 by the end of 1985. Of the 112,000 people who left the GE payroll, about 37,000 were in businesses we sold, but 81,000 people—or one in every five in our industrial businesses—lost their jobs for productivity reasons.” **By 1986**: Tichy and Sherman, 204. **As many people**: Data from the City Mayors Foundation. **Didn’t count**: Tichy and Sherman, 23.
- 240–241 **He divested**: Foster and Kaplan, *Creative Destruction*, 151. Also see Harrison and Bluestone, 36; Rothschild, 194–200. **Demoralized employees**: Tichy and Sherman, 111–112. **“No sacred cows”**: Foster and Kaplan, 151. **He also bought**: Tichy and Sherman, 29, 41. **Including**: Welch, 139–154; Tichy and Sherman, 150–153; Uchitelle, 133.
- 241 **“Prior to”**: “1,000 Jobs to Be Lost at Kidder,” *New York Times*, Dec. 5, 1987. **The plan was**: “General Electric—Consumer Electronics Group” by David J. Collis, Harvard Business School case study, revised May 26, 1989. **One of six**: O’Boyle, 96–97. In a swap with Thomson S.A., the French company got GE’s consumer electronics business; GE got Thomson’s medical-imaging equipment business. Also see Lynn, *End of the Line*, 73–77; Harrison and Bluestone, 37; Prestowitz, 352. **“Be global”**: Lynn, *End of the Line*, 77.
- 241 **“Neutron Jack”**: *Newsweek* was the first to give Welch this nickname, in 1982. **“Time-tested”**: Lane, 312. **“The flamethrower”**: Serrin, 34. **Al Dunlap**: See “Exit Bad Guy,” *The Economist*, June 18, 1988. Also see Cappelli, 85–90; Fraser, *White-Collar Sweatshop*, 183–185; Reich, *Saving Capitalism*, 122.
- 241–242 **“Soft landings”**: Lane, 179. **Lane recounted**: Lane, 183–184.
- 242 **“Lean and compassionate”**: “Jack Welch: GE’s Live Wire,” *Newsweek*, Dec. 23, 1985. **Set aside**: Tichy and Sherman, 89–90. **“We gave people”**: From a 2012 interview by the author with Welch.

- 242 **Hated being tagged:** Welch, 125, 129; “GE’s Welch Powering Firm Into Global Competitor,” *Washington Post*, Sept. 23, 1984. **In productivity:** See Tichy and Sherman, 30, 204. **“A dead end”:** Welch, 128. Also see Tichy and Sherman, 275–276; Davis, *Managed by the Markets*, 90–91; Greenhouse, 86; Cappelli, 25, 216.
- 243 **Father walked out:** The details on Hany’s early life are from a 2014 interview with him by *Black Dirt Journal* (blackdirtjournal.com/interviews/wilburhany/) and a 2016 interview with him by the author. **“Finest all-around”:** “Barnstorming: Kyger, Vitale Start Long Line of Tall Athletes,” *The Pantagraph* of Bloomington, Ill., Dec. 13, 2005.
- 243 **Over that time:** All details on Hany’s career, the activities at GE’s General Purpose Control Department, and direct quotations from those who worked there are drawn from the complete trial transcripts of Wilbur Hany, Delbert King and Vernon Brickley v. General Electric Co., US District Court, Central District of Illinois, 85–3556 and 86–3233 (1989); Donald W. Sobin, et al. v. General Electric Co., US District Court, Central District of Illinois, 86–3233, 85–3556, 86–3303 and 87–3173. **Of parkland:** See “Future for GE Employee Park Under Consideration,” *The Pantagraph* of Bloomington, Ill., Nov. 9, 2011.
- 245 **“Turbocharged the process”:** From a 2012 interview by the author with Conaty. **Later in:** “GE’s Talent Machine: The Making of a CEO” by Christopher A. Bartlett and Andrew N. McLean, Harvard Business School case study, revised Nov. 3, 2006. **“Vitality curve”:** Welch, 158–163. Also see “Forced Distribution Performance Evaluation Systems: Advantages, Disadvantages, and Keys to Implementation” by Susan M. Stewart, Melissa L. Gruys, and Maria Storm, *Journal of Management & Organization*, Vol. 16, No. 1, March 2010.
- 245 **“Heart of the company”:** Welch, 159. **“A players”:** Welch, 160, notes that the vitality curve doesn’t translate perfectly to his A-B-C evaluation of talent. Nonetheless, he himself uses these letter grades and the 20–70–10 distribution almost interchangeably in the book. **“Losing an A”:** Welch, 160.
- 245 **“Think it’s cruel”:** Welch, 161–162. Also quoted in Greenhouse, 86–87.
- 246 **Followed his lead:** “Rank and Yank’ Retains Vocal Fans,” *Wall Street Journal*, Jan. 31, 2012. **Disapproved of:** From a 2015 interview by the author with Joseph Maciariello of the Peter F. Drucker and Masatoshi Ito Graduate School of Management. For more on Drucker’s views about Welch, see Krames, *Inside Drucker’s Brain*, 83–89. **Welch detested:** At the 2010 World Business Forum in New York, journalist Alan Murray was interviewing Welch on stage. When he asked him about “rank and yank,” Welch shrieked, “Don’t say that!” **Some worried:** Many critics of the vitality curve make at least several of the points raised. See “Grades Are No Longer Just for Students: Forced Ranking, Discrimination,

- and the Quest to Attain a More Competent Workforce” by Meredith L. Myers, *Seton Hall Law Review*, Vol. 33, No. 3, 2003; “Getting Rid of the Bottom 10% Sounds Good, but . . .” by Edward E. Lawler III, Center for Effective Organizations, Marshall School of Business, University of Southern California, Jan. 2002; “Is This the Final Straw for Forced Ranking of Employee Performance?” by Howard Risher, *TLNT*, July 12, 2012. For a defense of Welch’s vitality curve, see “Why Performance Assessment Curves Often Bend the Wrong Way” by Ron Ashkenas, *Forbes*, Sept. 5, 2012. Also see Uchitelle, 143; Hopper and Hopper, 236. **Cheat the system:** Gleaned from interviews by the author with several former GE executives.
- 247 **Watson was born:** All details on Watson’s life and career, as well as direct quotations from him, are from a 2012 interview by the author.
- 247 **New people:** Mills, *The IBM Lesson*, 4.
- 248 **“Most important”:** Watson, *A Business and Its Beliefs*, 13. **“Rank first”:** Watson, 18. Also see Uchitelle, 26; Cappelli, 71. **“Pissed me off”:** Welch, 128.
- 249 **Doyle told:** This was as Watson remembered it.
- 249 **“What I’m advocating”:** Greider, *Who Will Tell the People*, 345.
- 250 **“Never thought”:** “Even ‘Company People’ Caught Up Age Battles,” *Chicago Tribune*, May 30, 1988.
- 250 **Company appealed:** A federal jury originally ruled against GE, determining that the company engaged in a pattern or routine practice of firing employees over the age of forty while it was cutting its workforce at the Bloomington plant. GE eventually settled eleven cases, including Hany’s. In 1992 a federal appeals court ruled in GE’s favor, when it found that the evidence used during trial was insufficient to show a pattern of discrimination. The final four cases were settled after the appeals court decision. See *Delbert King and Vernon Brickley v. General Electric*, 960 F.2d 617 (1992). Also see “Final Age Discrimination Suits Settled Out of Court; General Electric Avoids Trial in Peoria,” *The Pantagraph* of Bloomington, Ill., Dec. 21, 1994.
- 251 **About 35 percent:** “2 Faces of GE’s ‘Welchism’: One Dr. Jekyll, One Mr. Hyde,” *Los Angeles Times*, Jan. 12, 1988; 2016 interview by the author with former GE labor chief Dennis Rocheleau.
- 251 **Into disrepair:** Welch, 124. For a history of how Crotonville was used over the decades for various types of training, see “Re-Imagining Crotonville: Epicenter of GE’s Leadership Culture” by David Gray, IMD, 2012. **“Jack’s Cathedral”:** Welch, 124. **Biggest challenges:** Tichy and Sherman, 160–161. **The intent:** “GE’s Crotonville: A Staging Ground for Corporate Revolution” by Noel Tichy, *The Academy of Management Executive*, Vol. 3, No. 2, May 1989. **“Thanks to Welch”:** “Will the Legacy Live on?” by Warren Bennis, *Harvard Business Review*, Feb. 2002.

- Also see Ulrich, Kerr, and Ashkenas, *The GE Work-Out*, 7. Also see Rothschild, 210–211.
- 251–252 **“Re-create Crotonville”**: Tichy and Sherman, 237. Also see Rothschild, 212. **Launched a process**: For details on how Work-Out is to be implemented, see Ulrich, Kerr, and Ashkenas, 23–46; Tichy and Sherman, 242. **“Hear their ideas”**: Tichy and Sherman, 301. **Within five years**: Tichy and Sherman, 240.
- 252 **Brown paper bag**: All details and the quotation in this paragraph are from “GE Keeps Those Ideas Coming,” *Fortune*, Aug. 12, 1991.
- 252 **To dinner**: From a 2012 interview by the author with Welch. **“Relations were good”**: From a 2012 interview by the author with Welch. **“Taken care of”**: From a 2013 interview by the author with Santamoor. His wife had gotten sick in the late 1990s.
- 252–253 **“Get rid of them”**: From a 2012 interview by the author with Welch. **“Run all over us”**: From a 2014 interview by the author with Rocheleau. **“Automate, emigrate”**: “A Brief History of UE Bargaining With GE: Seventy Years of Struggle,” United Electrical, Radio, and Machine Workers of America.
- 253 **Welch would contend**: From a 2012 interview by the author with Welch. **Number of walkouts**: Rosenfeld, 88–99. **“A friend”**: From a 2013 interview by the author with Santamoor.
- 253 **Less than 3.5 percent**: See “Union Panels Back G.E. Accords for 7% Raise,” *New York Times*, June 30, 1982; “Union Role Provided in New G.E. Contract,” *New York Times*, July 4, 1985; “Major Collective Bargaining Settlements in Private Industry in 1988,” *Monthly Labor Review*, May 1989. **Less than 2 percent**: “Major Collective Bargaining Settlements in Private Industry in 1988,” *Monthly Labor Review*, May 1989. **Inflation running**: inflation.eu/inflation-rates/united-states/historic-inflation/cpi-inflation-united-states.aspx. **Forced them to fight**: “Job Security a Mirage for Unions Despite Wage Concessions of 80’s,” *New York Times*, Jan. 9, 1989. **20 percent**: “Union Membership and Coverage Database from the CPS,” Unionstats.com. **“Angry affairs”**: O’Boyle, 361.
- 254 **“Welchism”**: “2 Faces of GE’s ‘Welchism’: One Dr. Jekyll, One Mr. Hyde,” *Los Angeles Times*, Jan. 12, 1988. **“The hot seat”**: Jan. 26, 1988, letter from Boulware to Welch, LBP.
- 254 **Earnings rising**: Tichy and Sherman, 372–385. **“Unlocked the secrets”**: “Roberto Goizueta and Jack Welch: The Wealth Builders,” *Fortune*, Dec. 11, 1995. For a critical assessment of GE’s financial performance under Welch, see “General Electric Performance over a Half Century: Evaluation of Effects of Leadership and Other Strategic Factors by Quantitative Case Analysis” by Richard H. Franke, Anthony J. Mento, Steve M. Prumo, and Timothy W. Edlund, *International Journal of Business*, 2007.

CHAPTER 9

- 257 **Had joined Coke:** Greising, *I'd Like the World to Buy a Coke*, 1-4; Hays, 72; Allen, *Secret Formula*, 376. **Native Cuba:** For details of Goizueta's early history, see Greising, 1-17; Hays, 69-72. **Fortune in sugar:** Greising, 7-8; Pendergrast, 328. **Meant sleeping:** Greising, 18. **"Pure and wholesome":** Greising, 19.
- 257-258 **Was shattered:** Greising, 20-21. **Was sworn in:** "Castro Takes Oath as Premier of Cuba," *New York Times*, Feb. 17, 1959. **Soldiers stopped him:** Hays, 74. **To leave:** Greising, 21-22; Hays, 74.
- 258 **Landed in Miami:** Hays 75; Greising, 23. **"Shouldn't work":** Greising, 18.
- 258 **After coordinating:** Greising, 28-29. **Special assignment:** Greising, 31; Hays, 77. **Worked closely:** Greising, 34-38.
- 258-259 **Youngest vice president:** Greising, 36. **Senior vice president:** Greising, 40-42. **Vice chairmen:** Pendergrast, 320; Greising, 48. **"Vice squad":** Pendergrast, 320; Greising, 48. **Was similar:** Greising, 48, notes that the idea of naming six vice chairmen and thereby "creating a wide-open field of competitors for the top job," was an idea that Austin borrowed from General Electric, where he served on the board. **Guccis:** Greising, 35. **Tailored suits:** Greising, 35; Oliver, *The Real Coke, the Real Story*, 68. **Silk handkerchiefs:** "He Put the Kick Back into Coke," *Fortune*, Oct. 26, 1987. **Sucking up:** Greising, 43; Allen, *Secret Formula*, 377; Hays, 89. **Padded his credentials:** Greising, 15.
- 259 **Bunch of areas:** Allen, *Secret Formula*, 390; Greising, 74. **Pepsi Challenge:** Greenwald and Kahn, *Competition Demystified*, 181-199; Allen, *Secret Formula*, 368-369, 400-401; Hays, 111-112; Pendergrast, 312; Tedlow, *Denial*, 120-126; Louis and Yazijian, 368. **Market share:** Pepsi nabbed share, in particular, among younger consumers and at food stores. See Greenwald and Kahn, 186-189; Hays, 112; Pendergrast, 313; Tedlow, 124; Enrico and Kornbluth, *The Other Guy Blinked*, 25; "Coca-Cola Versus Pepsi-Cola" by Constance Lynn Irwin, Harvard Business School case study, revised June 21, 1989. **Cash reserves:** Allen, *Secret Formula*, 378. **Stock price:** Pendergrast, 321; Allen, *Secret Formula*, 384; Greising, 76. **"Were paralyzed":** Allen, *Secret Formula*, 389. Also see Greising, 74.
- 259 **"No confidence":** June 2, 1980, memo from Jones to Woodruff, RWP. **Lost all patience:** Allen, *Secret Formula*, 371-381; Pendergrast, 319-328. **Behaving erratically:** Allen, *Secret Formula*, 367-368, 380; Pendergrast, 320; Greising, 47. **Drinking problem:** Allen, *Secret Formula*, 368. **Crippling combination:** Allen, *Secret Formula*, 368.
- 259-260 **Few gave:** Allen, *Secret Formula*, 376. **"Foreign national":** Louis and Yazijian, 370. **Sipping vodka:** Allen, *Secret Formula*, 377. **Emerged as:**

- Greising, 51–54; Allen, *Secret Formula*, 381–382; Isdell, *Inside Coca-Cola*, 59. **“Most surprising”**: “The Engineer Who Is Putting New Sparkle Into Coke,” *Financial Times*, Oct. 1, 1980. Goizueta was first made president and then, when Austin formally stepped down in March 1981, chairman and CEO. **Pronounce his name**: Hays, 90.
- 260 **“No sacred cows”**: Greising, 82; Hays, 93; Allen, *Secret Formula*, 391; Pendergrast, 336. **“Has been said”**: Closing remarks at employee presentation, May 8, 1981, RWP.
- 260 **Three-year plans**: Greising, 73; Hays, 93; Oliver, 69. **“I want you”**: Greising, 73. **“Facts are facts”**: Greising, 73; Oliver, 68.
- 260 **“Got to believe”**: Greising, 73. **Company veteran**: Keough had joined Coca-Cola in 1964 when it purchased Duncan Foods, where he was an executive. See “Secrets of Great Second Bananas,” *Fortune*, May 6, 1991.
- 260–261 **“Spanish Inquisition”**: Greising, 72; Oliver, 69; Hays, 93; Pendergrast, 335. **“It would take”**: Greising, 76.
- 261 **“Develop entrepreneurs”**: “Managing Change—Challenge of the ’80s,” remarks by Roberto C. Goizueta to the Georgia Bankers’ Association Marketing Conference, Feb. 12, 1981.
- 261 **“Cats and dogs”**: Allen, *Secret Formula*, 390. **Columbia Pictures**: Greising, 95–102; Allen, *Secret Formula*, 396–399. **\$90 million**: Greising, 102; Allen, *Secret Formula*, 399; Pendergrast, 343. **Half a billion**: Greising, 178; “The Reel Thing: Coke’s Brief-Yet-Profitable Foray into Show Business,” Coca-Cola History corporate blog, June 24, 2013. Coke got out of the entertainment business after concluding that it was too much of a distraction and following a series of box-office flops. **Runaway hit**: Allen, *Secret Formula*, 399; Pendergrast, 342.
- 261–262 **“Racking my brain”**: Dec. 6, 1984, letter from Goizueta to Woodruff, RWP. **“Run very well”**: April 30, 1984, note from Joseph W. Jones to Roberto Goizueta, RWP.
- 262 **Nurse’s hand**: Allen, *Secret Formula*, 408. **In his will**: Pendergrast, 350.
- 262 **Was overwhelming**: Oliver, 169–198; Pendergrast, 353–357; Allen, *Secret Formula*, 413–414; Greising, 131–132; Hays, 117–119. **400,000 phone calls**: Hays, 121. **Coca-Cola’s bottlers**: Enrico and Kornbluth, 226; Greising, 132–133; Hays, 119–120. **“Just blinked”**: Oliver, 155; Greising, 128; Allen, *Secret Formula*, 411; Pendergrast, 351. Enrico’s open letter actually preempted Coke’s official rollout of New Coke. **“The truth is”**: Greising, 137; Allen, *Secret Formula*, 416; Oliver, 216; Pendergrast, 358. **By early 1986**: Allen, *Secret Formula*, 417. Also see “He Put the Kick Back into Coke,” *Fortune*, Oct. 26, 1987.
- 262 **A 20 percent return**: Greising, 108. **“Seemed to change”**: Interview transcript with Charlie Bottoms, MPRF. **Forty years**: Obituary for Charles Bottoms Jr., *Atlanta Journal-Constitution*, Oct. 14, 2010.

- 262–263 **“It is easy”**: Closing remarks at employee presentation, May 8, 1981, RWP.
- 263 **By 1988**: Coca-Cola’s 1988 annual report; Hays, 125, 146. **“I wrestle”**: Blanding, *The Coke Machine*, 48. **Sounded different**: Osterman, *Securing Prosperity*, 30–31. **“First, last”**: “Sidelights,” *New York Times*, April 3, 1959. **“There are plenty”**: “Why Shareholder Value?” by Roberto C. Goizueta, CEO Series, Issue No. 13, Center for the Study of American Business, Washington University, Feb. 1996.
- 263 **Split its stock**: Hays, 132–133. **Bought back billions**: Greising, 178–179. **Became popular**: “On Uneven Ground: How Corporate Governance Prioritizes Short-Term Speculative Investments, Impedes Productive Investments, and Jeopardizes Productivity Growth” by Christian E. Weller and Luke Reidenbach, Political Economy Research Institute, University of Massachusetts at Amherst, Working Paper No. 245, Jan. 2011. **Hector**: Hays, 128–132. **Blackballed**: Hays, 131.
- 263–264 **“The room”**: Hays, 67.
- 264 **Starting in**: Berle and Means, *The Modern Corporation and Private Property*, 10–16. Also see Stout, *The Shareholder Value Myth*, 15.
- 264 **“We are dealing”**: Berle and Means, 115. Also see Mizruchi, 204.
- 265 **“Should the corporate leaders”**: Berle and Means, 311. Also quoted in part in Reich, *Saving Capitalism*, 119. Also see Stout, 17–18.
- 265 **“Larger interests”**: Berle and Means, 311.
- 265 **“Social responsibility”**: “The Social Responsibility of Business Is to Increase Its Profits” by Milton Friedman, *New York Times Magazine*, Sept. 13, 1970. Also see Fox, *The Myth of the Rational Market*, 223; Lynn, *End of the Line*, 225.
- 266 **Cool rationality**: Rodgers, *Age of Fracture*, 64; Khurana, *From Higher Aims to Hired Hands*, 310; “When Shareholder Capitalism Came to Town” by Steven Pearlstein, *The American Prospect*, April 19, 2014. **“The proposition”**: Rodgers, 63. **Of scholars**: Rodgers, 50–68; “Radical Shareholder Primacy” by David Millon, *University of St. Thomas Law Journal*, Vol. 10, No. 4, April 2013; Stout, 35. **And law**: Lynn, *End of the Line*, 227–228. **His supply-siders**: Rodgers, 68–74. **“Something magic”**: Rodgers, 41. This was from Reagan’s “Radio Address to the Nation on Taxes, the Tuition Tax Credit, and Interest Rates,” April 24, 1982.
- 266 **Who understood**: Khurana, 317. Also see Stout, 34; Fox, 225. **Most cited**: Martin, *Fixing the Game*, 11; Stout, 35.
- 266 **“Tendency to appropriate”**: “Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure” by Michael C. Jensen and William H. Meckling, *Journal of Financial Economics*, Vol. 3, No. 4, Oct. 1976.
- 267 **“Penalizes incompetent”**: “Takeovers: Folklore and Science” by Michael C. Jensen, *Harvard Business Review*, Nov. 1984. **With debt**:

- "Eclipse of the Public Corporation" by Michael C. Jensen, *Harvard Business Review*, Sept./Oct. 1989. Also see Khurana, 319; "Corporate Governance and Merger Activity in the United States: Making Sense of the 1980s and 1990s" by Bengt Holmstrom and Steven N. Kaplan, *The Journal of Economic Perspectives*, Vol. 15, No. 2, Spring 2001.
- 267 **Corporate raiders:** See "Where, Oh Where, Have All the Corporate Raiders Gone?" *New York Times*, June 30, 1996. Also see Greenhouse, 88; Uchitelle, 139–141. **"Far too much":** "Management and the World's Work" by Peter F. Drucker, *Harvard Business Review*, Sept. 1988. **"Buy-outs inevitable":** "Reckoning With the Pension Fund Revolution" by Peter F. Drucker *Harvard Business Review*, March/April 1991.
- 267 **"Reasons or excuses":** "Reckoning With the Pension Fund Revolution" by Peter F. Drucker *Harvard Business Review*, March/April 1991.
- 267–268 **Nearly half:** "The History and Mystery of Merger Waves: A U.K. and U.S. Perspective" by Sian Owen, School of Banking and Finance, University of New South Wales, Working Paper No. 2006–02, May 2006. Also see Bruner, *Applied Mergers & Acquisitions*, 74. Also see Mizruchi, 208–213; Useem, *Executive Defense*, 22–27. **Bust-up takeovers:** "The Merger Boom: An Overview" by Lynn E. Browne and Eric S. Rosengren, Federal Reserve Bank of Boston, Conference Series 31, Oct. 1987; "The Decline and Fall of the Conglomerate Firm in the 1980s: The Deinstitutionalization of an Organizational Form" by Gerald F. Davis, Kristina A. Diekmann, and Catherine H. Tinsley, *American Sociological Review*, Vol. 59, No. 4., Aug., 1994; Davis, *Managed by the Markets*, 85; Mizruchi, 208; Cappelli, 78; Davis, *The Vanishing American Corporation*, 57–59. Also see Weil, 36–37.
- 268 **Like Boone Pickens:** Khurana, 467. **Talk and act:** Stout, 24–25. **Never mandated:** Stout, 25–31; Dorff, *Indispensable and Other Myths*, 205–207; "Radical Shareholder Primacy" by David Millon, *University of St. Thomas Law Journal*, Vol. 10, No. 4, April 2013; Margaret M. Blair's essay "Shareholder Value, Corporate Governance, and Corporate Performance" in Cornelius and Kogut, *Corporate Governance and Capital Flows in a Global Economy*, 64–65; "Unrealized Potential: Misconceptions About Corporate Purpose and New Opportunities for Business Education" by Miguel Padro, Aspen Institute Business and Society Program, May 28, 2014; "The Myth of Maximizing Shareholder Value" by Harold Meyerson, *Washington Post*, Feb. 11, 2014. Also see "Can a Corporation Have a Soul?" by Michael B. Dorff, *The Atlantic*, Oct. 20, 2016. **"Under the sway":** Khurana, 304. Also see Davis, *Managed by the Markets*, 85–87; Hopper and Hopper, 180; Useem, *Executive Defense*, 1–18; Lynn, *End of the Line*, 209–210; Frank Dobbin and Jiwook Jung's essay "The Misapplication of Mr. Michael Jensen: How Agency Theory Brought Down the Economy and Why It Might Again" in Lounsbury

and Hirsch, *Markets on Trial: The Economic Sociology of the U.S. Financial Crisis: Part B*, 33–34.

- 268 **“Corporations are chartered”**: Khurana, 320. **“Paramount duty”**: Khurana, 321. Also see Hopper and Hopper, 179–180; “Maximizing Shareholder Value: The Goal That Changed Corporate America,” *Washington Post*, Aug. 26, 2013; “The American Corporation” by Ralph Gomory and Richard Sylla, *Daedalus*, Spring 2013.
- 268–269 **“Was in tension”**: “Capital Markets and Job Creation in the 21st Century” by Gerald Davis, Center for Effective Public Management, Brookings Institution, Dec. 2015. Also see Blair, *The Deal Decade*, 3; Rodgers, 80; Useem, *Executive Defense*, 11–12; Uchitelle, 133–135; “What Do We Know About the Labor Share and the Profit Share?” by Olivier Giovannoni, Levy Economics Institute of Bard College, Working Paper No. 804, May 2014; “Financialization & Equal Opportunity” by Wallace C. Turbeville, Demos, Feb. 2015; “On Uneven Ground: How Corporate Governance Prioritizes Short-Term Speculative Investments, Impedes Productive Investments, and Jeopardizes Productivity Growth” by Christian E. Weller and Luke Reidenbach, Political Economy Research Institute, University of Massachusetts at Amherst, Working Paper No. 245, Jan. 2011. For a vigorous defense of shareholder value, see “Analyse This: The Enduring Power of the Biggest Idea in Business,” *The Economist*, April 2, 2016.
- 269 **Followed by layoffs**: See Sanjai Bhagat, Andrei Shleifer, and Robert W. Vishny’s “Hostile Takeovers in the 1980s: The Return to Corporate Specialization” in *Brookings Papers on Economic Activity*, 1990. **Institutional investor**: Greenhouse, 88. **Get ahead**: Useem, *Executive Defense*, 21; Reich, *Saving Capitalism*, 121–122. **Leaner and flatter**: Useem, *Executive Defense*, 79–85, points, in particular, to the downsizing of central management at corporate headquarters. Interestingly, researchers have found mixed results in terms of the stock market’s reaction to corporate layoff announcements. One important study found declines in a company’s share price when cuts were attributed to financial problems, but positive effects when they were attributed to a broader restructuring. See Baumol, Blinder, and Wolff, 54; Useem, *Executive Defense*, 229; Cappelli, 79–83. **“Important to distinguish”**: Rappaport, *Creating Shareholder Value*, 9. **Coining the term**: Fox, 225.
- 269 **Received tender offers**: Davis, *Managed by the Markets*, 85; Davis, *The Vanishing American Corporation*, 69. Also cited by Mizrachi, 210; Cappelli, 79. **“Does not mean”**: Foster and Kaplan, 139. Also see Lynn, *End of the Line*, 170–171.
- 269–270 **Faster pace**: “What Does Fortune 500 Turnover Mean?” by Dane Stangler and Sam Arbesman, Ewing Marion Kauffman Foundation, June 2012. Foster and Kaplan, 11–13, note a similar phenomenon with

- members of the S&P 500. Also see “The Biology of Corporate Survival” by Martin Reeves, Simon Levin, and Daichi Ueda, *Harvard Business Review*, Jan./Feb. 2016; “Die Another Day: What Leaders Can Do About the Shrinking Life Expectancy of Corporations,” *bcg.perspectives*, July 2, 2015. **“Left behind”**: Foster and Kaplan, 294. **Had dropped**: Useem, *Executive Defense*, 82. Also cited in Fraser, *White-Collar Sweatshop*, 117. Also see Lynn, *End of the Line*, 144; see Fraser, *The Age of Acquiescence*, 278; Bennett, *The Death of the Organization Man*, 15. **It was common**: Uchitelle, 134; Hatton, 63. **“Used to be”**: Greenhouse, 87.
- 270 **Gadflies started**: “U.S. Executive Compensation in Historical Perspective” by Harwell Wells, Legal Studies Research Paper Series, No. 2011-19, Temple University Beasley School of Law, 2011. Wells also references *The Solid Gold Cadillac*.
- 270 **“I’m sorry”**: Teichmann and Kaufman, *The Solid Gold Cadillac*, 8-9.
- 271 **Highest earner**: Compensation information for executives in 1956 is drawn from company proxy filings, as well as “The Big Money-Earners of ’56,” *Business Week*, May 25, 1957. Also see the statement on corporate salaries by US senator Patrick McNamara as published in the Congressional Record for June 3, 1957.
- 271 **Remarkably steady**: All the data in this paragraph are drawn from “Executive Compensation: A New View from a Long-Term Perspective, 1936-2005” by Carola Frydman and Raven E. Saks, National Bureau of Economic Research, Working Paper No. 14145, June 2008. Also cited by Dorff, 17-18.
- 271 **Big reason**: “Executive Compensation” by Kevin J. Murphy, Marshall School of Business University of Southern California, June 1999; Dorff, 6; Bebchuk and Fried, *Pay Without Performance*, 6. **Was prevalent**: “U.S. Executive Compensation in Historical Perspective” by Harwell Wells, Legal Studies Research Paper Series, No. 2011-19, Temple University Beasley School of Law, 2011. Also see “Stock Options: Are They Gold or Just Glitter?” *Time*, April 25, 1960. **90 percent**: Dorff, 6. Also see Martin, 13. **Congress changed**: Stout, 53; “Killing Conscience: The Unintended Behavioral Consequences of ‘Pay for Performance’” by Lynn A. Stout, *The Journal of Corporation Law*, Vol. 39, No. 3, Spring 2014. **85 percent**: Blair’s essay in Cornelius and Kogut, 61. She includes both stock-option gains and grants. Also cited by Stout, 53. Stiglitz, 116, uses 80 percent. Others (Dorff, 7; Mizruchi, 205; Martin, 121-122) use a much more modest figure, saying that stock options represented about half of CEO compensation at their peak in 2000. Also see “The Overpaid CEO” by Susan Holmberg and Mark Schmitt, *Democracy*, Fall 2014.
- 271-272 **A 1,500 percent jump**: Dorff, 6-7. **“Despite the fact”**: Dorff, 7. Also see Davis, *Managed by the Markets*, 87.

- 272 **Were incentivized:** Martin, 27–30; Blair’s essay in Cornelius and Kogut, 60–62; Dobbin and Jung’s essay in Lounsbury and Hirsch, 39–40, 55; Deal and Kennedy, *The New Corporate Cultures*, 57–62; Stiglitz, 126, 142. **Stinted on:** “Corporate Investment and Stock Market Listing: A Puzzle?” by John Asker, Joan Farre-Mensa, and Alexander Ljungqvist, *Review of Financial Studies*, Feb. 2015; “The Economic Implications of Corporate Financial Reporting” by John R. Grahama, Campbell R. Harvey, and Shiva Rajgopal, National Bureau of Economic Research, Working Paper No. 10550, June 2004. Also see Lynn, *End of the Line*, 173, 244. **Machinations:** Martin, 28; Dorff, 145–146; Bebchuk and Fried, 184; “Companies Use IRS to Raise Bonuses With Earnings Goals,” Bloomberg, Sept. 12, 2013. **Not nearly:** “Is CEO Pay Too High and Are Incentives Too Low? A Wealth-Based Contracting Framework” by John E. Core and Wayne R. Guay, Perspectives, *Academy of Management*, Feb. 2010. Also see Dorff, 113–114; Stiglitz, 123; “Do CEOs Ever Lose? Fairness Perspective on the Allocation of Residuals Between CEOs and Shareholders” by Kalin Kolev, Robert M. Wiseman, and Luis R. Gomez-Mejia, *Journal of Management*, June 4, 2014. Reich (*Saving Capitalism*, 103–104) cites a study of 1,500 large corporations, which showed that “companies that were the most generous to their CEOs—and whose highly-paid CEOs received more of that compensation as stock options—did 15% worse than their peer companies, on average” in terms of returning value to shareholders. **“Huge amounts”:** Crystal, *In Search of Excess*, 40. Also see Bebchuk and Fried, 87–94.
- 272 **None of this:** See “Performance for Pay? The Relationship Between CEO Incentive Compensation and Future Stock Price Performance” by Michael J. Cooper, Huseyin Gulen, and P. Raghavendra Rau, Social Science Research Network, Oct. 1, 2014. Martin (30–31) notes: “Focusing executives on shareholder value maximization using stock-based compensation was supposed to give shareholders a better deal. . . . Yet, it simply hasn’t worked out that way. Total returns on the S&P 500 for the period from the end of the Great Depression (1933) to the end of 1976, the beginning of the shareholder-value era, were 7.5 percent (compound annual). From 1977 to the end of 2010, they were 6.5%—suggesting that shareholders have little to celebrate, despite having been made the clear priority.” Martin’s calculations are also cited by Stout, 53; “How the Cult of Shareholder Value Wrecked American Business” by Steven Pearlstein, *Washington Post*, Sept. 9, 2013; “When Shareholder Capitalism Came to Town” by Steven Pearlstein, *The American Prospect*, April 19, 2014; “The Dumbest Idea In The World: Maximizing Shareholder Value” by Steve Denning, *Forbes*, Nov. 28, 2011. Also see Dorff, 146–149; Stiglitz, 122–123; Bebchuk and Fried, 6–7. For a

- different view, see “Performance-Based Pay for Executives Still Works” by Alex Edmans, *Harvard Business Review*, Feb. 23, 2016. It is important to note that while Bebchuk and Fried have been sharp critics of how companies have implemented “pay for performance” systems, they don’t frown on these systems per se. As Cornell’s Lynn Stout writes: “Before the 2008 credit crisis, Harvard law professors Lucian Bebchuk and Jesse Fried were prominent advocates for tying executive pay to share price performance. Post-2008, after incentive pay was identified as contributing to excessive risk-taking in financial firms, Bebchuk and Fried now have shifted to emphasizing tying pay to ‘long-term’ stock performance” (“Killing Conscience: The Unintended Behavioral Consequences of ‘Pay for Performance’” by Lynn A. Stout, *The Journal of Corporation Law*, Vol. 39, No. 3, 2014). **“Improving real-market”**: Martin, 27–28. Also see “Where Companies With a Long-Term View Outperform Their Peers” by Dominic Barton, James Manyika, Tim Koller, Robert Palter, Jonathan Godsall, and Josh Zoffer, McKinsey Global Institute, Feb. 2017. **Hit those numbers**: See “The Misguided Practice of Earnings Guidance” by Peggy Hsieh, Timothy Koller, and S. R. Rajan, McKinsey & Co., March 2006. **“Companies focus”**: Martin, 34–35.
- 272–273 **“Vilified by many”**: “Why Shareholder Value?” by Roberto C. Goizueta, CEO Series, Issue No. 13, Center for the Study of American Business, Washington University, Feb. 1996. **“Retirement funds”**: Why Shareholder Value?” by Roberto C. Goizueta, CEO Series, Issue No. 13, Center for the Study of American Business, Washington University, Feb. 1996. Also see Pendergrast, 420. **Become millionaires**: Greising, 192.
- 273 **Opened the spigot**: Welch, 191–192; Tichy and Sherman, 42. **“What a kick”**: Welch, 192.
- 273 **A thousand bucks**: Greising, 189. The exact value was \$976.
- 273–274 **Would receive**: “The Age of Customer Capitalism” by Roger L. Martin, *Harvard Business Review*, Jan./Feb. 2010; Hopper and Hopper, 153; “Special Tax Breaks Enrich Savings Of Many in the Ranks of Management,” *New York Times*, Oct. 13, 1996. **Would question**: Martin, “The Age of Customer Capitalism” by Roger L. Martin, *Harvard Business Review*, Jan./Feb. 2010. Yale’s Jeffrey Sonnenfeld also told the author in a 2012 email that Goizueta’s “leadership legacy . . . did not hold up well.” He cited, among other things, “the terrible decade of hobbled shareholder wealth and financial performance” after his death in 1997. **“Acting shortsighted”**: “Why Shareholder Value?” by Roberto C. Goizueta, CEO Series, Issue No. 13, Center for the Study of American Business, Washington University, Feb. 1996. **Stock options**: “Coke’s Chief Paid a Million Shares in ‘91,” *New York Times*, March 19, 1992; Hays, 145–146. **Buried it**: Coca-Cola’s March 6, 1992, proxy statement; Johnston,

- Perfectly Legal*, 46; “Trying to Decode Proxies? Read Very, Very Carefully,” *New York Times*, April 13, 1992. **Tax bill:** After the uproar, Coca-Cola discontinued this policy. See Crystal, 152–153; Hays, 145; “CEO Pay: Coke Sends the Wrong Message,” Bloomberg, May 3, 1992.
- 274 **Been stagnant:** “The Age of Customer Capitalism” by Roger L. Martin, *Harvard Business Review*, Jan./Feb. 2010. **“In a drawer”:** From a 2012 interview by the author with Keough. **“Coca-Cola widows”:** “Roberto C. Goizueta, Coca-Cola Chairman Noted for Company Turnaround, Dies at 65,” *New York Times*, Oct. 19, 1997. **Interrupted his remarks:** Hays, 147.
- 274 **“Giving/getting compact”:** Yankelovich, *New Rules*, 7.
- 274–275 **“Culture of narcissism”:** See Uchitelle, 129. **“Have grown wary”:** Yankelovich, 8. **Managers were thirsting:** See “The ‘Me Generation’ in the Executive Suite,” *U.S. News & World Report*, March 9, 1981. The article is based, in part, on Yankelovich’s research. **“Crude individualism”:** Uchitelle, 128–129. Also see “The Long Exception: Rethinking the Place of the New Deal in American History” by Jefferson Cowie and Nick Salvatore, *International Labor and Working-Class History*, Fall 2008.
- 275 **“The logic”:** From a 2010 interview by the author with Yankelovich. Also see “Exploring Business’s Social Contract: An Interview With Daniel Yankelovich,” *The McKinsey Quarterly*, No. 2, 2007. Also see Stiglitz, 14. **90-plus percent:** In 2012, about 9 million US employees held stock options, according to the National Center for Employee Ownership, out of a total workforce of about 143 million. Also see Reich, *Saving Capitalism*, 92. **Going up faster:** “U.S. Executive Compensation in Historical Perspective” by Harwell Wells, Legal Studies Research Paper Series, No. 2011–19, Temple University Beasley School of Law, 2011. **20 times:** Data on CEO-to-average-worker data are taken from “Top CEOs Make 300 Times More than Typical Workers” by Lawrence Mishel and Alyssa Davis, Economic Policy Institute, June 21, 2015. The 376-to-1 ratio in 2000 marked the greatest disparity ever. In 2014, the gap was 303-to-1. Also see “Supersize This: How CEO Pay Took Off While America’s Middle Class Struggled” by John Alexander Burton and Christian E. Weller, Center for American Progress, May 2005; Blair’s essay in Cornelius and Kogut, 61; Cappelli, 237–238; Reich, *Saving Capitalism*, 108. For a look at how public policy helped lead to “blank checks in the boardroom,” see Hacker and Pierson, 61–66. **Exceedingly debatable:** Dorff, 156. **“Lucky dollars”:** Dorff, 112; Bebchuk and Fried, 123; Piketty, 334–335.
- 276 **In 1958:** “Conable’s Problem’: Fight With IRS on Pensions,” *Washington Post*, July 3, 1978. Also see “Digest of Profit-Sharing, Savings, and Stock Purchase Plans,” Bulletin No. 1325, U.S. Department of Labor, April 1962. **“Running dogs”:** “Conable’s Problem’: Fight With IRS on

- Pensions,” *Washington Post*, July 3, 1978. **Change the rules:** See “401(k) Plans: A 25-Year Retrospective,” Investment Company Institute, Nov. 2006.
- 276 **“No discussion”:** “You Can Thank or Blame Richard Stanger for Writing 401(k),” *InvestmentNews*, Feb. 3, 2014. Also see Hacker, *The Divided Welfare State*, 165–166. **“Person of the century”:** See “Paving the Way: They Changed the Face of Investing,” *Pensions & Investments*, Dec. 27, 1999. **Board meeting:** These details and the quote from Conable are from Fleming, *Window on Congress*, 380–381.
- 276 **Promote profit-sharing:** “Profit-sharing is the wave of the future,” Conable said in a campaign ad touting his tussle with the Treasury, “because it increases the participation of the American working man and woman in the profit system. . . . It must be encouraged, not discouraged” (*Catholic Courier-Journal*, Oct. 30, 1974).
- 277 **Expanded rapidly:** Ellis, Munnell, and Eschtruth, *Falling Short*, 15–17. **By organized labor:** Sass, 139–142; Wooten, 34. **About half:** Ellis, Munnell, and Eschtruth, 17; “History of Pension Plans,” Employee Benefit Research Institute, March 1998; Wolman and Colamosca, *The Great 401(k) Hoax*, 48. **No pension plan:** “Pension Policy and Small Employers: At What Price Coverage?” by Emily S. Andrews, Employee Benefit Research Institute, 1989; Ferguson and Blackwell, 184. **As a third:** Wooten, 166. This figure is based on an analysis performed by A.S. Hansen, an actuarial consulting firm, in 1971. Some in the industry argued that this number was overly pessimistic because it incorrectly presupposed that workers wouldn’t move on and receive pensions from a different employer. Meanwhile, critics of the private pension system in the United States, such as liberal Republican senator Jacob Javits of New York, presented reports suggesting a far worse picture than Hansen offered. **“Must be evident”:** April 18, 1991, letter from Articolo to General Electric, HQP. **One of hundreds:** As reflected in HQP. **Pensions vanish:** Ferguson and Blackwell, 7; Ellis, Munnell, and Eschtruth, 17. **“This myth”:** From a 2013 interview by the author with Benna.
- 277 **The 25 million:** “Large Declines in Defined Benefit Plans Are Not Inevitable: The Experience of Canada, Ireland, the United Kingdom, and the United States” by John A. Turner and Gerard Hughes, Pensions Institute, April 2008. In 1975, about twenty-seven million people had defined-benefit plans and eleven million had defined-contribution plans. **Typically equal:** Zelinsky, *The Origins of the Ownership Society*, 1; Ghilarducci, 3.
- 278 **You were sunk:** See Hacker, *The Great Risk Shift*, 109–128; “The State of American Retirement” by Monique Morrissey, Economic Policy Institute, March 3, 2016; Ellis, Munnell, and Eschtruth, 47–56; Zelinsky,

8–15; Ghilarducci, 114–122; Lowenstein, 227; “Should the 401(k) Be Reformed or Replaced?” *New York Times*, Sept. 11, 2012. **“Strike it rich”**: Transcript of the conference “ERISA 20 Years Later—A Look Back, A Look Ahead,” Dec. 6, 1994, edited by Dallas L. Salisbury, president of the Employee Benefits Research Institute. **“Screw your employees”**: Ferguson and Blackwell, 174.

- 278 **“Three-legged stool”**: From a 2013 interview by the author with Benna. **A pioneer**: Benna is widely credited with being the “father of the 401(k),” but others were also working on the idea around the same time. See, for instance, “Toward a More Complete History: Johnson & Johnson’s 401(k) Nursery,” EBRI Notes, Employee Benefit Research Institute, Vol. 24, No. 12, Dec. 2003. Also see “History of 401(k) Plans: An Update,” Facts from EBRI, Employee Benefit Research Institute, Feb. 2005. **By 1985**: “Large Declines in Defined Benefit Plans Are Not Inevitable: The Experience of Canada, Ireland, the United Kingdom, and the United States” by John A. Turner and Gerard Hughes, Pensions Institute, April 2008. The authors cite Labor Department data. Ellis, Munnell, and Eschtruth (26–27), using other government data for their calculations, show the same trend unfolding, albeit more slowly. **Hardly any**: Ellis, Munnell, and Eschtruth, 24; Sass, 245. **Became routine**: Ellis, Munnell, and Eschtruth, 24; Ghilarducci, 92; “The Death Knell of Traditional Defined-Benefit Plans: Avoiding a Race to the 401(k) Bottom” by Janice Kay McClendon, *Temple Law Review*, Vol. 80, No. 3, Fall 2007. **Replace them**: In 2010, General Electric closed its defined-benefit pension plan for newly hired salaried employees and offered them 401(k)s instead. General Motors froze its defined-benefit plans for white-collar workers in 2006, and then ended its traditional pensions altogether in 2012, shifting about 19,000 US salaried workers hired before 2001 into 401(k)s. In 2009, Coca-Cola said it was shutting down its defined-benefit plans and moving all of its US employees to a “cash-balance plan.” And Kodak announced a similar move in 2014. Although cash-balance plans are technically part of the defined-benefit family, they are not as favorable to retirees as are traditional pensions because instead of getting a check for life, they get a lump sum. For an exploration of why cash-balance plans are advantageous for companies but not for workers, see Schultz, *Retirement Heist*, 33–38. Also see “Cash Balance Pension Plan Conversions: An Analysis of Motivations and Pension Costs” by Julia D’Souza, John Jacob, and Barbara Lougee, AAA 2009 Financial Accounting and Reporting Section Paper, Dec. 2012; Fraser, *White-Collar Sweatshop*, 73; “Information on Cash Balance Pension Plans,” General Accounting Office, Oct. 2005; “The Pros and Cons of Cash Balance Pension Plans,” Kiplinger’s Retirement Report, Oct. 2014; Hacker, *The Divided Welfare State*, 5–6.

- 278 **Easily move:** Ferguson and Blackwell, 172–173; Zelinsky, 37; Ellis, Munnell, and Eschtruth, 25. Employees who were leaving their company also had the option of cashing out of their 401(k) accounts, but if they were younger than fifty-nine years and six months, they would have to roll the money into an Individual Retirement Account or face taxes and a 10 percent penalty. For a well-argued counterpoint to the view that 401(k) plans make sense because of increased worker mobility, see Ghilarducci, 69–71. **Often back-loaded:** Zelinsky, 35–36. Also see Ghilarducci, 80.
- 279 **Step in and pay:** Ferguson and Blackwell, 108–109; Lowenstein, 45. **A portion:** The maximum pension benefit guaranteed by the PBGC is set by law and adjusted annually. **No more disasters:** Ferguson and Blackwell, 7; Wooten, 78–79; Ellis, Munnell, and Eschtruth, 17–18; Greenhouse, 283; Lowenstein, 45. Also see Hacker, *The Divided Welfare State*, 147–153. **Assume responsibility:** As of 2015, the PBGC paid for monthly retirement benefits, up to a guaranteed maximum, for nearly 826,000 retirees in 4,800 single-employer and multiemployer pension plans that couldn't pay promised benefits. The PBGC was responsible for the current and future pensions of about 1.5 million people—a figure that includes those who hadn't yet retired and participants in multi-employer plans receiving financial assistance. **Insurance premium:** The size of the premium is determined according to the number of workers and retirees covered by a plan. **Hassle and expense:** Zelinsky, 42–45. Also see “A History of Good Intentions Gone Awry,” *Pensions & Investments*, Sept. 6, 1999.
- 279 **A third to half:** Sass (246) says that after employers pay the operating expenses and a partial match, the typical 401(k) costs about 2 percent to 3 percent of payroll. A traditional pension plan often costs 7 percent to 8 percent of payroll, “plus the hefty financial risk.” Also see Wolman and Colamosca, 155; Ghilarducci, 125; Greenhouse, 278. **If they cut:** Schultz, 54–57; “401(k): A Flood of Plans, Assets,” *Pensions & Investments*, Oct. 19, 1998. Also see Lowenstein, 56–58. **“Newfound tricks”:** Schultz, 4. **Hundreds of:** Schultz, 57. Many of these companies, she notes, cut their pensions by switching to less generous “cash-balance plans,” which are defined-benefit plans but share some characteristics with 401(k)s. On this, see Schultz, 33–38.
- 279–280 **Any better:** Ellis, Munnell, and Eschtruth, 3, 17. Meanwhile, for employees with lower incomes, things actually got much worse: Many of them were excluded from 401(k) plans because doing so helped higher-paid workers take fuller advantage of IRS rules and maximize their own benefits. See Schultz, 140–142; Ghilarducci, 36. **Numerous pitfalls:** Greenhouse, 286–288. **Less than \$400:** Ellis, Munnell, and Eschtruth, 3. Also see Lowenstein, 55; “The Champions of the 401(k)

- Lament the Revolution They Started,” *Wall Street Journal*, Jan. 2, 2017. **Had fallen:** “How Older Women Are Reshaping U.S. Job Market,” *Wall Street Journal*, Feb. 22, 2016. Also see Lowenstein, 28. **Keep working:** Ghilarducci, 219–227; Lowenstein, 28; Greenhouse, 277–278. For a poignant journalistic account of this phenomenon, see “The End of Retirement” by Jessica Bruder, *Harper’s*, Aug. 2014.
- 280 **“Comports so well”:** Zelinsky, 30. He reiterates this point throughout the book. **Big unions:** Ghilarducci, 232–234. **Group solidarity:** Zelinsky, 33; Ghilarducci, 242. **“Collective solution”:** Transcript of the conference “ERISA 20 Years Later—A Look Back, A Look Ahead,” Dec. 6, 1994, edited by Dallas L. Salisbury, president of the Employee Benefits Research Institute. **“Do-it-yourself”:** Ghilarducci, 110. **Prized self-reliance:** For a fascinating exploration of this idea, see the preface to the 1996 edition of Bellah, Madsen, Sullivan, Swidler, and Tipton, *Habits of the Heart*.
- 280 **“No layoffs”:** “He Put the Kick Back into Coke,” *Fortune*, Oct. 26, 1987. Greising (239) notes that there would be a relatively small layoff, of 200 employees, in 1988—the only mass reduction in headcount under Goizueta.
- 280 **Fired dozens:** Greising, 230; Pendergrast, 336.
- 281 **More than 150:** Harrigan, *Managing Maturing Businesses*, 68. She reports that in 1988, there were 185 independent bottlers in the Coke system, down from 365 a decade before. **His approach:** Greising, 63–64, 141. **“Refranchising”:** Greising, 141. **To a minimum:** Greising, 148. **Was presented:** Greising, 140–149. **In the South:** This was JTL Corp. **In the West:** This was BCI Holdings, a division of Beatrice Cos.
- 281 **Overloaded with debt:** Greising, 147; Pendergrast, 369. **For the answer:** Greising, 149; Pendergrast, 369–370. **Really in charge:** From a 2012 interview by the author with Brian Dyson, the first president of Coca-Cola Enterprises; Greising, 149–150; Pendergrast 369. **Could now dump:** Greising, 149. **Depreciating assets:** From a 2011 interview by the author with former Coca-Cola executive Jack Bergstrand. **Lots of soda concentrate:** Hays, 152–156. **Send dividends:** Greising, 150. **Money machine:** Hays, 157. CCE’s initial public offering was, however, not as successful as Goizueta had hoped it would be. See “Coke Bottler’s Reception on Wall St. Disappoints,” *New York Times*, Nov. 22, 1986; Greising, 152–154; Pendergrast, 369–370. For a critical look at how the “49% solution” played out over the longer term, see “The Real Thing: Bottling Plan Taps Coke’s Profits,” *CFO Magazine*, April 1, 2000. **“Has margins”:** From a 2013 interview by the author with Ted Highberger, Bergstrand’s colleague at Coca-Cola.
- 281–282 **More than 1,000:** “Coke in Bitter Legal Fight Over Cost of Sweetener,” *New York Times*, Sept. 22, 1989. **“Moving fast”:** From a 2012 interview by the author with Casey.

- 282 **“I didn’t meet”**: All quotes from Bergstrand and details on his life and career through the end of the chapter are from a series of interviews with him by the author in 2011, 2012, and 2013.
- 283 **“Running off information”**: From a 2013 interview by the author with Highberger.
- 283 **String of acquisitions**: Between August 1987 and December 1991, CCE bought, among others, Valley Bottlers in Texas; Mid-Atlantic Coca-Cola Bottling; Miami/Memphis Bottlers, Arkansas Bottlers; and the Johnston Coca-Cola Bottling Group for a total of \$2.7 billion. It also sold some bottling entities during that period, but its acquisitions greatly eclipsed its divestitures. **New efficiencies**: CCE annual reports show that right after it went public, the company was doing about \$2 billion worth of business annually across thirty-one states. Five years later, CCE was supplying soft drinks in thirty-seven states and its revenues had doubled to \$4 billion. And yet its headcount over that period was up by a relatively tiny amount—from 21,000 employees to just 25,000. Also see Hays, 156. **“Economies of scale”**: “Coke Shakes Up L.A. Bottling Unit—and Area’s Soft-Drink Industry as Well,” *Los Angeles Times*, Aug. 15, 1987.
- 283 **Had thought up**: Oliver, 49–53; Tedlow, 125–126. **“Was reviled”**: From a 2013 interview by the author with Highberger.
- 284 **One of those**: All details on Maiocco’s life and career, as well as all quotes from him, through the end of the chapter are from a 2013 interview by the author with Maiocco.
- 285 **Pale and fatigued**: Hays, 162–165; Greising, 301–302. **Three packs**: Hays, 163.
- 285 **Heir apparent**: Greising, 303; Hays, 166.
- 285–286 **“Loved this company”**: Greising, 304. **Coke’s stock**: Greising, xvii.
- 286 **Check the machine**: Greising, 302; Pendergrast, 421.

CHAPTER 10

- 289 **File contained**: According to the National Archives and Records Administration. **“Court decided”**: From a 2013 interview by the author with the attorney, J. Douglas Peters. See *Sprague v. General Motors*, US Court of Appeals, Sixth Circuit, Nos. 94–1896, 94–1897, 94–1898 and 94–1937 (1998). Also see Schultz, 168–169.
- 289 **Sprague had joined**: All of the details about Sprague’s life and career are from testimony and documents in *Sprague v. General Motors*, US District Court, Eastern District of Michigan, 90–CV–70010 (1993); 2013 interviews by the author with Sprague’s sons, Robert Jr. and Bill.
- 290 **Approached him**: Unless otherwise noted, all details throughout the chapter on GM’s early retirement programs and health-care benefits,

- as well as employees' quotations on these matters, are drawn directly from the court record in *Sprague v. General Motors*, Case No. 90-CV-70010. **Early retirement:** Sprague elected to take part in a program known as "special early retirement." GM had introduced this program in 1974. **\$63 billion:** Fortune 500 list for 1979. **620,000 US workers:** "A Brief History of General Motors Corp.," Associated Press, Sept. 14, 2008. **Profit stood:** Fortune 500 list for 1979. **Sent a note:** From a 2013 interview by the author with Hartwig.
- 290 **Huge losses:** Ingrassia, *Crash Course*, 80. **Since 1921:** "General Motors Reports '80 Loss of \$763 Million," *New York Times*, Feb. 3, 1981; Kanter, *The Change Masters*, 313. **Eked out:** "G.M. Posts Profit for 1981 as Slump in Sales Persists," *New York Times*, Feb. 2, 1982. **Credit rating:** "Rating on G.M.'s Bonds Is Cut to AA by Moody's," *New York Times*, Nov. 19, 1981; "G.M. Bond Rating Cut by S.&P.," *New York Times*, Nov. 21, 1981. **J-car:** "General Motors: A Giant in Transition," *New York Times*, Nov. 14, 1982; Keller, *Rude Awakening*, 71-72. **Agreed to "givebacks":** Ingrassia, 80. **Big bonuses:** Ingrassia and White, 73; Ingrassia, 80.
- 291 **"Nervous breakdown":** Ingrassia and White, *Comeback*, 96-97. Also see Keller, *Collision*, 32; Maynard, *Collision Course*, 43. **Running joke:** Ingrassia, 87. **"Tough to operate":** "U.S. Cars Come Back," *Fortune*, Nov. 16, 1992, quoting GM's Jack Smith.
- 291-292 **Warranty claims:** Ingrassia and White, 98. **Catch on fire:** Ingrassia and White, 105-107. **"Biggest catastrophe":** "U.S. Cars Come Back," *Fortune*, Nov. 16, 1992. **Mistakenly sticking:** Ingrassia and White, 111. Also see Ingrassia, 91; Maynard, 114. **Market share:** "U.S. Cars Come Back," *Fortune*, Nov. 16, 1992. **"Vastly underestimated":** "A Real Bailout for Auto Makers," *Barron's*, Dec. 1, 2008. Also see Ingrassia and White, 172.
- 292 **GM announced:** "General Motors to Shut 11 Plants; 29,000 Workers Will Be Affected," *New York Times*, Nov. 7, 1986; "GM's November Massacre," *U.S. News & World Report*, Nov. 17, 1986. **It had lost:** GM's lost market share, as well as the gains made by the other automakers, are reflected in annual figures provided by WardsAuto.
- 292 **Phasing out:** "GM Offers White-Collar Workers Incentives to Leave," *United Press International*, Aug. 25, 1986; Ingrassia and White, 115. **"A direct link":** "G.M.'s Cuts Reflect a Long-Term Trend," *New York Times*, Nov. 10, 1986.
- 292-293 **Since 1979:** John Paul MacDuffie's essay "The Changing Status and Roles of Salaried Employees in the North American Auto Industry" in Osterman, *Broken Ladders*, 84-89. **Nearly 30,000:** "Demolition Means Progress: Race, Class, and the Deconstruction of the American Dream in Flint, Michigan," a doctoral dissertation by Andrew R. Highsmith, University of Michigan, 2009.
- 293 **"Two more friends":** "Dance Band on the Titanic: Auto World and the Death of Flint" by Michael Moore, *Michigan Voice*, Sept. 1984.

- 293 **Threatened to eat into:** Statement of UAW President Owen Bieber before the US Senate Subcommittee on Labor, Jan. 26, 1987, UAW. **“Fucking terrorist”:** Moore, *Here Comes Trouble*, 312. **Critics skewered:** Among the toughest critics in this regard were Harlan Jacobson and Pauline Kael. **“Hardships associated”:** “Effects of Plant Closing Research Study: Final Report, Michigan Health and Social Security Research Institute, Fall 1991, UAW. For more on the mental-health aspects of layoffs, see Uchitelle, 7, 120, 178–204, 228–229; Swasy, 63–88.
- 294 **“Thrown away”:** Uchitelle, 35. **“Moral bedrock”:** Newman, *Falling from Grace*, 175.
- 294 **Still count on:** “G.M.’s Jobless Net: How Safe?” *New York Times*, Nov. 12, 1986. Also see “Auto Industry Experiments With the Guaranteed Income Stream” by Peter Cappelli, *Monthly Labor Review*, July 1984. **Had been enlarged:** “Wage Chronology: Ford Motor Company, June 1941–September 1973,” Bulletin 1787, US Bureau of Labor Statistics, 1973; “UAW Won Protection from Layoff After Grueling 68-day Strike in ’67,” *Automotive News*, June 16, 2003.
- 294 **Jobs Bank:** Regarding the origins of the program, see “Detroit’s Symbol of Dysfunction: Paying Employees Not to Work,” *Wall Street Journal*, March 1, 2006. Ingrassia, 87; Lutz, 30. **5,000 or so:** “G.M.’s Jobless Net: How Safe?” *New York Times*, Nov. 12, 1986. **Gross perversion:** “Detroit’s Symbol of Dysfunction: Paying Employees Not to Work,” *Wall Street Journal*, March 1, 2006; “The End of the Jobs Bank, a Symbol of Excess,” *Automotive News*, Jan. 27, 2014. **“Welfare mother”:** Autoworkers Adjust to Job Banks’ End as GM, Ford Try to Rebound,” Bloomberg, Aug. 25, 2010. Also see Lowenstein, 52–53.
- 295 **“Job security” measures:** For a discussion of how the UAW came to focus on job security as its main goal, see “Labor Relations in the Unionized Automobile Assembly Industry in the United States: 1961–2006” by Richard N. Block, paper prepared for the Local Legislative Agenda for the Automotive Partnership Council for North America, Toluca, Mexico, July 19–21 2006; “Factors Influencing Employment in the U.S. Automobile Industry” by Paul S. Davies, *The Park Place Economist*, Illinois Wesleyan University, Spring 1983. **Smaller and smaller:** MacDuffie’s essay in Osterman, *Broken Ladders*, 84–89; “Auto Industry Jobs in the 1980s: A Decade of Transition” by Christopher J. Singleton, *Monthly Labor Review*, Feb. 1992.
- 295 **“Strategic retreat”:** “GM to Reduce Capacity to Match Its Sales—Move to Shrink Itself Is First for Auto Maker,” *Wall Street Journal*, April 25, 1988. Ephlin’s quote is from the same article.
- 295 **Shelling out 13 percent:** From the testimony of GM officials in *Sprague v. General Motors*, US District Court, Eastern District of Michigan, 90-CV-70010 (1993). **“Serious disadvantage”:** Testimony

- before the US Senate Finance Committee hearing on “Comprehensive Health Care Reform and Cost Containment,” May 6–7, 1992. Also see “A Health-Care Taboo Is Broken,” *New York Times*, May 8, 1989; Lutz, 29. **Ever richer:** The 1979 GM-UAW contract was especially generous in this regard. See Lowenstein, 45–46. **\$1,600 less:** Lowenstein, 46. **“Firm on wheels”:** Lowenstein, 62.
- 295–296 **In January 1988:** Unless otherwise noted, all details on the changes to GM’s health-care plans—and the reactions to them—through the end of the chapter are from testimony and documents in *Sprague v. General Motors*, US District Court, Eastern District of Michigan, 90-CV-70010 (1993). **Up to \$750:** For an individual, annual out-of-pocket expenses could be as high as \$700 a year. By the early 1990s, that would rise to \$1,300. **Were affected:** “GM Retirees to Protest Cuts in Health Care,” *Detroit News*, March 19, 1988.
- 296 **“Will be provided”:** The company added that major medical coverage, where retirees had always been asked to pay a share of the premiums and an annual deductible and a copayment was required for certain services, would be “continued for a small monthly contribution.”
- 296 **A class action:** The court ruled that 34,000 “general retirees”—that is, those who’d retired in accordance with the company’s normal criteria, not through an early retirement program—were not allowed to join the class.
- 297 **It would close:** Ingrassia and White, 285; “G.M. Retrenchment to Cut 70,000 Jobs; 21 Plants to Shut,” *New York Times*, Dec. 19, 1991; “GM Wields the Ax,” *Detroit Free Press*, Dec. 19, 1991. Also see Keller, *Collision*, 39–40. **“Much different”:** Ingrassia and White, 285; “G.M. Retrenchment to Cut 70,000 Jobs; 21 Plants to Shut,” *New York Times*, Dec. 19, 1991; “GM Plans to Close 21 More Factories, Cut 74,000 Jobs, Slash Capital Spending,” *Wall Street Journal*, Dec. 19, 1991.
- 297–298 **“Economic Pearl Harbor”:** This and the Bieber quote are from “Reaction,” *Detroit News*, Dec. 19, 1991. **“Rolling up its sleeves”:** “Shake-out at GM,” *Detroit News*, Dec. 19, 1991. **“Sees a snake”:** Ingrassia and White, 119; Ingrassia, 91; Maynard, 45. In 1986, GM bought out Perot’s stock for \$700 million, and he left the automaker’s board. **“Facing reality”:** “Reaction,” *Detroit News*, Dec. 19, 1991. Also quoted in Maynard, 116.
- 298 **Started at GM:** Biographical details on Stempel are from Ingrassia and White, 162–163. Also see Maynard, 14–15. **Distinct from:** Ingrassia, 96; “Smaller Giant: Huge GM Write-Off Positions Auto Maker to Show New Growth,” *Wall Street Journal*, Nov. 1, 1990; “Robert Stempel: Man in the Hot Seat,” *Time*, Nov. 14, 1988. **Liked to speak:** “American Industry Faces the Challenge of Tougher Times,” *New York Times*, Dec. 31, 1990.

- 298 **Thirty-six weeks:** "Layoff Provisions Buoy Auto Union," *New York Times*, Sept. 19, 1990. Also see Ingrassia, 96. **"Level of trust":** "GM, UAW reach agreement," United Press International, Sept. 17, 1990.
- 298 **Was sensitive:** See "Bob Stempel: GM Made Him Famous; ECD Made Him Happy" by Tom Henderson, *Crain's Detroit Business*, May 12, 2011. **"Are expendable":** "Smaller Giant: Huge GM Write-Off Positions Auto Maker to Show New Growth," *Wall Street Journal*, Nov. 1, 1990. **Would boo him:** "Layoff Provisions Buoy Auto Union," *New York Times*, Sept. 19, 1990.
- 299 **Half the size:** Ingrassia and White, 285; "GM Plans to Close 21 More Factories, Cut 74,000 Jobs, Slash Capital Spending," *Wall Street Journal*, Dec. 19, 1991; "G.M. Retrenchment to Cut 70,000 Jobs; 21 Plants to Shut," *New York Times*, Dec. 19, 1991. **Triggered fears:** "GM Fund for Laid-Off Workers in Danger," *Los Angeles Times*, Oct. 15, 1992; "G.M. and Its Union Plan to Encourage Early Retirements," *New York Times*, Dec. 15, 1992. The exact size of the fund, which was supposed to last until Sept. 1993, was \$3.35 billion.
- 299 **One day after:** Ingrassia and White, 183; Ingrassia, 96; Maynard, 101. The recession had officially started in July 1990. **Prices spiked:** See "Historical Oil Shocks" by James D. Hamilton, University of California at San Diego, Feb. 1, 2011. **Consumer confidence:** "Consumer Confidence in Worrisome Drop," *New York Times*, Aug. 30, 1990. **GM would lose:** Ingrassia, 96–97; "Big Losses for G.M. and Ford," *New York Times*, Feb. 15, 1991; "The G.M. Cutbacks," *New York Times*, Feb. 25, 1992. **Go bankrupt:** Maynard, 246; Ingrassia, 97. **"Don't want to buy":** "GM Strikes 3-Year Deal With UAW," *Los Angeles Times*, Oct. 25, 1993. **Doing better:** Keller, *Collision*, 38; Maynard, 102.
- 299 **Leaning on Stempel:** Ingrassia and White, 277–300; Maynard, 110–112; Keller, *Collision*, 37–39. **Feeling the heat:** Useem, *Investor Capitalism*, 22–24; Monks and Minnow, *Corporate Governance*, 441–444; Ingrassia and White, 289–291; Osterman, *Securing Prosperity*, 66. **"Status quo":** Useem, *Investor Capitalism*, 24. **Hadn't bothered:** Keller, *Collision*, 37; Ingrassia and White, 287. **Still dithering:** Maynard, 15, 126; Ingrassia, 295–296. **And grasping:** Keller, *Collision*, 37.
- 299–300 **Being considerate:** Maynard, 115. **In limbo:** "Workers Left Wondering If They'll Be the Ones to Go," *Detroit Free Press*, Dec. 19, 1991; "Willow Run, Texas Fight Each Other to Survive," *Detroit News*, Dec. 19, 1991. **"Has AIDS":** "Reaction," *Detroit News*, Dec. 19, 1991. Also quoted in Maynard, 116. **Stempel insisted:** See "Excerpts from Robert Stempel's Media Briefing, Questions Pertaining to 'Whipsawing,'" Dec. 18, 1991, UAW. **Had been open:** "Stempel Issues a Challenge to UAW: Give In or Lose Jobs," *Detroit Free Press*, Feb. 25, 1992. **Been slower:** "GM Forcing Showdown on Work Rules?" *Detroit News*, Feb. 25, 1992. Also see Maynard, 118–119.

- 300 **Hot dogs:** This detail and the Homer Wiley quote are from “Rage, Relief Mark Decision by GM on Closing Plants,” *Wall Street Journal*, Feb. 25, 1992. While the Willow Run assembly plant was targeted for closure, a neighboring transmission factory was spared—for a time. In 2010, this other Willow Run facility would also be shuttered as part of GM’s bankruptcy restructuring.
- 300 **“Got reverent”:** “Nobody Ever Thought Plant Would Close,” *USA Today*, Feb. 25, 1992.
- 300 **Were reeling:** “Tarrytown’s Workers Stunned by GM Move,” *The Globe and Mail* of Toronto, Feb. 26, 1992.
- 300–301 **“Tough and aggravating”:** All the quotes from Shore, and details on his life, are from “Former Fiero Worker Has a Sense of Deja Vu,” *Detroit News*, Feb. 25, 1992. **In 1915:** “GM Tarrytown: An Autobiography,” General Motors Corp., 1996. **“GM Gypsies”:** Besides the Detroit News article on Shore, also see, for instance, “GM Plant Closes in New York; Workers Scatter Across Country,” *Wall Street Journal*, June 26, 1996.
- 301 **Worst factories:** “Quality of Worklife: Learning from Tarrytown” by Robert H. Guest, *Harvard Business Review*, July/Aug. 1979; Kanter, *The Change Masters*, 336. **“Goddamn boss”:** Grievance case No. L-190, Chevrolet-Tarrytown, Jan. 11, 1967, UAW. **“Were scum”:** From a 2012 interview by the author with Marmo. **“Jump up and down”:** “Quality of Worklife: Learning from Tarrytown” by Robert H. Guest, *Harvard Business Review*, July/Aug. 1979. **“Was destructive”:** “Worker Participation: A Joint Union-Management Venture at GMAD-Tarrytown,” April 1978, UAW.
- 301 **Out of business:** Kanter, *The Change Masters*, 336. **Unveiled a program:** The idea of a QWL program was first introduced as part of the UAW’s 1973 national contract with GM. **Under QWL:** See “Quality of Worklife: Learning from Tarrytown” by Robert H. Guest, *Harvard Business Review*, July/Aug. 1979; “Worker Participation: A Joint Union-Management Venture at GMAD-Tarrytown,” April 1978, UAW.
- 301 **“Half way”:** “Worker Participation: A Joint Union-Management Venture at GMAD-Tarrytown,” April 1978, UAW.
- 302 **“Olive branch”:** “Worker Participation: A Joint Union-Management Venture at GMAD-Tarrytown,” April 1978, UAW. **More than 3,000:** “Quality of Worklife: Learning from Tarrytown” by Robert H. Guest, *Harvard Business Review*, July/Aug. 1979; Kanter, *The Change Masters*, 336. **“A team”:** From a 2012 interview by the author with Inzar. **Was enormous:** “Quality of Worklife: Learning from Tarrytown” by Robert H. Guest, *Harvard Business Review*, July/Aug. 1979; Kanter, *The Change Masters*, 336. **“Like human beings”:** Cole, *Work, Mobility, and Participation*, 254.
- 302 **“Screw the union”:** Kanter, *The Change Masters*, 337. **Turned around:** Kanter, *The Change Masters*, 338–339.

- 303 **“Go back down”:** Milkman, *Farewell to the Factory*, 168. **Intended to undermine:** Katz, *Shifting Gears*, 86–87. **“Just go ahead”:** “UAW Girds for Debate on ‘Cooperation’—Contract Goals to Be Discussed at Convention,” *Wall Street Journal*, April 10, 1987. **“Rest room”:** Ingrassia, 9.
- 303 **Quality Network:** Weekley and Wilber, *United We Stand*, 209–216. Also see “People Power: GM Woos Employees By Listening to Them, Talking of Its ‘Team,’” *Wall Street Journal*, Jan. 12, 1989. **NUMMI:** See Paul S. Adler’s essay “The ‘Learning Bureaucracy’: New United Motors Manufacturing, Inc.” in Staw and Cummings, *Research in Organizational Behavior*, 111–194; “How to Change a Culture: Lessons from NUMMI” by John Shook, *MIT Sloan Management Review*, Winter 2010; “New United Motors Manufacturing, Inc. (NUMMI)” by Charles O’Reilly, Stanford Business School case study, revised Nov. 2004; Maynard, 83–84. For a critical view of the labor-management relationship at NUMMI, see Parker and Slaughter, *Working Smart*, 44–55. The NUMMI venture would end in 2010. **“Participatory management”:** “Building Cars Japan’s Way,” *Newsweek*, March 31, 1986. **Such values:** Ingrassia, 118–121; Rubinstein and Kochan, *Learning from Saturn*, 24–26; Maynard, 48–64; “Toward a Stakeholder Theory of the Firm: The Saturn Partnership” by Thomas A. Kochan and Saul A. Rubinstein, *Organization Science*, Volume 11, Issue 4, July/Aug. 2000; Uchitelle, 144. In 2003, Saturn workers would vote to return to the GM-UAW master contract, unwinding the unit’s special culture. Six years later, GM halted Saturn production, and a year after that the brand was discontinued. **Trailblazer:** Ingrassia, 119. Also see “Revolution by Evolution: The Changing Relationship Between GM and the UAW” by Donald F. Ephlin, *The Academy of Management Executive*, Vol. 2, No. 1, Feb. 1988. **“Lowest possible level”:** “The Birth of GM’s Saturn Corporation (Sample Chapter)” by Donald F. Ephlin, UAW. For a critical view of the labor-management relationship at Saturn, see Parker and Slaughter, 95–206; Maynard, 140.
- 303–304 **Had evolved:** See Paul S. Adler’s essay “Toward Collaborative Interdependence: A Century of Change in the Organization of Work,” in Kaufman, Beaumont, and Helfgott, *Industrial Relations to Human Resources and Beyond*, 337–385. **Willing to try:** Lawler, Mohrman, and Ledford, *Employee Involvement and Total Quality Management*, 9–10.
- 304 **More than a third:** See “How Common Is Workplace Transformation and Who Adopts It?” by Paul Osterman, *Industrial and Labor Relations Review*, Vol. 47, No. 2, Jan. 1994. For other surveys measuring the extent to which companies had adopted various worker participation programs, see Cappelli, Bassi, Katz, Knoke, Osterman, and Useem, *Change at Work*, 94–99; Osterman, *Securing Prosperity*, 99; Eileen Applebaum and Peter Berg’s essay “High-Performance Work Systems:

- Giving Workers a Stake” in Blair and Kochan, 102–144. **Corning Glass:** Cappelli, Bassi, Katz, Knoke, Osterman, and Useem, 93–94. **Xerox:** Cappelli, Bassi, Katz, Knoke, Osterman, and Useem, 110. **J.C. Penney:** Kanter, *The Change Masters*, 167. **Texas Instruments:** Peters and Waterman, *In Search of Excellence*, 49. **Kodak:** See “TQM’s Challenge to Management Theory and Practice” by Robert M. Grant, Rami Shani, and R. Krishnan, *MIT Sloan Management Review*, Winter 1994. **Coca-Cola:** The company introduced its own version of TQM, The Coca Cola Quality System, in 1995. **“Foster we/they”:** Peters and Waterman, 48–49.
- 304 **“Been empowered”:** Cappelli, Bassi, Katz, Knoke, Osterman, and Useem, 89. Also see Robert Drago’s essay “New Systems of Work and New Workers” in Barker and Christensen, *Contingent Work*, 144–169. **“Fit together”:** “UAW Girds for Debate on ‘Cooperation’—Contract Goals to Be Discussed at Convention,” *Wall Street Journal*, April 10, 1987.
- 304–305 **“Worst thing”:** From a 2012 interview by the author with Marmo. **Report exalting:** “Late Praise for Model Plant,” *New York Times*, March 1, 1992. **Too high:** See “The G.M. Cutbacks; A Surprise Cuts Deep in Westchester,” *New York Times*, Feb. 25, 1992; “Vehicle’s Design Doomed Van Plant,” *New York Times*, Feb. 26, 1992.
- 305 **Rolled off:** See “GM Plant Closes in New York; Workers Scatter Across Country,” *Wall Street Journal*, June 26, 1996. **Number:** “GM Tarrytown: An Autobiography,” General Motors Corp., 1996. **Was demolished:** See “Mourning a Departed Mainstay,” *New York Times*, Oct. 7, 1998. **Ninety-seven-acre:** See “Plan Moves Forward to Redevelop Old GM Plant Site in Westchester County,” *Wall Street Journal*, May 19, 2014. **Down the street:** From a site visit by the author in 2012.
- 305 **Enough alarm:** Ingrassia, 308; Maynard, 148. **Executive committee:** Maynard, 126; Keller, *Collision*, 47; Ingrassia and White, 296. **Also demoted:** Maynard, 126; Keller, *Collision*, 46; Ingrassia and White, 295–296. **“Fundamental Change”:** Maynard, 4, 130. **Found himself isolated:** Maynard, 136; Ingrassia and White, 303–308; Keller, *Collision*, 127. **Rumors swirled:** Ingrassia and White, 310; Maynard, 149–150.
- 305–306 **He resigned:** Maynard, 7–8, 151–152; Keller, *Collision*, 128–129; Ingrassia and White, 314; “What Went Wrong? Everything at Once,” *Time*, Nov. 9, 1992. **Most wretched:** See, for instance, “History’s 10 Worst Auto Chiefs,” *Fortune*, April 3, 2013. **Just a victim:** Keller, *Collision*, 129–130; “Shake-Up at G.M.: Stempel Quits Job as Top G.M. Officer in Rift with Board,” *New York Times*, Oct. 27, 1992. **Galvanizing effect:** Ingrassia and White, 316; “The High-Energy Board Room,” *New York Times*, Oct. 28, 1992; Maynard, 6–7. **CEO tenure:** Judge, *The Leader’s Shadow*, 23. Also see Mizruchi, 215; “Revolving Door Spins Faster

- at Top Corporations—Leashes Get Shorter for Executives,” *New York Times*, July 18, 1997. **Annual pension:** “Boss’ Severance Rankles Retailer’s Shareholders,” *Baltimore Sun*, Dec. 18, 1994. **Consulting deal:** Maynard, 157.
- 306 **Wasn’t the biggest:** “Disposable Workers,” *Time*, March 29, 1993. **Again and again:** See, for instance, Lynn, *End of the Line*, 45; Hatton, 87; Kathleen’s Barker and Kathleen Christensen’s introduction “Controversy and Challenges Raised by Contingent Work Arrangements” in Barker and Christensen, 1; Micklethwait and Wooldridge, *The Company*, 145.
- 306 **Manpower had about:** “The Diversity of Contingent Workers and the Need for Nuanced Policy” by Stewart J. Schwab, *Washington and Lee Law Review*, Vol. 52, No. 3, June 1995. **“Increasingly becoming”:** “Disposable Workers,” *Time*, March 29, 1993.
- 306 **To include men:** Hatton, 38. **“Swelling of the Payroll”:** Hatton, 53.
- 307 **Were pleased:** See Osterman, *Securing Prosperity*, 86; “Working in the Gig Economy Is Both Desirable and Detestable” by Rick Wartzman, *Fortune*, April 27, 2016. Also see “Valuing Alternative Work Arrangements” by Alexandre Mas and Amanda Pallais, National Bureau of Economic Research, Working Paper No. 22708, Sept. 2016. **“Provides the economy”:** See Dean Morse’s essay “The Peripheral Worker” in Barker and Christensen, 40.
- 307 **More than 80 percent:** “Contingent and Alternative Employment Arrangements,” Report 900, Bureau of Labor Statistics, Aug. 1995. Also cited in Sharon R. Cohany, Steven F. Hipple, Thomas J. Nardone, Anne E. Polivka, and Jay C. Stewart’s essay “Counting the Workers: Results of a First Survey” in Barker and Christensen, 59. **“Major function”:** “The Diversity of Contingent Workers and the Need for Nuanced Policy” by Stewart J. Schwab, *Washington and Lee Law Review*, Vol. 52, No. 3, June 1995. For a counterview about the effectiveness of the “core-periphery model,” see Cappelli, Bassi, Katz, Knoke, Osterman, and Useem, 223–224; Cappelli, 144–146.
- 307–308 **Between 10 and 30:** The 10 percent figure comes from “Contingent and Alternative Employment Arrangements,” Report 900, Bureau of Labor Statistics, Aug. 1995. Also cited in Weil 272; Sharon R. Cohany, Steven F. Hipple, Thomas J. Nardone, Anne E. Polivka, and Jay C. Stewart’s essay in Barker and Christensen, 55. The 30 percent calculation, which includes part-time workers, comes from “The Rise of the Contingent Work Force: The Key Challenges and Opportunities” by Richard S. Belous, *Washington and Lee Law Review*, Vol. 52, No. 3, June 1995. Also see Cappelli, 139; Harrison, *Lean and Mean*, 201–202. **Especially fast:** Tilly (*Half a Job*, 1) notes that the temporary workforce “exploded 15-fold between 1968 and 1992 (while the labor force as

- a whole did not even double)." Also see Hatton, 67, 90; Cappelli, 140; "Taking the Workers Back Out: Recent Trends in the Structuring of Employment" by Jeffrey Pfeffer and James N. Baron, *Research in Organizational Behavior*, Vol. 10, 1988; Hacker, *The Great Risk Shift*, 81. **"To the Caribbean":** Hatton, 71. **Two-thirds of temps:** "Contingent and Alternative Employment Arrangements," Report 900, Bureau of Labor Statistics, Aug. 1995. Also cited in Sharon R. Cohany, Steven F. Hipple, Thomas J. Nardone, Anne E. Polivka, and Jay C. Stewart's essay in Barker and Christensen, 59. **Less per hour:** Sharon R. Cohany, Steven F. Hipple, Thomas J. Nardone, Anne E. Polivka, and Jay C. Stewart's essay in Barker and Christensen, 51, 64. Also see Cappelli, 140; Hatton, 131; "Nonstandard Employment Relations: Part-time, Temporary and Contract Work" by Arne L. Kalleberg, *Annual Review of Sociology*, Volume 26, 2000; "Contingent Workers: Incomes and Benefits Lag Behind Those of Rest of Workforce," US General Accounting Office, June 2000. **Usually received:** Hatton, 129; "The Expendables: How the Temps Who Power Corporate Giants Are Getting Crushed," ProPublica, June 27, 2013; Deal and Kennedy, 99; Fraser, *White-Collar Sweatshop*, 74; Osterman, *Securing Prosperity*, 88; Greenhouse, 132. **Safety training:** "How to Improve Temp Worker Safety," ProPublica, Dec. 27, 2013. **Battled unions:** Hatton, 78–81. Also see M. Catherine Lundy, Karen Roberts, and Douglas Becker's essay "Union Responses to the Challenges of Contingent Work Arrangements" in Gleason, *The Shadow Workforce*, 99–132. **"Precarious nature":** "Outsourcing and the Changing Nature of Work" by Alison Davis-Blake and Joseph P. Broschak, *Annual Review of Sociology*, 2009.
- 308 **Nearly all of the growth:** Tilly, 14–15. Also see "Short Hours, Short Shift" by Chris Tilly, Economic Policy Institute, 1990. Also see Greenhouse, 128.
- 308 **"A second class":** Kathleen Christensen's essay "Trends in Family-Sensitive Firms" in Barker and Christensen, 125. The term "contingent work," coined by labor economist Audrey Freedman in 1985, has been defined in various ways. But Baker and Christensen use it to mean "jobs that are done on temporary, self-employed contract, or involuntary part-time bases." Also see Greenhouse, 117–120; "Part-Time Work New Labor Trend," *New York Times*, July 9, 1986. **Biting articles:** Kelly, *Best of Temp Slave!*. Also see Hatton, 87. **Cult classic:** Saval, 279. **"Soul-sucking":** "Mr. Beavis Goes to Work," *New York Daily News*, Feb. 21, 1999. **"Permatemps":** See "Rise of The Permatemp," *Time*, July 12, 1999. Over time, activists, legislators, and others questioned the temp industry's definition of employer status. Instead of defining the employer by whose name was on a worker's check, they wanted it defined by where the work was done, for how long, and who controlled

- it. The landmark case in this area is *Vizcaino v. Microsoft*. The temp workers won, but it wasn't a total victory for these employees. The court also made clear that, as long as companies were explicit about it, they could exclude temps and other nonstandard workers from various compensation and benefit plans. For a thorough analysis of the ruling and its implications, see Hatton, 100–106. **“Not exploiting”**: “Disposable Workers,” *Time*, March 29, 1993. Also quoted in Hatton, xxviii.
- 308–309 **More temps in**: Regarding the expansion of contingent work into all manner of jobs, including professional and technical positions on one end and day laborers on the other, see Hatton, 95–97. Also see Fraser, *White-Collar Sweatshop*, 50–53. **More work out**: Weil, 269–271. The extent of domestic outsourcing is, however, difficult to measure, and there is a dearth of good research on the subject. In regard to these shortcomings, see “Domestic Outsourcing in the U.S.: A Research Agenda to Assess Trends and Effects on Job Quality” by Annette Bernhardt, Rosemary Batt, Susan Houseman, and Eileen Appelbaum, *Future of Work Symposium*, US Department of Labor, Dec. 2015. **Always depended on**: Lynn, *End of the Line*, 7; **Of the pioneers**: “10 Years That Shook IT,” *CIO*, Oct. 1, 1999; Lynn, *End of the Line*, 194; “CIO Hall of Fame: Katherine M. Hudson,” *CIO*, Sept. 15, 1997; “Kodak Exec Relates Outsourcing Lessons,” *Network World*, Dec 17, 1990. **Data centers**: Kodak outsourced other parts of its information-services operation to Digital Equipment Corp. and Businessland. **5 to 15 percent**: Lynn, *End of the Line*, 194. **“Photographic company”**: From a 2013 interview by the author with Hudson.
- 309 **“No matter what”**: From a 2013 interview by the author with Hudson.
- 309 **Brought up**: Biographical details are from a 2013 interview by the author with Hudson; “An Unusual Climb at Kodak Wins Her a Place at the Top,” *New York Times*, Jan. 30, 1994. **“Moving our people”**: From a 2013 interview by the author with Hudson.
- 309–310 **“Doing the Kodak”**: “Can Outsourcing Save Jobs?,” *CIO Insight*, March 25, 2005. **Tried to fight**: M. Catherine Lundy, Karen Roberts, and Douglas Becker’s essay in Gleason, 112–116. **Too weak**: Lynn, *End of the Line*, 142. **100,000 jobs**: “Globalization and Jobs in the Automotive Industry” by Timothy J. Sturgeon and Richard Florida, Industrial Performance Center, Massachusetts Institute of Technology Working Paper Series, Nov. 2000. Also see Lynn, *End of the Line*, 144.
- 310 **They paid**: “Globalization and Jobs in the Automotive Industry” by Timothy J. Sturgeon and Richard Florida, Industrial Performance Center, Massachusetts Institute of Technology Working Paper Series, Nov. 2000. **Janitors and guards**: Weil, 90–91. **Food-service workers**: “Who’s the Boss: Restoring Accountability for Labor Standards in Outsourced Work” by Catherine Ruckelshaus, Rebecca Smith, Sarah

- Leberstein, Eunice Cho, National Employment Law Project, May 2014. **Call centers:** “Behind Shrinking Middle-Class Jobs: A Surge in Outsourcing,” *Los Angeles Times*, June 30, 2016. **Warehouses:** See “The New Blue Collar: Temporary Work, Lasting Poverty and the American Warehouse,” *Huffington Post*, Dec. 20, 2011. **More vulnerable:** Weil, 180. Also see Greenhouse, 10–11.
- 310 **Found the engineer:** Maynard, 90–91; Keller, *Collision*, 149.
- 310–311 **Promoted to:** Maynard, 91, 173; Ingrassia and White, 395. **Sending the work:** Lynn, *End of the Line*, 23; Keller, *Collision*, 151; Maynard, 92. **“Worldwide purchasing”:** Maynard, 91. **Began calling him:** Ingrassia and White, 395; Lynn, *End of the Line*, 19. Also see Keller, *Collision*, 153.
- 311 **Which spent:** Maynard, 172. **“Warriors”:** Maynard, 178; Ingrassia and White, 396. **Fifteen-hour days:** Keller, *Collision*, 148; Lynn, *End of the Line*, 21. **“Warrior’s Diet”:** Maynard, 178; Keller, *Collision*, 149–150; Lynn, *End of the Line*, 21. **“Direct correlation”:** Keller, *Collision*, 150. **Billions of dollars:** Maynard, 180181; Lynn, *End of the Line*, 21; Keller, *Collision*, 177. Different accounts put the savings at anywhere from \$2 billion to \$7 billion. **Six rounds:** Ingrassia and White, 396. Also see “Inside GM Purchasing: Sorting Out the Winners and Losers,” *Wards-Auto*, March 1, 1995.
- 311 **“Fighting to save”:** Maynard, 172; Lynn, *End of the Line*, 19. **“Love the union”:** “Why G.M. Buyer Unnerves Suppliers,” *New York Times*, Sept. 30, 1992. **Wherever they could:** Lynn, *End of the Line*, 23; “G.M. Cost Cutter Sharpens His Ax,” *New York Times*, June 9, 1992. Lopez wouldn’t stay long at GM, and his defection to Volkswagen—allegedly with GM secrets in his possession—set off a corporate soap opera of unrivaled proportions. For details see Ingrassia and White, 391–413; Maynard, 181–196. Also see Cappelli, 104.
- 311 **More than fifty:** “A 20-Year G.M. Parts Migration To Mexico,” *New York Times*, June 24, 1998. Also see Jorge Carrillo’s essay “Delphi Mexico: From an Assembly Model to a Centralized Coordination Model” in Kawamura, *Hybrid Factories in the United States*, 257–267. **“Hardly anybody”:** “A 20-Year G.M. Parts Migration To Mexico,” *New York Times*, June 24, 1998.
- 311–312 **“Paid around”:** Maynard, 175–176. **Imported about:** “The North American Automotive Value Chain: Canada’s Role and Prospects” by Timothy J. Sturgeon, Johannes Van Biesebroeck, and Gary Gereffi, *International Journal of Technological Learning, Innovation, and Development*, Vol. 2, Nos. 1–2, 2009.
- 312 **Over decades:** Glickman and Woodward, 167–169. **Technology and logistics:** Lynn, *End of the Line*, 109–113; Porter, *Competition in Global Industries*, 44. **“What is new”:** “Who Is Us?” by Robert B. Reich,

- Harvard Business Review*, Jan./Feb. 1990. Some experts thought Reich was overstating the matter. For more on this, see Harrison, 222–224.
- 312 **Taiwan became:** Lynn, *End of the Line*, 60–63. **Chinese factories:** See “The Growing U.S. Trade Imbalance with China” by Thomas Klitgaard and Karen Schiele, *Current Issues in Economics and Finance*, Federal Reserve Bank of New York, Vol. 3, No. 7, May 1997. Also see Lynn, *End of the Line*, 64–69. **11 percent:** Reich, *The Work of Nations*, 122.
- 312–313 **General Electric chopped:** “Welch’s March to the South,” *BusinessWeek*, Dec. 6, 1999. **“Shocked the system”:** Welch, 310. **“On a barge”:** “GE’s Welch Shares Secrets,” *Times-News* of Erie, Pa., Nov. 22, 1998. **Also prodded:** “Welch’s March to the South,” *BusinessWeek*, Dec. 6, 1999. Also see Fraser, *White-Collar Sweatshop*, 40.
- 313 **“Some Americans”:** Reich, *The Work of Nations*, 172.
- 313 **Texas Instruments:** “Who Is Us?” by Robert B. Reich, *Harvard Business Review*, Jan./Feb. 1990. **Opened R&D labs:** Reich, *The Work of Nations*, 123. **Hewlett-Packard:** Reich, *The Work of Nations*, 123.
- 313 **India was becoming:** See “India’s IT sector: Back Office of the Global Village,” *Mint*, April 26, 2016. Also see Greenhouse, 93–94, 203–204. **First consolidated:** Lynn, *End of the Line*, 193. **“On the cheap”:** Lynn, *End of the Line*, 185. **“When I can”:** From a 2013 interview by the author with Hudson.
- 313–314 **In the 1980s:** Regarding some of these early concerns, see “Manufacturing Offshore Is Bad Business” by Constantinos C. Markides and Norman Berg, *Harvard Business Review*, Sept. 1988. **Of sophistry:** “The Outsourcing Bogeyman” by Daniel W. Drezner, *Foreign Affairs*, Vol. 83, No. 3, May/June 2004. Also see Bhagwati, *In Defense of Globalization*, 18–43. **Accounting for:** “The Muddles Over Outsourcing” by Jagdish Bhagwati, Arvind Panagariya, and T.N. Srinivasan, *Journal of Economic Perspectives*, Vol. 18, No. 4, Fall 2004. Also see “The Politics and Economics of Offshore Outsourcing” by N. Gregory Mankiw and Phillip Swagel, National Bureau of Economic Research, Working Paper No. 12398, July 2006; “Offshoring (a.k.a. Offshore Outsourcing) and Job Insecurity Among U.S. Workers” by Linda Levine, Congressional Research Service, updated May 2, 2005. **Graver danger:** See, for instance, Bhagwati, 142–143. Also see “The Long-Term Jobs Killer Is Not China. It’s Automation,” *New York Times*, Dec. 21, 2016. **Serve local markets:** “The Politics and Economics of Offshore Outsourcing” by N. Gregory Mankiw and Phillip Swagel, National Bureau of Economic Research, Working Paper No. 12398, July 2006. **Increased their hiring:** “Outsourcing and Insourcing Jobs in the U.S. Economy: Evidence Based on Foreign Investment Data” by James K. Jackson, Congressional Research Service, updated May 4, 2005. American affiliates of foreign companies accounted for about 4 percent of total US civilian

- employment through the 1990s. Also see Glickman and Woodward, 301–302. Warren and Thoms (*Battleground Business*, 193) note that from 1995 to 2005, employment in foreign-owned auto factories in the United States grew more than 50 percent while domestic car plants lost hundreds of thousands of jobs. **Panoply of goods:** Greenhouse, 206–207. Other gains have included helping to raise living standards for workers across the developing world. See “In Praise of Cheap Labor” by Paul Krugman, *Slate*, March 21, 1997.
- 314 **Hire two people:** See “Outsourcing 101,” *Wall Street Journal*, May 27, 2004. The editorial cites the work of Dartmouth’s Matthew J. Slaughter. Also see “Offshore Jobs and Taxes: Will Democrats Attack?,” *Tax Notes*, April 7, 2008; “Outsourcing: What’s the True Impact? Counting Jobs Is Only Part of the Answer” by Steven Pearlstein, *Washington Post*, July 1, 2012; “Big U.S. Firms Shift Hiring Abroad,” *Wall Street Journal*, April 19, 2011.
- 314 **“We seek”:** Speech transcript from the NAFTA signing ceremony found at the University of Virginia’s Miller Center (millercenter.org/president/speeches/speech-3927). Although Clinton signed the final agreement into law, NAFTA was initiated by George H.W. Bush.
- 314 **“Giant sucking sound”:** Perot, running for the White House as an independent, first said this during the second presidential debate, on Oct. 15, 1992. **“The blessings”:** “Expanding Trade and Creating American Jobs,” remarks by Bill Clinton, North Carolina State University, Oct. 4, 1992. **“Depress wages”:** Economists have, in fact, found evidence that imports and offshoring help hold down wages for workers in the United States. See Greenhouse, 212–213; Deal and Kennedy, 156. Also see Harrison, 214.
- 314 **In conflict:** “Clinton Pounds Unions’ Tactics Against NAFTA,” *Baltimore Sun*, Nov. 8, 1993; Uchitelle, 174. **“An obligation”:** Speech transcript from the NAFTA signing ceremony found at the University of Virginia’s Miller Center (millercenter.org/president/speeches/speech-3927).
- 315 **“Even though”:** “Jobs, Jobs, Jobs” by Michael Mandel, *BusinessWeek*, Feb. 21, 1993.
- 315 **Only ten months:** “Understanding the ‘Job-Loss Recovery,’” *Public Policy Briefs*, Federal Reserve Bank of Boston, No. 04–1, 2004. **“Jobless recovery”:** See “Jobless Recoveries and the Wait-and-See Hypothesis” by Stacey L. Schreft, Aarti Singh, and Ashley Hodgson, *Economic Review*, Federal Reserve Bank of Kansas City, Fourth Quarter 2005; “Are Jobless Recoveries the New Norm?” by Murat Tasci, *Economic Commentary*, Federal Reserve Bank of Cleveland, March 22, 2010; “Jobless Recoveries: Causes and Consequences” by Natalia Kolesnikova and Yang Liu, *The Regional Economist*, Federal Reserve Bank of St. Louis, April 2011; Stiglitz, 33, 72.

315 **Especially manufacturing:** “The 1990–91 Recession: How Bad Was the Labor Market?” by Jennifer M. Gardner, *Monthly Labor Review*, June 1994. **“Labor hoarding”:** See “Why Have the Dynamics of Labor Productivity Changed?” by Willem Van Zandweghe, *Economic Review*, Federal Reserve Bank of Kansas City, Third Quarter 2010; Stiglitz, 182–183; “The Jobless Recovery Has Begun” by Brad DeLong, *The Week*, July 20, 2009; “The Cyclical Behavior of Labor Productivity and the Emergence of the Labor Hoarding Concept” by Jeff E. Biddle, *Journal of Economic Perspectives*, Vol. 28, No. 2, Spring 2014. Some have raised questions about the data that underlie the notion that companies have largely stopped labor hoarding. See “Cyclical Variation in Labor Hours and Productivity Using the ATUS” by Michael C. Burda, Daniel S. Hamermesh, and Jay Stewart, National Bureau of Economic Research, Working Paper No. 18603, Dec. 2012; “Economists Use Shoddy Data” by Matthew Yglesias, *Slate*, Jan. 7, 2013.

315–316 **Were terminating:** This list of companies, as well as Roach’s quote, are from “Even if Downturn Ends, Jobs Aren’t Likely to Return,” *Detroit News*, Dec. 19, 1991. **“To be weathered”:** “Has Structural Change Contributed to a Jobless Recovery?” by Erica L. Groshen and Simon Potter, *Current Issues in Economics and Finance*, Federal Reserve Bank of New York, Vol. 9, No. 8, Aug. 2003.

316 **Overly cautious:** Swasy, 41. **Fuji and private-label:** “A New Sense of Urgency at Kodak,” *New York Times*, May 3, 1993; “The Battle to Shape Up Kodak,” *Fortune*, May 31, 1993. **Make the leap:** Swasy, 29–30: “George Fisher Pushes Kodak Into Digital Era,” *Wall Street Journal*, June 9, 1995. **Since 1957:** “Kay R. Whitmore, 72; Led Eastman Kodak in 90’s,” *New York Times* obituary, July 29, 2004. **Fall asleep:** Swasy, 41. **Bill Gates:** Swasy, 44.

316 **Still making money:** In 1992, Kodak earned \$1.14 billion on sales of \$20.2 billion. **Outside directors:** These included Roberto Goizueta, the CEO of Coca-Cola. **Were frustrated:** “Contrasting Images: The New Finance Chief At Kodak Has a Style Quite Unlike His Boss’s,” *Wall Street Journal*, April 28, 1993; “A New Sense of Urgency at Kodak,” *New York Times*, May 3, 1993; “Eastman Kodak Chief Is Ousted by Directors,” *New York Times*, Aug. 7, 1993. Swasy (48–49) notes that Monks’s firm wasn’t calling for layoffs specifically. **As listless:** Swasy, 9. **“A glacier”:** “Contrasting Images: The New Finance Chief At Kodak Has a Style Quite Unlike His Boss’s,” *Wall Street Journal*, April 28, 1993.

316 **Lowered its head count:** Swasy, 31, 33, 38–39. **Another 2,000:** Swasy, 50. **“Sense of urgency”:** “Kodak Chief Seeks Time To Turn Company Around,” *Sun-Sentinel* of Ft. Lauderdale, Fla., May 13, 1993. **Earned a reputation:** Swasy, 50–51; “Contrasting Images: The New Finance Chief At Kodak Has a Style Quite Unlike His Boss’s,” *Wall Street*

- Journal*, April 28, 1993. **Abruptly quit**: “Kodak Stock Plunges As Officer Quits,” *New York Times*, April 29, 1993; Swasy, 52.
- 316 **“Post-Stempel world”**: “Contrasting Images: The New Finance Chief At Kodak Has a Style Quite Unlike His Boss’s,” *Wall Street Journal*, April 28, 1993. Also quoted in Ingrassia and White, 316. **Board voted**: Swasy 55–56; “Eastman Kodak Chief Is Ousted by Directors,” *New York Times*, Aug. 7, 1993. **Billion dollars**: Swasy, 56.
- 316–317 **Cut 10,000 jobs**: Swasy, 57; “10,000 Jobs to be Cut by Kodak,” *New York Times*, Aug. 19, 1993. **20,000 positions**: Swasy, 56; “10,000 Jobs to be Cut by Kodak,” *New York Times*, Aug. 19, 1993. **A cartoon**: Swasy, 58.
- 317 **Preside over**: Swasy (114) notes that by the time Fisher arrived in late 1993, more than 3,000 jobs already had been eliminated. **“Have 1,000 people”**: “George Fisher Pushes Kodak Into Digital Era,” *Wall Street Journal*, June 9, 1995. This was Paul Orfalea, the CEO of Kinko’s. **The strategy**: “George Fisher Pushes Kodak Into Digital Era,” *Wall Street Journal*, June 9, 1995; Swasy, 185.
- 317 **Regularly strolled**: “Fisher at Center Stage,” *Rochester Democrat and Chronicle*, Oct. 30, 1994. **Employee cafeteria**: Swasy, 91. **Opposing views**: From a 2011 interview by the author with Fisher; Swasy, 132–133. **“Sit at the table”**: From a 2012 interview by the author with Swift. **Pay package**: Swasy, 104; “A Builder, Not a Slasher,” *Time*, Nov. 8, 1993. Also see Cappelli, 84.
- 317 **Holding employees accountable**: Swasy, 165. **Wage dividend**: “As Kodak Goes, So Does Pay,” *Rochester Democrat and Chronicle*, Jan. 28, 1995; Swasy, 134. **“When I joined”**: Testimony of Michael P. Morley during hearings on “Corporate Restructuring and Downsizing” before the U.S. House Budget Committee, March 23, 1995.
- 317–318 **Pulled back**: Swasy, 196. **“Gut-wrenching”**: From a 2012 interview by the author with Swift. **“Got to do it”**: From a 2011 interview by the author with Fisher.
- 318 **“Dashed to pieces”**: Swasy, 68. **“Met him”**: Swasy, 76.
- 318 **“New social contract”**: “Rebuilding the Social Contract at Work: Lessons from Leading Cases” by Thomas A. Kochan, Futurework, Task Force Working Paper WP09, U.S. Department of Labor, May 1, 1999. For a critical analysis of these types of arrangements—which had also been put into place at Apple, AT&T, and GTE, among others—see Cappelli, 22–33. **“Still craved”**: Swasy, 199. **“Sincere interest”**: Swasy, 200.
- 319 **Kodak announced**: Details on the layoffs, as well as Fram’s quote, are from “Kodak Raises Its Job-Cut Total Sharply,” *New York Times*, Dec. 19, 1997. Also see Fraser, *White-Collar Sweatshop*, 179–180. It’s important to note that just 8,700, or less than 45 percent, of these job cuts were slated for the United States.

- 319 **Going from:** Employee numbers are from IBM's online archives. **Also stepped up:** Cappelli, 120. **"Its soul":** Mills, *The IBM Lesson*, 208.
- 319 **Nearly \$8 billion:** Earnings figures are from IBM's online archives. **"As bureaucratic":** Gerstner, *Who Says Elephants Can't Dance?*, 23.
- 319 **Revealed plans:** "I.B.M. Chief Making Drastic New Cuts," *New York Times*, July 28, 1993. Whether IBM still really had a no-layoff policy before Gerstner came to the company is debatable. Gerstner himself said that for years IBM had been clinging "to the fiction of 'no layoffs.'" Now, even any such pretense was gone. Also see Osterman, *The Truth About Middle Managers*, 29–35; Cappelli, 72–74; "The Changing Social Contract in American Business" by Daniel Quinn Mills, *European Management Journal*, Vol. 14, No. 5, Oct. 1996.
- 319–320 **Return to profitability:** Earnings figures are from IBM's online archives. In 1994, IBM turned a profit of more than \$3 billion. **Computer services:** "Now, Big Blue Is at Your Service," *New York Times*, Jan. 18, 1998. **Venerated leaders:** See, for example, "He Loves to Win. At I.B.M., He Did.," *New York Times*, March 10, 2002. **Eventually laid off:** All of the detail on IBM in this paragraph, including Smith's quote, is from "New IBM Jobs Can Mean Fewer Jobs Elsewhere," *Wall Street Journal*, March 8, 2004. **Another tactic:** "Phantom Workforce," *PLANSponsor*, Oct. 1994; "I.R.S. Inquiry: Is Worker At I.B.M. Really A Contractor?," *New York Times*, July 6, 1995; Cappelli, 74; Uchitelle, 145. Also see Hatton, 76; "Disposable Workers," *Time*, March 29, 1993. **Employer favorite:** Cappelli, 137; Kathleen Christensen's essay in Barker and Christensen, 121.
- 320 **"Neutron Lou":** From a 2012 interview by the author with Welch.
- 320 **Michael Cunningham:** All details on, and quotes from, him are drawn from "System Crash" by John Hoerr, *The American Prospect*, Winter 1994. Also see Fraser, *White-Collar Sweatshop*, 17–20.
- 320 **Among many others:** See Gandolfi, *Corporate Downsizing Demystified*, 4. **Long be cited:** The book grew out of Hammer's article "Reengineering Work: Don't Automate, Obliterate," *Harvard Business Review*, July/Aug. 1990. **"Obliterated":** "Top 10 Influential Business Books of All Time," *Inc.*, Feb. 6, 2013.
- 321 **Would be combined:** Hammer and Champy, *Reengineering the Corporation*, 51–52. Also see Osterman, *The Truth About Middle Managers*, 27–29. **"Has been hijacked":** "Time 25," *Time*, June 17, 1996. Also see "Michael Hammer, 60, Business Writer," *New York Times* obituary, Sept. 5, 2008; "Next Big Thing: Reengineering Gurus Takes Steps to Remodel Their Stalling Vehicles," *Wall Street Journal*, Nov. 26, 1996. For a particular harsh critique of reengineering, see Hopper and Hopper, 239–242. Also see Greenhouse, 90; Cappelli, 90–91; Deal and Kennedy, 66–67; Fraser, *White-Collar Sweatshop*, 177–178; Osterman,

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

321 **Bipolar**: See Osterman, *Securing Prosperity*, 71–72; Greenhouse, 91. **“Downsizing Decade”**: Gandolfi, 2; Dhar, *Strategic Human Resource Management*, 220; “Downsizing Without Downgrading: Learning How Firms Manage Their Survivors” by Shimon Dolan, Adnane Belout, and David B. Balkin, *International Journal of Manpower*, Vol. 21, No. 1, 2000. **“The Roaring Nineties”**: This is the title of Joseph E. Stiglitz’s 2003 book.

321 **Best of any president**: The facts in this paragraph are drawn from “Which Presidents Have Been Best for the Economy?” *U.S. News & World Report*, Oct. 28, 2015; “The Clinton Economy, in Charts,” Wonkblog, *Washington Post*, Sept. 5, 2012; “Power of Progressive Economics: The Clinton Years,” Center for American Progress, Oct. 28, 2011; Stiglitz, 6, 74, 77; “The Clinton-Gore Economic Record,” White House news release, Jan. 7, 2000; “Productivity Growth, Its Slowdown in the 1973–90 Period and Its Resurgence in the 1990s: Truth or a Statistical Fluke?” by Nouriel Roubini, Stern School of Business, New York University, 1998; Bernstein, *The Reconnection Agenda*, 29, 52–53, 176. **“To dream”**: From President Clinton’s State of the Union address, Jan. 27, 2000.

321–322 **Increasingly split**: “The Polarization of Job Opportunities in the U.S. Labor Market: Implications for Employment and Earnings” by David Autor, Center for American Progress and The Hamilton Project, April 2010. Also see “Trends in U.S. Wage Inequality: Revising the Revisionists” by David H. Autor, Lawrence F. Katz, and Melissa S. Kearney, *The Review of Economics and Statistics*, May 2008; “The Patterns of Job Expansions in the United States: a Comparison of the 1960s and 1990s” by Erik Olin Wright and Rachel E. Dwyer, *Socio-Economic Review*, 2003; “Long-Run Changes in the U.S. Wage Structure: Narrowing, Widening, Polarizing” by Claudia Goldin and Lawrence F. Katz, a paper prepared for the meeting of the Brookings Panel on Economic Activity, Sept. 6–7, 2007; Harrison, 192–201; Kalleberg, 79–82. For a different view on whether good jobs in the middle of the economic spectrum have been “hollowed out,” see “The Economy Goes to College: The Hidden Promise of Higher Education in the Post-Industrial Service Economy” by Anthony P. Carnevale and Stephen J. Rose, Center on Education and the Workforce, Georgetown University, 2015. **Late 1970s**: Harrison, 190. Also see “The Great American Job Machine: The Proliferation of Low-Wage Employment in the U.S. Economy” by Barry Bluestone and Bennett Harrison, Joint Economic Committee, Dec. 1986; “U.S. Earnings Levels and Earnings Inequality: A Review of Recent Trends and Proposed Explanations” by Frank Levy and

- Richard J. Murnane, *Journal of Economic Literature*, Vol. 30, No. 3, Sept. 1992. **Prime causes:** “The Polarization of Job Opportunities in the U.S. Labor Market: Implications for Employment and Earnings” by David Autor, Center for American Progress and The Hamilton Project, April 2010.
- 322 **Paid less:** Greenhouse, 90–91; Fraser, *White-Collar Sweatshop*, 55. Also see Uchitelle, 67–69. Osterman (*Securing Prosperity*, 83–84) and Fraser (*White-Collar Sweatshop*, 53) point out that the magnitude of earnings losses after a job “dislocation” was roughly the same in the 1994–1996 period as it had been a decade earlier; in other words, this was not a brand new phenomenon. **Especially men:** See Osterman, *Securing Prosperity*, 72–73. Also see Benjamin J. Keys and Sheldon Danziger’s essay “Hurt the Worst: The Risk of Unemployment Among Disadvantaged and Advantaged Male Workers, 1968–2003” in Newman, *Laid Off, Laid Low*, 56–73; “White Working-Class Men Increasingly Falling Behind as College Becomes the Norm,” *Washington Post*, Oct. 5, 2016. **Stopped looking:** This was actually part of a decades-long trend. See “The Long-Term Decline in Prime-Age Male Labor Force Participation,” White House Council of Economic Advisers, June 2016; “The Missing Men” by Derek Thompson, *The Atlantic*, June 27, 2016; “The Non-Mystery of Declining Employment Rates for Prime-Age Workers” by Jared Bernstein, *On the Economy*, Sept. 7, 2016; “Men Need Help. Is Hillary Clinton the Answer?” by Susan Chira, *New York Times*, Oct. 21, 2016. Also see “To Help Low-Income American Households, We Have to Close the ‘Work Gap’” by Isabel V. Sawhill, Nathan Joo, and Edward Rodrigue, Social Mobility Memos, Brookings Institution, May 31, 2016; “Labor Force Participation: Recent Developments and Future Prospects,” Brookings Panel on Economic Activity, Sept. 11–12, 2014. **Calls into question:** “Out of a Job and No Longer Looking” by David Leonhardt, *New York Times*, Sept. 29, 2002.
- 322 **Companies forced:** Cappelli, 117–118, citing the work of Princeton economist Henry Farber. Also see Greenhouse, 89. **Difficult to imagine:** Cappelli, 118.
- 322 **Two-thirds:** Cappelli, 22–23. Also see Hacker, *The Great Risk Shift*, 68–69; Osterman, *Securing Prosperity*, 90–91. **Hidden behind:** Hacker, *The Great Risk Shift*, 63. Hacker was writing, specifically, about the period around 2005–2006, but he makes clear that these same trend lines apply to the late 1990s as well. **Growing recognition:** Hacker, *The Great Risk Shift*, 62–63.
- 322–323 **Financially sound:** Cappelli, 117; Reichheld, *The Loyalty Effect*, 94; Heckscher, 5. **More likely:** Cappelli, Bassi, Katz, Knoke, Osterman, and Useem, 69; Cappelli, 118, 236–237; Gandolfi, 6–7; Deal and Kennedy, 81; Greenhouse, 79; Uchitelle, 151; Osterman, *The Truth About*

- Middle Managers*, 55. This trend of white-collar workers being especially vulnerable to downsizing began, actually, in the mid-1980s. **Cope with:** See Cappelli, 126–128; Gandolfi, 79–85; Cappelli, Bassi, Katz, Knoke, Osterman, and Useem, 198–203; Fraser, *White-Collar Sweatshop*, 8–11, 36–38; Deal and Kennedy, 82–85; Greenhouse, 92. **“White-collar sweatshop”:** This is the name of her 2001 book.
- 323 **New hiring:** Baumol, Blinder, and Wolff, 259. **The same time:** Cappelli, 117; Gandolfi, 10. **Managerial positions:** Osterman, *The Truth About Middle Managers*, 48–51. Also see “Life in the Middle,” *Wall Street Journal*, Aug. 6, 2013. **“Upsizing”:** Baumol, Blinder, and Wolff, 128–129. **“The script”:** Baumol, Blinder, and Wolff, 261. Also see Charles L. Schultze’s essay “Has Job Security Eroded for American Workers?” in Blair and Kochan, 28–65.
- 323 **Extraordinary churn:** See Osterman (*Securing Prosperity*, 40–54) for an analysis of job tenure, quits, and layoffs. He writes of the “consistent story” told in the data: “Job tenure is falling, modestly for the entire labor force and sharply for men. Quit rates have not increased, even though the labor market superficially seems stronger. . . . Dislocation has increased, also in the face of a strong labor market, and some groups, particularly people with a college education, find that the risks they face are rising even more quickly. When these data are taken as a whole, then, it is safe to conclude that job security has worsened and that internal labor markets, while not disappearing, are fraying.” Also see Henry S. Farber’s essay “Short(er) Shrift: The Decline in Worker-Firm Attachment in the United States” in Newman, *Laid Off, Laid Low*, 10–37; “Employment Stability in the U.S. Labor Market: Rhetoric Versus Reality” by Matissa Hollister, *Annual Review of Sociology*, 2011. For a different interpretation of what was happening, see Ann Huff Stevens’s essay “Not So Fast: Long-Term Employment in the United States, 1969–2004” in Newman, *Laid Off, Laid Low*, 38–55. **“Logic of its own”:** Meyer, *Executive Blues*, 241. The *New York Times* also began to publish its important series “The Downsizing of America” in 1995. Many other major publications also took note of the relentless job cuts during this period. See, for instance, “The Temping of America,” *Time*, March 29, 1993; “What Happens to Laid-Off Managers,” *Fortune*, June 13, 1994; “The Hit Men” by Allan Sloan, *Newsweek*, Feb. 26, 1996; “Young Are Business Veterans At Early Age, Study Finds,” *Wall Street Journal*, March 19, 1997; “Preserving Employee Morale During Downsizing” by Karen E. Mishra, Gretchen M. Spreitzer, and Anil K. Mishra, *MIT Sloan Management Review*, Winter 1998. **680,000 job cuts:** Fraser, *White-Collar Sweatshop*, 138. Also see Kalleberg, 113.
- 323–324 **Grew solidly:** Real average hourly earnings of private production and nonsupervisory workers rose 1.4 percent annually from 1995–2000. This

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

324 **Nearly 30 percent less:** Fraser (*White-Collar Sweatshop*, 68) reports: “Back in 1979, companies paid 63 cents per hour for pension costs related to each employee. By 1996, that was down to 45 cents.” Also see Hacker, *The Great Risk Shift*, 119. **“Were the norm”:** Quoted in Osterman, *The Truth About Middle Managers*, 33. **A third or more:** This figure, along with the quote from Bernie Sanders, is from “Companies Cash In On New Pension Plan; But Older Workers Can Face Penalties,” *New York Times*, Aug. 20, 1999. In 1995, IBM had switched from a traditional defined-benefit plan to a different model known as a “pension equity plan.” Four years later, it converted to a cash-balance plan. The second move, in particular, set off a firestorm among workers, and IBM ultimately allowed some 65,000 older employees to remain in the original system. The switches were still challenged in court, where IBM eventually prevailed. In the meantime, the company in 2004 began giving its workers 401(k)s. See “IBM Pension-Plan Changes Spark Ire-Filled Web Site,” *Wall Street Journal*, June 14, 1999; Fraser, *White-Collar Sweatshop*, 72–73; “I.B.M. Does an About-Face on Pensions,” *New York Times*, Sept. 18, 1999; “Judge Says I.B.M. Pension Shift Illegally Harmed Older Workers,” *New York Times*, Aug. 1, 2003; “I.B.M. Prepares Substitution for Pensions of New Hires,” *New York Times*, Dec. 9, 2004; “Court Rules for I.B.M. on Pension,” *New York Times*, Aug. 8, 2006.

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

324–325 **Big business:** The small-business lobby, led by the National Federation of Independent Business, was always dead set against the Clinton proposal. That was principally because of the Clinton mandate that

employers would have to pay into a regional purchasing alliance that would offer a choice of private plans to nearly the entire US population younger than sixty-five. **Concerned about:** Employers' costs of providing health benefits had increased especially fast in the late 1980s. See "A Look at Employers' Costs of Providing health Benefits," US Department of Labor, July 31, 1996. Also see Eckholm, 12–20. **Opposed the president:** For an excellent account of what transpired, see Johnson and Broder, *The System*, 316–326. Also see "Abandoned Surgery: Business and the Failure of Health Reform" by John Judis, *The American Prospect*, Spring 1995; Mizruchi, 248–253; "Health Policy in the Clinton Era: Once Bitten, Twice Shy" by David Cutler and Jonathan Gruber, a paper prepared for Harvard's Center for Business and Government, May 2001; "What Went Wrong? How the Health Care Campaign Collapsed," *New York Times*, Aug. 29, 1994; Hacker, *The Divided Welfare State*, 264–265. **"In the past":** Judis, 288. Also quoted in Mizruchi, 253.

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

- because it got too expensive. See Schultz, 74–75. **Worked for GM:** Even as GM looked to cut retiree health benefits, it still had a massive burden to cope with. The company posted a \$23.5 billion net loss in 1992—the largest deficit in the history of corporate America—largely because of a \$20.8 billion charge to account for the future costs of retiree medical care. See “G.M. Los \$23.5 Billion Last Year,” *New York Times*, Feb. 12, 1993. **Cough up more.** There was ample incentive for corporations to cut health benefits for retirees or require them to contribute more of the cost. A change to accounting rules—similar to FAS 87 for pensions—had the effect of boosting earnings beyond the sheer savings they’d get from lower expenses. The health-care provision, Financial Accounting Standard 106, took effect for large companies in 1993. See Schultz, 65–79; “Retiree-Medical Plans Are Transformed Into Source of Profits by Sears, Others,” *Wall Street Journal*, Oct. 25, 2000; “How Cuts in Retiree Benefits Fatten Companies’ Bottom Lines,” *Wall Street Journal*, March 16, 2004; U.S. Senate Labor Subcommittee hearing on “Retiree Health Benefits: The Impact on Workers and Businesses,” March 2, 1993.
- 325 **“GM’s failure”:** *Sprague v. General Motors*, US Court of Appeals, Sixth Circuit, Nos. 94–1896, 94–1897, 94–1898 and 94–1937 (1998).
- 325 **One of three:** Two other judges concurred in part and dissented in part. Seven judges joined the majority opinion. **“Was flush”:** *Sprague v. General Motors*, US Court of Appeals, Sixth Circuit, Nos. 94–1896, 94–1897, 94–1898 and 94–1937 (1998). Also quoted in Schultz, 169.
- 326 **The companies won:** “How Safe Are Your Retiree Health Benefits?,” *Wall Street Journal*, Oct. 19, 2005. The *Sprague* case even influenced cuts for retirees who were covered by union contracts. See “Companies Sue Union Retirees to Cut Promised Health Benefits,” *Wall Street Journal*, Nov. 10, 2004.

CHAPTER 11

- 329 **Albert Einstein:** “Person of the Century,” *Time*, Dec. 31, 1999. **Musical works:** See www.npr.org/programs/specials/vote/toolist.html#S. **“Defining device”:** “A Century of Cars,” *Popular Mechanics*, Jan. 2000. **Many saw:** See, for instance, Nelson Lichtenstein’s essay “Wal-Mart: A Template for Twenty-First-Century Capitalism” in Lichtenstein, *Wal-Mart: The Face of Twenty-First-Century Capitalism*, 4; Pelfrey, Billy, Alfred, and General Motors, 186–189; “Salutary Lessons from the Downfall of a Carmaker,” *Financial Times*, June 3, 2009.
- 329 **“The face of”:** The book, *Wal-Mart: The Face of Twenty-First-Century Capitalism*, grew out of a conference held at the University of California at Santa Barbara in April 2004. Also see Greenhouse, 156.

- 330 **Retailer became:** In 2001, Wal-Mart was second on the list, behind Exxon Mobil; in 2000 it was also second, this time behind General Motors. **Revenues exceeded:** Figures are from Wal-Mart's 2005 annual report and are for the fiscal year ending Jan. 31, 2005. **Nation's leading:** "An Empire Built on Bargains Remakes the Working World," *Los Angeles Times*, Nov. 23, 2003. **Company employed:** "Wal-Mart Memo Suggests Ways to Cut Employee Benefit Costs," *New York Times*, Oct. 26, 2005. At this time, Wal-Mart had about 1.6 million workers worldwide.
- 330 **The cheer:** Lichtenstein, *The Retail Revolution*, 84; Daft, Kendrick, and Vershinina, *Management*, 102. **"Like motherhood":** Slater, *The Wal-Mart Decade*, 181.
- 330 **Muddy boots:** Lichtenstein, *The Retail Revolution*, 93. **He'd started:** The details on when Walton started his original dime store and the first Wal-Mart are from the company's website. **"Associates":** Lichtenstein, *The Retail Revolution*, 96. **"As persons":** "Sam Walton Is Dead At 74; the Founder of Wal-Mart Stores," *New York Times*, April 6, 1992. **"People Division":** Lichtenstein, *The Retail Revolution*, 96. **"Serves the associate":** Lichtenstein, *The Retail Revolution*, 109.
- 331 **Hardworking people:** Greenhouse, 137. **"Work together":** Walton spoke these words when he received the Presidential Medal of Freedom in 1992. **To shop at:** Fishman, *The Wal-Mart Effect*, 6.
- 331 **Translated into:** "An Empire Built on Bargains Remakes the Working World," *Los Angeles Times*, Nov. 23, 2003. **Richest person:** "Sam Walton: Net Worth," Investopedia.
- 331 **Set up:** Thomas Jessen Adams's essay "Making the New Shop Floor: Wal-Mart, Labor Control, and the History of the Postwar Discount Retail Industry in America" in Lichtenstein, *Wal-Mart: The Face of Twenty-First-Century Capitalism*, 218. Also see Greenhouse, 141.
- 331–332 **Forced employees:** Greenhouse, 49–55; Also see Lichtenstein, *The Retail Revolution*, 151–152; Fishman, 47; "Suits Say Wal-Mart Forces Workers to Toil Off the Clock," *New York Times*, June 25, 2002; "Wal-Mart Settles 63 Lawsuits Over Wages," *New York Times*, Dec. 23, 2008; "Pa. Supreme Court Affirms \$151M Ruling Against Wal-Mart," *Philadelphia Inquirer*, Dec. 17, 2014. **Child-labor laws:** Greenhouse, 135; "In-House Audit Says Wal-Mart Violated Labor Laws," *New York Times*, Jan. 13, 2004; "Wal-Mart Agrees to Pay Fine in Child Labor Cases," *New York Times*, Feb. 12, 2005. **Illegal immigrants:** Greenhouse, 227–228; "Wal-Mart to Pay U.S. \$11 Million in Lawsuit on Illegal Workers," *New York Times*, March 19, 2005. Although immigration is a hot-button issue and undocumented workers are vulnerable to exploitation, there is little evidence that immigrant labor has hurt native-born Americans very much, save, perhaps, for those who don't complete high school.

See “The Crumbling Case for a Mexican Border Wall” by Eduardo Porter, *New York Times*, Sept. 6, 2016; “Wage War,” *The Economist*, Aug. 27, 2016; Greenhouse, 228–230. Also see “Can Immigration Hurt the Economy? An Old Prejudice Returns” by Eduardo Porter, *New York Times*, Feb. 14, 2017. **Locked workers:** Greenhouse, 49–55, 100. “Workers Assail Night Lock-Ins By Wal-Mart,” *New York Times*, Jan. 18, 2004. **These and other:** For the full litany, see Greenhouse, 149–151. **“Downright Dickensian”:** This is the title of the fourth chapter of Greenhouse’s book, *The Big Squeeze*.

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

332 **Ten dollars:** “At Wal-Mart, Choosing Sides Over \$9.68 an Hour,” *New York Times*, May 4, 2005; David Karjanen’s essay “The Wal-Mart Effect and the New Face of Capitalism: Labor Market and Community Impacts of the Megaretailer” in Lichtenstein, *Wal-Mart: The Face of Twenty-First-Century Capitalism*, 153–154; Fishman, 232. **Thirty dollars:** “GM vs. Toyota: By the Numbers,” National Public Radio, Dec. 19, 2005. Also see Hacker, *The Great Risk Shift*, 80. **Profit-sharing:** “How Wal-Mart Fights Unions” by Nelson Lichtenstein, *University of Minnesota Law Review*, Vol. 92, No. 5, May 2008; Lichtenstein, *The Retail Revolution*, 175–176. **High turnover:** Turnover at Wal-Mart was 44 percent a year, close to the industry average, according to “The High Cost of Low Wages” by Wayne F. Cascio, *Harvard Business Review*, Dec. 2006. Before Jan. 31, 2008, Wal-Mart employees became fully vested in the company’s profit-sharing plan after seven years of service. Following that date, they became fully vested in six years. Lichtenstein (*The Retail Revolution*, 175) notes that as Wal-Mart’s growth slowed after the year 2000, profit-sharing contributions also diminished so that “only one Wal-Mart associate out of fifty ever accumulated \$50,000” in their accounts. **Health benefits:** Lichtenstein, *The Retail Revolution*, 296–303; Greenhouse, 155; “Wal-Mart and Job Quality—What Do We Know, and Should We Care?” by Arindrajit Dube and Steve Wertheim, prepared for presentation at the Center for American Progress, Oct. 16, 2005. **Wal-Mart acknowledged:** “An Empire Built on Bargains Remakes the Working World,” *Los Angeles Times*, Nov. 23, 2003. **Public relief:** David Karjanen’s essay in Lichtenstein, *Wal-Mart: The Face of Twenty-First-Century Capitalism*, 155; Lichtenstein, *The Retail Revolution*, 296; Greenhouse, 154; “At Wal-Mart, Choosing Sides Over \$9.68 an Hour,” *New York Times*, May 4, 2005; “An Empire Built on Bargains Remakes the Working World,” *Los Angeles Times*, Nov. 23, 2003.

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

333 **“Manager’s Toolbox”:** This document is from 1997. It is accessible at reclaimdemocracy.org/wordpress/wp-content/uploads/2012/08

- /antiunionman.pdf. It is also cited in “How Wal-Mart Fights Unions” by Nelson Lichtenstein, *University of Minnesota Law Review*, Vol. 92, No. 5, May 2008; Lichtenstein, *The Retail Revolution*, 193, 198; “How Walmart Persuades Its Workers Not to Unionize” by Steven Greenhouse, *The Atlantic*, June 8, 2015; “How Walmart Keeps an Eye on Its Massive Workforce,” *Bloomberg Businessweek*, Nov. 24, 2015.
- 333 **Reliably ungenerous:** A notable exception has been Wal-Mart truck drivers, a key part of the company’s vast logistics network, who have been treated very well. **“Blood-sucking parasites”:** Lichtenstein, *The Retail Revolution*, 205. **Walton had hired:** Lichtenstein, *The Retail Revolution*, 172.
- 334 **“Would be closed”:** “How Wal-Mart Fights Unions” by Nelson Lichtenstein, *University of Minnesota Law Review*, Vol. 92, No. 5, May 2008; Lichtenstein, *The Retail Revolution*, 180.
- 334 **“Staying union free”:** This document is accessible at reclaimdemocracy.org/wordpress/wp-content/uploads/2012/08/distribctr6022manual.pdf. It is also cited in “How Wal-Mart Fights Unions” by Nelson Lichtenstein, *University of Minnesota Law Review*, Vol. 92, No. 5, May 2008; Lichtenstein, *The Retail Revolution*, 185; “How Walmart Persuades Its Workers Not to Unionize” by Steven Greenhouse, *The Atlantic*, June 8, 2015.
- 334 **“Labor team”:** “How Wal-Mart Fights Unions” by Nelson Lichtenstein, *University of Minnesota Law Review*, Vol. 92, No. 5, May 2008; Lichtenstein, *The Retail Revolution*, 198–199. Also see “How Walmart Keeps an Eye on Its Massive Workforce,” *Bloomberg Businessweek*, Nov. 24, 2015; “How Walmart Persuades Its Workers Not to Unionize” by Steven Greenhouse, *The Atlantic*, June 8, 2015. **“Like a neurosurgeon”:** Greenhouse, 250.
- 334–335 **Kingman, Arizona:** Details on this episode, including the quotes from Adams, are drawn from “How Wal-Mart Fights Unions” by Nelson Lichtenstein, *University of Minnesota Law Review*, Vol. 92, No. 5, May 2008; Lichtenstein, *The Retail Revolution*, 200.
- 335 **Not for long:** “Pro-Union Butchers at Wal-Mart Win a Battle, but Lose the War,” *Wall Street Journal*, April 11, 2000. **Partial win:** A federal appeals court in Washington, DC, ruled that Wal-Mart should have bargained with the UFCW over how employees would be affected when the company changed from cutting meat to stocking prepackaged meat. But the court also found that because the employees no longer used specialized meat-cutting skills on the job, the Jacksonville meat department itself was no longer an appropriate bargaining unit under labor law. See *United Food and Commercial Workers Local 540 v. National Labor Relations Board*, Nos. 06–1358, 07–1060, 07–1087 (2008).
- 335 **Unions filed:** Lichtenstein, *The Retail Revolution*, 198. **“Never seen”:** “Up Against Wal-Mart,” *Mother Jones*, March/April 2003.

- 336 **They'd lose:** Coca-Cola Bottling Company of Los Angeles d/b/a Yuma Coca-Cola Bottling Company and United Industrial, Service, Transportation, Professional, and Government Workers of North America, SIUNA, AFL-CIO, Case 28-RC-6066, National Labor Relations Board, May 23, 2003. **Michael Crane:** Johnson Technology Inc. and IUE-CWA, the Industrial Division of Communication Workers of America, AFL-CIO, CLC and Working @ GE (W.A.G.E.), Case 7-CA-45747 and 7-CA-45795, National Labor Relations Board Division of Judges, Aug. 4, 2004. The manager denied ever making this specific statement, though he didn't refute that he told Crane to remove his union paraphernalia.
- 336 **Some 30 percent:** Troy and Sheflin, Appendix A, Historical Statistics, 1897–1983. **“Nervous as whores”:** “The Union Avoidance Industry in the United States” by John Logan, *British Journal of Industrial Relations*, Vol. 44, No. 4, Dec. 2006. **By the 1980s:** In addition to Logan's study, see “A New Breed of Anti-Union ‘Experts,’” *U.S. News & World Report*, Jan. 30, 1978; “The Union-Busters,” *Newsweek*, Jan. 28, 1980.
- 336 **“No longer reserved”:** “No Holds Barred: The Intensification of Employer Opposition to Organizing” by Kate Bronfenbrenner, Economic Policy Institute, Briefing Paper No. 235, May 20, 2009. Bronfenbrenner's work is also cited in Greenhouse, 247. Also see “A War Against Organizing” by Kate Bronfenbrenner, *Washington Post*, June 3, 2009. **Adept at delaying:** “The Empirical Case for Streamlining the NLRB Certification Process: The Role of Date of Unfair Labor Practice Occurrence” by Kate Bronfenbrenner and Dorian Warren, Institute for Social and Economic Research and Policy, Columbia University, Working Paper Series 2011.01, June 2011. In 2015, the National Labor Relations Board imposed a new rule to speed up elections, though it wasn't immediately clear what would happen to the rule under the Trump administration.
- 337 **About \$200,000:** “Evaluating the Effectiveness of National Labor Relations Act Remedies: Analysis and Comparison With Other Workplace Penalty Policies” By Morris M. Kleiner and David Weil, National Bureau of Economic Research, Working Paper No. 16626, Dec. 2010. Also see “If Labor Dies, What's Next?” by Harold Meyerson, *The American Prospect*, Sept./Oct. 2012.
- 337 **Dedicating less:** “If Labor Dies, What's Next?” by Harold Meyerson, *The American Prospect*, Sept./Oct. 2012. **During the 1930s:** “Fortress Unionism” by Rich Yeselson, *Democracy*, Summer 2013. **Service sector:** There is an argument that those working in information and communications technologies are relatively difficult to organize as well. See “The Rise and Fall of Unions in the U.S.” by Emin M. Dinlersoz and Jeremy Greenwood, National Bureau of Economic Research, Working Paper No. 18079, May 2012.

- 337 **Which propelled:** “A Brief History of American Labor,” *The American Prospect*, Sept./Oct. 2012. Also see Milkman, *L.A. Story*, 155–162; the Justice for Janitors History Project from the UCLA Center for Labor Research and Education at socialjusticehistory.org/projects/justiceforjanitors/. **Home-care aides:** “Home-Care Workers’ Vote for Union a Landmark for Labor,” *Los Angeles Times*, Feb. 26, 1999; “In Biggest Drive Since 1937, Union Gains a Victory,” *New York Times*, Feb. 26, 1999. **Just 9 percent:** “Union Members in 2000,” Bureau of Labor Statistics, Jan. 18, 2001. **In 1980:** Troy and Sheflin, Appendix A, Historical Statistics, 1897–1983. **A majority:** “Do Workers Still Want Unions? More Than Ever” by Richard B. Freeman, Economic Policy Institute, Briefing Paper No. 182, Feb. 22, 2007.
- 337–338 **Dragging down:** Regarding wages, see Rosenfeld, 79–83. Regarding benefits, see, for example, “Union Effects on Health Insurance Provision and Coverage in the United States” by Thomas C. Buchmueller and John DiNardo, National Bureau of Economic Research, Working Paper No. 8238, April 2001. **Researchers have found:** See, especially, “Unions, Norms, and the Rise in U.S. Wage Inequality” by Bruce Western and Jake Rosenfeld, *American Sociological Review*, Vol. 76, No. 4, Aug. 2011; “Widening the Gap: The Effect of Declining Unionization on Managerial and Worker Pay, 1983–2000” by Jake Rosenfeld, *Research in Social Stratification and Mobility*, 2006. Also see “Unions and the Wage Structure” by David Card, Thomas Lemieux, and W. Craig Riddell, Sept. 2002 (faculty.arts.ubc.ca/tlemieux/papers/unions%20structure.pdf); “Bargaining for the American Dream: What Unions do for Mobility” by Richard Freeman, Eunice Han, David Madland, and Brendan Duke, Center for American Progress, Sept. 9, 2015; “What Do Unions Do for the Middle Class?” by Richard Freeman, Eunice Han, Brendan Duke, and David Madland, Center for American Progress, Jan. 13, 2016; “Americans Don’t Miss Manufacturing—They Miss Unions” by Ben Casselman, *FiveThirtyEight*, May 13, 2016. **Income inequality:** This trend hit males especially hard. **“Deunionization”:** “Unions, Inequality, and Faltering Middle-Class Wages” by Lawrence Mishel, Economic Policy Institute, Aug. 2012. Also see “Union Decline Lowers Wages of Nonunion Workers,” Economic Policy Institute, Aug. 30, 2016; Reich, *Saving Capitalism*, 126–131; Hacker and Pierson, 56–61.
- 338 **Were running:** “Wal-Mart, After Remaking Discount Retailing, Now Nation’s Largest Grocery Chain,” *Wall Street Journal*, May 31, 2003. Other analyses have found that Wal-Mart’s grocery prices have been anywhere from 5 percent to 39 percent lower than those of other stores. See Greenhouse, 139; “An Empire Built on Bargains Remakes the Working World,” *Los Angeles Times*, Nov. 23, 2003. **Hold down inflation:** “CPI Bias from Supercenters: Does the BLS Know That

- Wal-Mart Exists?” by Jerry Hausman and Ephraim Leibtag, National Bureau of Economic Research, Working Paper No. 10712, Aug. 2004. Also see Fishman, 146–153; “How Wal-Mart’s Price Cutting Influences Both Rivals and Inflation,” *Wall Street Journal*, Nov. 25, 2006; “An Empire Built on Bargains Remakes the Working World,” *Los Angeles Times*, Nov. 23, 2003.
- 338 **“Ten bucks”**: “An Empire Built on Bargains Remakes the Working World,” *Los Angeles Times*, Nov. 23, 2003.
- 338 **Workers’ wages**: See “The Effects of Wal-Mart on Local Labor Markets” by David Neumark, Junfu Zhang, and Stephen Ciccarella, National Bureau of Economic Research, Working Paper No. 11782, Nov. 2005. Also cited in Greenhouse, 140. **“To the bottom”**: Greenhouse, 140.
- 338–339 **“The third party”**: “An Empire Built on Bargains Remakes the Working World,” *Los Angeles Times*, Nov. 23, 2003.
- 339 **Depicted it**: “An Empire Built on Bargains Remakes the Working World,” *Los Angeles Times*, Nov. 23, 2003. **Wal-Mart paid**: “Grocery Unions Battle to Stop Invasion of the Giant Stores,” *Los Angeles Times*, Nov. 25, 2003. **Had led to**: Lichtenstein, *The Retail Revolution*, 188. **“If we don’t”**: “Grocery Unions Battle to Stop Invasion of the Giant Stores,” *Los Angeles Times*, Nov. 25, 2003. This was Rick Middleton, a Teamsters official.
- 339 **Two-tier system**: “Union, Stores Reach a Deal to End Strike,” *Los Angeles Times*, Feb. 27, 2004; “How the Supermarket Strike Was Settled,” *Los Angeles Times*, March 8, 2004. **“Poorly paid ones”**: “UFCW Sacrifices Workers While Declaring Victory” by Michael Hiltzik, *Los Angeles Times*, March 4, 2004.
- 339–340 **They were unlikely**: “UFCW Sacrifices Workers While Declaring Victory” by Michael Hiltzik, *Los Angeles Times*, March 4, 2004. **Set its sights**: Regarding the ups and downs of Wal-Mart’s strategy in this area, see “Wal-Mart’s Limited Growth in Urban Retail Markets: The Cost of Low Labor Investment” by Anthony Roberts, UCLA Institute for Research on Labor and Employment, 2015. **“I’d rather have”**: “Grocery Unions Battle to Stop Invasion of the Giant Stores,” *Los Angeles Times*, Nov. 25, 2003. **“Will be redirected”**: “Wal-Mart Supercenters: What’s in Store for Southern California?” by Gregory Freeman, Los Angeles County Economic Development Corporation, Jan. 2004.
- 340 **Under the old**: Analysis of the contract is from “Two-Tiered Grocery Contract Leaves Anger, Questions,” *Labor Notes*, April 1, 2004; “Wage and Health Benefit Restructuring in California’s Grocery Industry” by Arindrajit Dube and Alex Lantsberg, Center for Labor Research and Education, University of California at Berkeley, July 6, 2004. **“A career”**: Both Renaud and Harrison’s quotes are from “Grocery Workers

- Relieved, if Not Happy, at Strike's End," *New York Times*, Feb. 28, 2004.
- 340 **Able to reverse:** "Grocery Union Fought for Unity," *Los Angeles Times*, July 24, 2007. **Market share:** The Last Grocery Strike Opened the Door for Supermarket Upstarts. What Happens If There's Another Strike?" *Los Angeles Times*, June 17, 2016. **Made workers wait:** This detail, the annual income figures, and Tilly's quote are from "Weakened Grocery Companies, Workers Square Off Over Contract," *Los Angeles Times*, June 14, 2016.
- 341 **"Whittled down":** Krauss's quotes and all details on his company are from "An Empire Built on Bargains Remakes the Working World," *Los Angeles Times*, Nov. 23, 2003. The example of Lakewood is also cited in Edna Bonacich and Khaleelah Hardie's essay "Wal-Mart and the Logistics Revolution" in Lichtenstein, *Wal-Mart: The Face of Twenty-First-Century Capitalism*, 176.
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- 50,000:** “New Kodak CEO Jeff Clarke Outlines Growth Strategy,” Rochester *Democrat and Chronicle*, March 16, 2014. **128,000:** “Kodak Timeline: 1878–Present,” Rochester *Democrat and Chronicle*, Jan. 19, 2012. **Couple of thousand:** Rochester’s New ‘Big 3’ Focus on Health Care, Groceries,” Rochester *Democrat and Chronicle*, June 28, 2014. **60,000-plus:** “Despite Long Slide by Kodak, Company Town Avoids Decay,” *New York Times*, Jan. 16, 2012. **Health-care coverage:** “Kodak-Next: Out of Bankruptcy, Into a New Era,” Rochester *Democrat and Chronicle*, Sept. 1, 2013.
- 351 **Expressed hope:** “Our New Self-Image,” Rochester *Democrat and Chronicle*, Sept. 1, 2013. **To some extent:** “Rochester Looks to Rebuild from the Rubble,” Marketplace, Sept. 27, 2016; “Despite Long Slide by Kodak, Company Town Avoids Decay,” *New York Times*, Jan. 16, 2012; “Rochester’s Rise Amid Kodak’s Demise,” TheStreet, Aug. 2, 2013; “Tech Talks: Why It Matters to Rochester’s Future,” Rochester *Democrat and Chronicle*, March 11, 2016. **Ranked Rochester:** “Playing an Insecure Hand: Low-Wage Workers in the New Economy,” University at Buffalo Regional Institute, Policy Brief, Feb. 2010. **“Service jobs”:** “Our New Self-Image,” Rochester *Democrat and Chronicle*, Sept. 1, 2013. Also see “Low-Wage Work in Rochester” by Vincent Serravallo, Rochester Labor Council, Nov. 6, 2014; “Working Here: Middle-Skills Gap Widens,” Rochester *Democrat and Chronicle*, June 29, 2015.
- 351–352 **“Best days”:** “GM’s \$11,000,000,000 Turnaround,” *Fortune*, Oct. 17, 1994. **Remained profitable:** Author’s review of GM’s annual income statements for 1993–2004. The company was forced to restate its earnings for a number of those years after discovering that it had made certain accounting errors, but it still remained consistently profitable during that period.
- 352 **Oldsmobile division:** Ingrassia, 153. **“Go Fast”:** Ingrassia, 154. Also see “Time to Praise GM” by Jerry Flint, *Forbes*, Dec. 10, 2001. **“Ten years ago”:** Barabba, *Surviving Transformation*, 79.
- 352 **Wagoner reverted:** Ingrassia, 155–156; “Wagoner Had to Go,” *Wall Street Journal*, March 31, 2009; “At GM’s Helm or Going Under?,” *New York Times*, March 29, 2006; Rattner, *Overhaul*, 84–85; “GM Pledges to Make Plug-In Hybrid Vehicle,” *Washington Post*, Nov. 30, 2006. **“If you’re bleeding”:** From a 2012 interview by the author with O’Neill. **\$10 billion:** GM originally posted an \$8.6 billion net loss, but that widened by \$2 billion when the company subsequently reported revised results. See “G.M. Reports Big Losses as Its Woes Grow,” *New York Times*, Jan. 26, 2006; “G.M. Loss for 2005 Is Steeper,” *New York Times*, March 17, 2006. Ultimately, GM settled on a net loss of \$10.4 billion, according to its federal financial filings. **Series of cuts:** “G.M. to Cut 30,000 Jobs and Close Some Factories,” *New York Times*, Nov. 21, 2005.

- 352–353 **Nationwide strike:** See “Time Warp: The GM Strike, Then and Now,” National Public Radio, Sept. 26, 2007; “GM Strike Marks End of an Era,” *U.S. News & World Report*, Sept. 29, 2007; Ingrassia, 202. **Many new:** These were in jobs classified as “non-core,” and about 20 percent of all GM assembly plant workers would wind up in these second-tier positions. By comparison, those in second-tier jobs accounted for 45 percent of the union workforce at Fiat Chrysler and 25 percent at Ford. See “Viewpoint: One-Sided Class War: The UAW-GM 2007 Negotiations,” *Labor Notes*, Oct. 29, 2007; “UAW R.I.P.?” *The Nation*, Oct. 18, 2007. “G.M. to Start Another Round of Buyouts and Seek Cheaper Labor,” *New York Times*, Dec. 19, 2007; Ingrassia, 202; “Are Those Detested Two-Tiered UAW Contracts Finally on the Way Out?” by Michael Hiltzik, *Los Angeles Times*, Oct. 13, 2015. **Paycheck to paycheck:** “A Darker Future for ‘Tier 2’ Workers,” *Remapping Debate*, July 27, 2011; “New Generation of United Auto Workers Push to End Second-Tier Union Status,” *The Guardian*, Sept. 13, 2015. **Jobs Bank:** “UAW Concedes to GM,” Bloomberg, Sept. 27, 2007. **Union-controlled trust:** This was the Voluntary Employee Beneficiary Association, or VEBA. See Ingrassia, 201–203; “G.M. Workers Return After Deal Reached With Union,” *New York Times*, Sept. 26, 2007; “UAW Concedes to GM,” Bloomberg, Sept. 27, 2007.
- 353 **“The goose”:** From a 2012 interview by the author with Kresa. During the government’s auto bailout, Kresa would serve as GM’s interim chairman. **Just how tattered:** See “A Turning Point for Health Care,” *Wall Street Journal*, Sept. 27, 2007. **The headline:** “Treaty of Detroit Repealed,” *In These Times*, Nov. 13, 2007.
- 353 **Had exposure:** “Mortgage Mess Curtail’s Wagoner’s Honeymoon,” *Wall Street Journal*, Nov. 21, 2007; Rattner, 145–146; Ingrassia, 203. **“Once and for all”:** “U.S. Throws Lifeline to Detroit,” *Wall Street Journal*, Dec. 20, 2008. **Pushed him out:** Rattner, 133–142; Ingrassia, 239–242; “Government Forces Out Wagoner at GM,” *Wall Street Journal*, March 30, 2009. **GM filed:** Rattner, 211–245; Ingrassia, 270–274; “G.M. Heads to Bankruptcy Protection as Government Steps In,” *New York Times*, June 1, 2009.
- 353 **“Shiny New GM”:** Rattner, 183. Also see “How General Motors Was Really Saved: The Untold True Story of the Most Important Bankruptcy in U.S. History,” *Forbes*, Oct. 30, 2013. **The company’s:** “GM Set to Exit Bankruptcy,” *Wall Street Journal*, July 10, 2009. GM’s debt went from \$176 billion to \$48 billion, its factories from 47 to 34, its brands from 8 to 4, and its dealers from 5,900 to 3,600.
- 353–354 **Debbie Werner:** Her story and Ramirez’s are from “Autoworkers Earning Less in U.S. Happy to Compete Again,” Bloomberg, Oct. 18, 2012. **Daughter of:** “General Motors Names Mary Barra as CEO,”

Wall Street Journal, Dec. 10, 2013. **Won high marks:** “G.M. Posts Record Profit of \$9.7 Billion for 2015,” *New York Times*, Feb. 3, 2016; “How GM’s Mary Barra Does It” by Paul Ingrassia, *Fortune*, Sept. 9, 2016; “Is Mary Barra Standing on a ‘Glass Cliff?’,” by Jaclyn Trop, *New Yorker*, April 29, 2014. **“Crappy cars”:** “GM’s Mary Barra to Staff: ‘No More Crappy Cars,’” *Fortune*, Oct. 16, 2013. **It would end:** “GM-UAW Deal Highlights: Wage Hikes, Signing Bonuses,” *Detroit Free Press*, Oct. 28, 2015; “GM Sets Raise for Its U.S. Factory Workers,” *Wall Street Journal*, Oct. 26, 2015. **Profit-sharing bonuses:** This program was established during the 2011 contract between GM and the Auto Workers. See “GM-UAW Workers to Receive \$11K Profit-Sharing Checks,” *Detroit News*, Feb. 3, 2016.

- 354 **Eight Years:** “Workers Ratify U.A.W. Contracts With General Motors and Ford,” *New York Times*, Nov. 20, 2015. **Would be lower:** In 2016 dollars, the average hourly wage at GM was projected to be \$28.69 from 2015–2019, compared with \$30.57 in 1996, \$31.85 in 1999, \$32.29 in 2002, and \$31.83 in 2005–06. These figures were calculated by Kristin Dziczek of the Center for Automotive Research, based on a blended average-wage history, which takes into account the mix of skilled trades, production, and entry-level workers. **Shortfall projected:** At the end of 2014, the trust’s long-term shortfall was estimated at \$20 billion. Experts still considered the trust well managed, however, and administrators expressed confidence that it would meet its obligations. See “Health of UAW Retiree Medical Benefits Trust Improving,” *Crain’s Detroit Business*, March 27, 2016; “The UAW Benefits Failure That Wasn’t,” *Bloomberg Businessweek*, Aug. 27, 2015. **Also halted:** Coverage was stopped for retirees age sixty-five and older, many of whom used their GM benefits to supplement their Medicare. The company did boost pensions as a way to help those affected pay for new coverage. See “Retiree Benefits Take Another Hit,” *Wall Street Journal*, July 16, 2008; “Some G.M. Retirees Are in a Health Care Squeeze,” *New York Times*, Nov. 9, 2008. **Tried to buy out:** “U.S. Automakers Cut Retirees Loose,” *Bloomberg Businessweek*, June 28, 2012. **“Run leaner”:** “Retirees Wrestle With Pension Buyout from General Motors,” *New York Times*, July 18, 2012.
- 354 **“That argument”:** “A Portrait of My Industry” by Rick Wagoner, *Wall Street Journal*, Dec. 6, 2005.
- 354 **Obama named:** “Obama Picks G.E. Chief for Board as Focus Turns to Jobs,” *New York Times*, Jan. 21, 2011.
- 355 **Russ Feingold:** “Feingold to Obama: Fire Immelt,” *Roll Call*, March 30, 2011. **Bill O’Reilly:** “Tea-Party Attacks Put GE on Defense,” *Wall Street Journal*, Oct. 10, 2011. Also see “The O’Reilly Factor” for Aug. 23, 2011, in which O’Reilly attacks GE for launching an aerospace joint venture in China, saying that the company “is helping the Chinese

- compete against America while its boss heads up the president's council on competitiveness." **Their reproof:** Immelt was also attacked, especially by the right, for being too cozy with President Obama. See "General Electric's Crony Capitalism" by Hunter Lewis, Mises Institute, Nov. 25, 2013. Also see "The Unholy Marriage of GE and President Obama at the Altar of Industrial Policy" by Dan Ikenson, *Forbes*, April 8, 2011. GE came under fire, as well, for aggressively trying to minimize its US tax payments. See "The Truth About GE's Tax Bill" by Allan Sloan and Jeff Gerth, *Fortune*, April 4, 2011; "GE and Verizon's Claims About Their Taxes Don't Stand Up" by Bob McIntyre, *TaxJustice*, April 14, 2016. Also see "What Happened to Corporate Stewardship?" by Rick Wartzman, *Harvard Business Review*, Aug. 29, 2014. In 2015, GE did say that it would pay about \$6 billion in US taxes in order to repatriate about \$36 billion in foreign earnings from the sale of GE Capital. See "G.E.'s Retrieval of Overseas Cash Highlights Tax Debate," *New York Times*, April 10, 2015.
- 355 **Now based outside:** "Tea-Party Attacks Put GE on Defense," *Wall Street Journal*, Oct. 10, 2011. These numbers were for 2010. **Added a total:** "U.S. Firms Eager to Add Foreign Jobs," *Wall Street Journal*, Nov. 22, 2011. **Including GE:** See "Making the Move to Low-Cost Countries" by Till Vestring, Ted Rouse, Uwe Reinert, and Suvir Varma, Bain & Co., 2005. **Lighten their cost:** "5 Facts About Overseas Outsourcing" by Alex Lach, Center for American Progress, July 9, 2012. **"Go to Brazil":** "Jeffrey Immelt at The Economic Club of Washington, D.C.," Business Roundtable, March 31, 2011 (businessroundtable.org/media/news-releases/jeffrey-immelt-at-the-economic-club-of-washington-dc). Also quoted in "Big U.S. Firms Shift Hiring Abroad," *Wall Street Journal*, April 19, 2011; "Why the Jobs Are Going Over There" by Ted C. Fishman, *USA Today*, May 17, 2011. Also see "The World I See," an address by Jeff Immelt to New York University's Stern School of Business, May 20, 2016.
- 355 **He reoriented:** See "The CEO of General Electric on Sparking an American Manufacturing Renewal" by Jeffrey R. Immelt, *Harvard Business Review*, March 2012; "G.E. Goes With What It Knows: Making Stuff," *New York Times*, Dec. 4, 2010. **Stepping out:** "Jeffrey Immelt Is Putting His Own Stamp on Jack Welch's G.E.," *New York Times*, April 13, 2015; "Back to Basics" by James Surowiecki, *New Yorker*, May 4, 2015; "GE Is No Longer a Bank" by Justin Fox, *Bloomberg View*, Jan. 15, 2016. **Louisville:** "The Insourcing Boom" by Charles Fishman, *The Atlantic*, Dec. 2012. In 2016, GE sold its Louisville-based appliances business to the Chinese company Haier. **Schenectady:** See "Made in the USA," *Time*, April 22, 2013; "Ideas on an Assembly Line," *New York Times*, Dec. 14, 2012.

- 355–356 **Pipe dream:** See “Alan Tonelson: ‘The Insourcing Boom That Isn’t,’” *The Atlantic*, Dec. 14, 2012; “U.S. Manufacturing Surges Ahead—but Don’t Look for a Factory Job,” *Forbes*, Aug. 22, 2011; “Manufacturing is Growing, Even When Manufacturing Jobs Are Not,” *The FRED Blog*, Federal Reserve Bank of St. Louis, Dec. 18, 2014; “The Myth of America’s Manufacturing Renaissance” by Adams B. Nager and Robert D. Atkinson, Information Technology & Innovation Foundation, Jan. 2015; “The Mirage of a Return to Manufacturing” by Eduardo Porter, *New York Times*, April 26, 2016. **Much higher now:** “Think Nothing Is Made in America? Output Has Doubled in Three Decades,” *MarketWatch*, March 28, 2016; “Industrial Production Index,” Economic Data, Federal Reserve Bank of St. Louis. **Less than 200:** “Behind America’s ‘Jobless Recovery’” by Rick Wartzman, *Bloomberg Businessweek*, July 15, 2011. **“Get real”:** “The Myth of Industrial Rebound” by Steven Rattner, *New York Times*, Jan. 26, 2014. Also see “They Don’t Make ‘Em Like That Any More,” *The Economist*, Jan. 14, 2017.
- 356 **GE derived:** “The World I See,” an address by Jeff Immelt to New York University’s Stern School of Business, May 20, 2016. **“An American company”:** “The Jobs Czar: General Electric’s Jeffrey Immelt,” *60 Minutes*, Oct. 9, 2011.
- 356 **Two-tier:** “GE to Unions: Drop Dead,” *Labor Notes*, May 24, 2011; “Factory Jobs Gain, but Wages Retreat,” *New York Times*, Dec. 29, 2011; “At General Electric Company, Workers Struggle To Find Footing As Shareholders Reap Windfalls,” *International Business Times*, April 17, 2015. **Had closed:** Schultz, 1–2; “GE Closes DB Plan for Salaried Employees,” *Pensions & Investments*, Jan. 17, 2011; “GE’s Deep Pension Freeze” by Rebecca Davis, *PRC Perspectives Blog*, Pension Rights Center, Feb. 24, 2011. **More responsible:** “Health Care: GE Gets Radical,” *Bloomberg Businessweek*, Nov. 19, 2009; “High Health Plan Deductibles Weigh Down More Employees,” *New York Times*, Sept. 1, 2014. **For its retirees:** “Changes to GE Health Plans Leave Retirees Stunned,” *Connecticut Post*, Feb. 22, 2015; “GE Saves \$3.3 Billion With Cuts to Retirees’ Life, Health Benefits,” *TheStreet*, Aug. 4, 2015. While the company ended its supplemental-insurance plans, it did agree to provide \$1,000 a year toward such coverage purchased through a private exchange. **Buying back:** “How GE and Jeff Immelt Are Failing to Reinvigorate the U.S. Economy” by William Lazonick, *The Globalist*, May 3, 2011. Lazonick reports that from 2000–2009, GE spent more than \$50 billion on stock buybacks. It wouldn’t be the last time, either. See “GE Stock Soars Today, Announces \$50 Billion Share Buyback Program, Selling Real Estate Holdings,” *TheStreet*, April 10, 2015. Also see “GE Shows How to Make Shareholders Richer and Retirees Poorer” by Michael Hiltzik, *Los Angeles Times*, March 14, 2016. Notably, some investors

- have criticized GE for buying back its shares when the price was too high—a poor use of capital. See, for example, “GE’s Value Destroying Stock Buybacks” by Steven Towns, *Seeking Alpha*, Sept. 26, 2011.
- 357 **“The essence of”:** From the back jacket of Hoffman, Casnocha, and Yeh, *The Alliance*. **LinkedIn:** In 2016, the company was purchased by Microsoft.
- 357 **“The old model”:** Hoffman, Casnocha, and Yeh, 3. **“Too rigid”:** Hoffman, Casnocha, and Yeh, 5.
- 357 **“Acknowledging that”:** Hoffman, Casnocha, and Yeh, 27–28.
- 357 **Wasn’t new:** Cappelli, 172–179. Also see Fraser, *White-Collar Sweatshop*, 138–139. **“Taking time off”:** Leinberger and Tucker, *The New Individualists*, 400. **Digital powerhouse:** “G.E., the Software Start-Up,” *New York Times*, Aug. 28, 2016; “Every Company Is a Technology Company” by Alan Murray, *Fortune*, June 10, 2016; “How GE Exorcised the Ghost of Jack Welch to Become a 124-Year-Old Startup,” *Bloomberg Businessweek*, March 17, 2016. **Making mistakes:** “GE Tries to Reinvent the Employee Review, Encouraging Risks,” *Wall Street Journal*, June 8, 2016.
- 357–358 **“Purpose, freedom”:** Bock, *Work Rules!*, 10. **More or less stress:** Regarding the “more” side, see “Inside Amazon: Wrestling Big Ideas in a Bruising Workplace,” *New York Times*, Aug. 15, 2015. **Great perquisites:** “20 Hottest Tech Companies With the Best Employee Perks,” *Inc.*, Feb. 3, 2016. There were limits, however. See “Silicon Valley’s Newest Trend Is Realizing Its Most Insane Perks Aren’t Sustainable,” *Quartz*, May 10, 2016.
- 358 **About 300,000:** The breakdown was as follows: Amazon, 152,000; Apple, 76,000; Alphabet (Google’s parent company), 62,000; and Facebook, 13,000. These figures are based on federal financial filings for 2015, as well as information from Apple’s corporate website and “Full-Time Jobs at Amazon Grow at Rapid Pace in First Quarter,” *Seattle Times*, May 9, 2016. If anything, the 300,000 total is on the high side, as Alphabet and Facebook don’t break out US employment. Apple makes most of its products in China, using subcontractors. See “How the U.S. Lost Out on iPhone Work,” *New York Times*, Jan. 21, 2012. In January 2017, Amazon announced that it would hire 100,000 jobs over the next 18 months. Amazon, meanwhile, has been heavily criticized for the way it treats its warehouse workers. See “Brutal Conditions in Amazon’s Warehouses Threaten to Ruin the Company’s Image,” *Business Insider*, Aug. 5, 2013; “How Amazon Shames Warehouse Workers for Alleged Theft,” *Bloomberg Businessweek*, March 7, 2016; “Inside an Amazon Warehouse, the Relentless Need to ‘Make Rate,’” *Gawker*, June 6, 2016. **General Motors:** It employed more than 618,000 people in the United States in 1979. See “A Brief History of General Motors Corp.,” Associated Press, Sept. 14, 2008.

- 358 **“Eating the world”**: “Why Software Is Eating the World” by Marc Andreessen, *Wall Street Journal*, Aug. 20, 2011. **A million**: The 1.1 million positions included software developers for both systems and applications. This figure and the other occupational and wage data in this paragraph are from the US Bureau of Labor Statistics, May 2015.
- 358 **“When George Eastman”**: “Robots Are Hurting Middle Class Workers, and Education Won’t Solve the Problem, Larry Summers Says,” *Washington Post*, March 3, 2015. Also see “The Age of the Ghost Company” by Gillian B. White, *The Atlantic*, Jan. 7, 2016; “Silicon Valley Is Not a Job Creator” by Chris Matthews, *Fortune*, Dec. 4, 2015; “The Internet Has Been a Colossal Economic Disappointment” by William H. Davidow, *Harvard Business Review*, March 30, 2015; Davis, *The Vanishing American Corporation*, 91–92; “America’s Dazzling Tech Boom Has a Downside: Not Enough Jobs,” *Wall Street Journal*, Oct. 12, 2016; “Amazon Is Going to Kill More Jobs Than China Did,” *MarketWatch*, March 15, 2017.
- 358–359 **Lakeside house**: From a 2014 visit by the author to Rocheleau’s Wiconsin home. **Cutting off**: For years, GE had offered employees over sixty-five years of age several health plans to supplement Medicare. Then, in 2012, the company announced that it would no longer cover retirees who had not turned sixty-five by January 1, 2015, and that it would require those who had reached sixty-five by that date to assume half the cost of certain plan benefits. The company subsequently decided to terminate these plans altogether and give all retirees the option of purchasing supplement medical coverage through a private exchange. Retirees who were already over sixty-five would receive a \$1,000 subsidy. **About \$1000**: From a 2016 interview by the author with Rocheleau.
- 359 **Hourly retirees**: “GE Labor Unions to Join Brawl Over Retiree Health Care,” *TheStreet*, Nov. 6, 2015; “Unions Sue GE Over Retiree Health Benefits Cut,” *Courier-Journal* of Louisville, Ky., Nov. 10, 2015. **“Can afford it”**: “GE Ex-Labor Chief Switches to Defend Retirees’ Benefits,” *Bloomberg*, Sept. 12, 2013. **On a promise**: The crux of Rocheleau’s lawsuit against the company was that two months before it terminated its post-sixty-five medical plans, it issued a handbook to retirees saying that it “expects and intends to continue” the coverage indefinitely. The company also said that it “reserves the right to terminate, amend, or replace” the plans. But Rocheleau and his coplaintiff argued that GE had a fiduciary duty to act in the interest of plan participants—and saying that it expected to continue the plans when it must have known otherwise at that point in time was a violation of that duty. For its part, GE has maintained that the language in the handbook was neither inaccurate nor misleading, and that the company had no intention of deceiving anyone. It also said that the changes it made have

- helped—not hurt—tens of thousands of GE retirees. Under its new private-exchange system, the company noted, 70 percent of them paid lower premiums in 2015 than they did under their old plans in 2014. See Evelyn Kauffman and Dennis Rocheleau v. General Electric, US District Court, Eastern District of Wisconsin, 14-CV-1358, 2014.
- 359 **Grew up:** All biographical details are from a 2014 interview by the author with Rocheleau. **“Schooled in”:** Remarks by Dennis Rocheleau to a meeting of the Labor and Employment Relations Association in San Francisco, Jan. 4, 2009.
- 359 **In 2003:** See “Union at G.E. Plans Strike on Health Fee,” *New York Times*, Jan. 8, 2003; “GE and Labor: This Could Get Ugly,” Bloomberg, June 1, 2003; “G.E. Union Cites Deal to Curb Workers’ Share of Health Costs,” *New York Times*, June 18, 2003. **“Advocates for mushy”:** Remarks by Dennis Rocheleau to a meeting of the Industrial Relations Research Association in East St. Louis, Ill., April 10, 2003.
- 359–360 **More than 140,000:** From a 2014 interview by the author with Rocheleau. **To 24,000:** This and the 2015 figure are from GE’s federal financial filings. **“Always maintained”:** “GE Ex-Labor Chief Switches to Defend Retirees’ Benefits,” Bloomberg, Sept. 12, 2013. **“Ass-kissed”:** From a 2014 interview by the author with Rocheleau.
- 360 **“My faith in”:** Dec. 2, 2012, letter from Rocheleau to Immelt. **For forty years:** As noted by Immelt himself. See “Transcript: GE CEO Jeff Immelt on Fortune’s The Chat,” *Fortune*, June 3, 2015. **To back off:** From a 2014 interview by the author with Rocheleau.
- 360 **Spoke out at:** The quotes are from meeting transcripts on the GE corporate website.
- 360 **More than \$4.5 billion:** The company booked savings of \$832 million in 2012, \$586 million in 2014, and \$3.3 billion in 2015. See “GE Labor Unions to Join Brawl Over Retiree Health Care,” *TheStreet*, Nov. 6, 2015. **Was profitable:** “Jet Engines and Energy Equipment Lift Profit at G.E.,” *New York Times*, Jan. 18, 2013. “General Electric’s Industrial Segments Lift Earnings,” *New York Times*, Jan. 17, 2014. **“Deal is a deal”:** From a 2014 interview by the author with Rocheleau.
- 361 **New tools:** See, for example, “American Workers Try to Organize—One Click at a Time” by Rick Wartzman, *Fortune*, Feb. 16, 2016. Also see “New Frontiers of Worker Power: Challenges and Opportunities in the Modern Economy” by Michelle Miller and Eric Harris Bernstein, Roosevelt Institute, Feb. 15, 2017. **Fight for \$15:** See “Eyeing the Trump Voter, ‘Fight for \$15’ Widens Its Focus,” *New York Times*, Nov. 29, 2016. **Never again see:** Some argue that we can, in fact, find ways to forge a new kind of labor movement that will help restore prosperity and strengthen democracy. See, especially, Geoghegan, 195–255.

- Others, meanwhile, are especially concerned about what a Trump presidency will mean for organized labor. See “Donald Trump Can Kill the American Union” by Harold Meyerson, *Washington Post*, Nov. 23, 2016.
- 361 **With few skills:** See “How to Protect Workers from Job-Stealing Robots” by Jason Furman, *The Atlantic*, Sept. 21, 2016. **Technological Progress:** See “A Future That Works: Automation, Employment, and Productivity,” McKinsey Global Institute, Jan. 2017. **International commerce:** See “The Sustainable Equitable Trade Doctrine” by Todd N. Tucker, Roosevelt Institute, March 13, 2007; “Pulling Back Too Far on Trade Will Hurt American Workers” by Rick Wartzman, *Fortune*, Jan. 24, 2017. **Are imported:** “Trump’s Tough Trade Talk Could Damage American Factories,” *New York Times*, Dec. 2, 2016. Also see “Trump’s Fight Against Made-in-Mexico Could Carry Price on Both Sides of Border,” *Washington Post*, Dec. 1, 2016. **Flow of data:** “Five Priorities for Competing in an Era of Digital Globalization” by Jacques Bughin, Susan Lund, and James Manyika, *McKinsey Quarterly*, May 2016; Baldwin, *The Great Convergence*, 11–12. Also see “Free Trade’s Great, but Offshoring Rattles Me” by Alan S. Blinder, *Washington Post*, May 6, 2007.
- 361 **The government has:** For more on the items in this paragraph see, “The Agenda to Raise America’s Pay,” Economic Policy Institute (www.epi.org/pay-agenda/); Gordon, *The Rise and Fall of American Growth*, 644–649; Weil, 214–267. Some experts maintain that the best program the government could implement at a time when jobs are poised to rapidly disappear because of automation is a Universal Basic Income. See “Would a Universal Basic Income Fix US Economic Inequality? One Group Is Spending \$10 Million to Find Out,” *Quartz*, Dec. 8, 2016. Also see “What It Takes to Get Workers to Be Their Most Creative” by Rick Wartzman, *Fortune*, May 12, 2016; “Startup CEO Loves Tech but Fears Millions Will Be Jobless” by Rick Wartzman, *Fortune*, Nov. 14, 2015. **Paid family leave:** See “That Fantastic Parental Leave Policy Sweeping America? It Isn’t,” Bloomberg, March 13, 2017. **Is being generated:** Estimates of Americans doing independent, contingent, or alternative work vary greatly—from 53 million, according to the Freelancers Union; to 36 million, according to the Rockefeller Foundation and The Bridgespan Group; to 24 million, or 16 percent of the labor force, according to “The Rise and Nature of Alternative Work Arrangements in the United States, 1995–2015” by Lawrence F. Katz and Alan B. Krueger, March 29, 2016. The difference depends, in part, on whether someone is doing contingent work on a full-time or part-time basis. Strikingly, Katz and Krueger found that all of the net employment growth in the United States between 2005 and the end of 2015 could be attributed to alternative work.

- 361 **Portable benefits:** “Gig workers” is used here to describe independent work done both online (via platforms such as Uber, TaskRabbit, and others) and not online. See the “Portable Benefits Resource Guide” by Libby Reder, Natalie Foster, and Greg Nelson, Aspen Institute’s Future of Work Initiative, July 13, 2016; “Protecting Workers in a Patchwork Economy” by Shayna Strom and Mark Schmitt, Century Foundation, April 7, 2016; “Common Ground for Independent Workers,” *Medium*, Nov. 9, 2015. **Still small but:** “The Rise and Nature of Alternative Work Arrangements in the United States, 1995–2015” by Lawrence F. Katz and Alan B. Krueger, March 29, 2016. Katz and Krueger found that those engaged in alternative forms of work constituted about 16 percent of the American labor force in 2015, up from 10 percent a decade earlier and 9 percent twenty years earlier. “Alternative work” includes freelancers, as well as temp agency and contract company employees. Also see “Independent Work: Choice, Necessity, and the Gig Economy” by James Manyika, Susan Lund, Jacques Bughin, Kelsey Robinson, Jan Mischke, and Deepa Mahajan, McKinsey Global Institute, Oct. 2016. **Technological innovation:** See “Restoring American Competitiveness” by Gary P. Pisano and Willy C. Shih, *Harvard Business Review*, July/Aug. 2009. **Fosters entrepreneurship:** Some argue that one key to more innovation and entrepreneurship, as well as more jobs, is more vigorous enforcement of our antitrust laws at a time when big companies are in many cases dominating their markets. See “America’s Monopoly Problem” by Derek Thompson, *The Atlantic*, Oct. 2016; Lynn, *Cornered*, 129–135; Reich, *Saving Capitalism*, 29–47. Also see “The Rise of ‘Superstar Firms’ and Why Americans Are Working More for Less,” *New York Times*, March 9, 2017. Others, meanwhile, are also calling for reform of the nation’s occupational licensing system. See “Occupational Licensing: A Barrier to Entrepreneurship” by Jason Wiens and Chris Jackson, Ewing Marion Kauffman Foundation, Sept. 16, 2015; “Occupational Licensing and the American Worker” by Ryan Nunn, Hamilton Project, June 21, 2016. **A low ebb:** “How America Lost Its Mojo” by Derek Thompson, *The Atlantic*, May 27, 2016; “The Surprising Slowdown in Startups” by Geoff Colvin, *Fortune*, March 18, 2016; “A Drop-Off in Start-Ups: Where Are All the Entrepreneurs?” *Los Angeles Times*, Sept. 7, 2014. **Full employment:** For a robust full-employment agenda, see Bernstein, *The Reconnection Agenda*, 330–334.
- 362 **Tax laws:** “Killing Conscience: The Unintended Behavioral Consequences of ‘Pay for Performance’” by Lynn A. Stout, *The Journal of Corporation Law*, Vol. 39, No. 3, Spring 2014; “Taxes and Executive Compensation” by Steven Balsam, Economic Policy Institute, Briefing Paper No. 344, Aug. 14, 2012; “5 Ways to End CEO Pay Subsidies”

- by Sarah Anderson, Inequality.org, Feb. 8, 2017. **To look beyond:** See “Short-Term Thinking in Corporate America Is Strangling the Economy” by Rachelle C. Sampson, *Vox*, Oct. 3, 2016; “How to Stop Short-Term Thinking at America’s Companies” by Alana Semuels, *The Atlantic*, Dec. 30, 2016. Also see “The Long View: Why ‘Maximizing Shareholder Value’ Is On Its Way Out” by Rick Wartzman, *Time*, Sept. 25, 2013; “Corporations Need a New Reason to Be” by Justin Fox, *Bloomberg View*, Jan. 4, 2017. **Institutional investors:** Some have started to move in this direction. See “BlackRock’s Fink, McKinsey Lead Group Fighting Wall Street Myopia,” *Wall Street Journal*, March 11, 2015. Also see “Getting Past the Great Ideological Divide in Business Today” by Rick Wartzman, *Time*, May 20, 2014; “When Shareholder Capitalism Came to Town” by Steven Pearlstein, *The American Prospect*, April 19, 2014.
- 362 **“Once felt”:** “How U.S. Lost Out on iPhone Work,” *New York Times*, Jan. 22, 2012.
- 362 **More training:** ManpowerGroup’s 2016/2017 “U.S. Talent Shortage Survey” did find a sharp upturn in on-the-job training during the most current year with 48% of employers offering training and development to their workers—up from just 12% in 2015. What’s unclear is if this is just a short-term blip. Peter Cappelli points out that, while accounting rules treat purchases of capital equipment as “assets,” training programs are typically described as “overhead costs.” “So we have the irony,” he writes, “that business is rewarded for investments in capital that raise productivity by eliminating jobs but punished for investments in people . . . that raise productivity and save jobs.” See his essay “How to Save Good Jobs,” *Washington Post*, Feb. 10, 2017.
- 362 **Ultimately bad:** Some experts have expressed concern that the squeeze on workers’ wages has cut so severely into consumer spending that it may be undermining overall economic growth. See “Wal-Mart, Starbucks, Aetna’s Pay Hikes: Why now?” by Rick Wartzman, *Fortune*, March 4, 2015; “Retailer Revelations: Why America’s Struggling Middle Class Has Businesses Scared” by Brendan Duke and Ike Lee, Center for American Progress, Oct. 13, 2014; Reich, *Saving Capitalism*, 163; “Report of the Commission on Inclusive Prosperity,” cochaired by Lawrence H. Summers and Ed Balls, convened by the Center for American Progress, Jan. 2015; “The Case for Wage-Led Growth” by Jeff Madrick, New America Foundation, June 2012. **“Healthy business”:** Drucker, *Management: Tasks, Responsibilities, Practices*, 327.
- 362 **Was so honored:** Wal-Mart was number fifteen on the list of fifty.
- 362 **Much more:** See “Walmart Workers Get a Raise, but Is That Enough?” by Bourree Lam, *The Atlantic*, Jan. 21, 2016. Also see “And in This Aisle, Higher Pay,” *New York Times*, Oct. 16, 2016.

362–363 **“The American people”**: “The Economics of a Free Society” by William B. Benton, reprint from *Fortune*, Oct. 1944, PHP. **“Sons and daughters”**: According to the Equality of Opportunity Project, “children’s prospects of achieving the ‘American Dream’ of earning more than their parents have fallen from 90 percent to 50 percent over the past half century.” This decline, the group says, has occurred for children from both low- and high-income families.