

## Mitchell's Musings 1-21-13: GE Whiz

### Daniel J.B. Mitchell

From time to time in these musings, we have looked back at past presidents and their relations to organized labor. Generally, we have relied on recordings of presidential conversations to provide an audio perspective on those relations.

Two recent developments – totally unrelated – turned my attention to Ronald Reagan, the only union president (Screen Actors Guild) to become a U.S. President. One of these developments was a three day stay starting January 14 at the UCLA Ronald Reagan Hospital. The other development was an off-hand remark by California Governor Jerry Brown at a media conference called to present his budget proposal for 2013-14.<sup>1</sup> In the course of that conference, Brown invoked the name of Lemuel Ricketts Boulware, a name I am sure few reporters would have recognized.

Boulware was a General Electric VP in charge of labor relations (although his background was in marketing) in the late 1940s and 1950s who developed a bargaining technique that became known as Boulwarism. Essentially, it was a take-it-or-leave it approach with an employer offer seen by the company as generous and appropriate. Once formulated, the offer would be “sold” to workers through advertisements (the marketing background) over the heads of union leaders.<sup>2</sup> Brown essentially said at his news conference that in dealing with state unions, he would not engage in Boulwarism. You can hear him make this statement at <http://www.youtube.com/watch?v=sOZ28d-z7Hw>.

In a 1958 (very friendly) radio interview, Reagan – then a spokesperson for GE – spoke about his attitude towards collective bargaining. I obtained a recording of the broadcast from the Reagan library. You can hear it in two parts at [http://www.youtube.com/watch?v=TrWC0234d\\_E](http://www.youtube.com/watch?v=TrWC0234d_E) and <http://www.youtube.com/watch?v=zf2-SSrJg7s>. Reagan says that GE considers itself a good corporate citizen that voluntarily does right by its workers. That approach is a formidable challenge to organized labor which is based on adversarialism with management. Unions arose because management was not enlightened and workers needed fighting machines to deal with employers. That fact, however, means that unions are not really democratic because in war there must be unity. But now, at least at GE, things have changed and labor and management should be partners. Reagan was GE's spokesperson and he visited manufacturing plants on behalf of the firm, pushing this message.

Reagan generally looked at the sunny side of situations. So you don't hear in the interview about the turmoil surrounding the change in GE's unions as the leftwing United Electrical Workers (UE) was

---

<sup>1</sup> Brown followed Reagan as governor of California during his (Brown's) first iteration as governor. Brown also wanted to become President but unlike Reagan never succeeded.

<sup>2</sup> Brown was governor in the mid-to-late 1970s and early 1980s and was involved in the various state laws regarding public sector unionization and farm labor unionization. The concept of Boulwarism probably became known to him in that era.

ejected from the CIO and partially replaced by the International Union of Electrical Workers (IUE). Rival unions led to labor disunity in bargaining, an advantage for GE. When Reagan discusses his days with the Screen Actors Guild, the Hollywood blacklist is not mentioned nor are the tumultuous labor disputes in the film industry after World War II.

At the time Reagan became President of the U.S. many years later, his attitudes from the 1950s were reflected in his administration's labor-relations policies. By that time, at least in the private sector, unions had declined significantly from what they were when the broadcast was recorded. So it can't be said that the decline was caused by the Reagan administration. It can be said, however, that Reagan era policies reinforced the already-notable decline. And it can also be said that Boulware had much to do with Reagan's change in viewpoint from a liberal Democrat.<sup>3</sup>

---

<sup>3</sup> You can hear Reagan campaigning for President Truman in 1948 at <http://www.youtube.com/watch?v=uJDhS4oUm0M>.