American Counterrevolutionary: Lemuel Ricketts Boulware and General Electric, 1950-1960

Contemporaries and historians alike have seen the 1950s as a decade of political and intellectual consensus on questions of political economy and the nature of capitalism. After the tumult and upheaval of the 1930s, the desperation of the Depression and the polarizing politics of the New Deal, the Cold War liberals longed for a cessation of conflict, for calm unity in the face of totalitarianism. Economic struggles declined, becoming merely technical questions. Intellectual elites believed recessions could be avoided through the judicious application of Keynesian policies. Corporations outgrew their immature resistance to labor unions, while unions relinquished radical contempt for the boss, and representatives of capital and labor were able to bargain smoothly with one another. Making possible this atmosphere of political calm was the steady economic growth of the postwar period, which underlay every potentially fraught decision—what percentage raise a company should grant its employees, the expansion of Social Security, or the steady increase in the minimum wage. Prosperity, in the end, made real ideological or political conflict over these matters obsolete.

Yet while this vision of consensus on economic questions does capture some elements of the 1950s political culture, it is incomplete. For over the course of the 1950s, despite the growth of the era, a small group of conservative businessmen began to mobilize against the economic reforms of the New Deal and the very tenets of economic liberalism. Seeing the economic order of the postwar period—with its powerful unions

and strong public sector—as a substantial threat to their power, these business leaders sought to demonize and weaken labor and the state. What is more, they rejected the very idea that there was—or should be—a political consensus over economic questions. They believed that the free market and capitalism were under attack, not from the Soviet Union or the Communist Party but by well-meaning liberals who would unwittingly create socialism. Even as Daniel Bell mourned the "end of ideology," this vanguard group in the business community was attempting to develop a fiercely ideological, self-consciously radical economic agenda that would roll back the New Deal, end the welfare state and restrict—or even eliminate—the power of labor. This movement included many small businessmen and executives at family-owned firms—the Kohler Company of Sheboygan, Wisconsin; Eugene Germany's Lone Star Steel, of Texas. But representatives of some of the country's largest corporations were also active participants. And foremost among these was Lemuel Boulware, the vice-president of employee relations at General Electric.

During the 1950s, GE was the fourth-largest publicly held industrial in the United States, having grown fifteen times over the previous twenty years, and it was the third-largest employer in the nation, with 136 factories in 28 states.[1] Riding the wave of high wages, suburban development and mass consumption of the 1950s, GE produced many of the durable goods that were most closely associated with the "age of abundance"—televisions and radios, refrigerators and washing machines—as well as military equipment and goods for heavy industry. Yet even as it was at the cutting edge of mass production, executives at GE—most importantly Boulware—articulated a free-market vision of capitalism, and sought to organize other corporate leaders to defend an

[1] "The Overhaul of General Electric," *Fortune*, December 1955.

economic order they believed was in grave danger. In part, this was a simple labor conflict: GE management was frightened by a major strike at GE during the national strike wave of 1946, and sought to retain its prerogatives. To a great extent, the management was successful; workers at GE did not win a union shop during the decade, wages lagged behind those in auto and steel, and the company was able to accomplish a major wave of plant movement to the South without facing substantial resistance from the organized workforce.

Yet labor relations at GE went beyond an internal struggle. Boulware, a salesman extraordinaire (one subordinate claimed that his passionate speeches moved spectators to tears) saw himself as a warrior in a deep struggle over the future of the country, which he believed was lurching toward the welfare state and socialism (the two, for him, being more or less the same).[2] Businessmen, he believed, were the only leaders who could bring the country back from the brink of disaster. Charming, clever and an entrepreneurial peddler of ideology—to quote *Fortune*, "a jovial, fast-talking man, [who] combines the folksiness of a Kentucky farm background with the fervor of a washing machine salesman"—Boulware successfully demonstrated to the American business community that it was possible to beat back unions.[3] He was a model of an activist businessman, contributing to causes and candidates and urging other executives to do the same. GE's conservative activism helped lay the groundwork for the subsequent

[2] Oral History Project: Schenectady General Electric in the Twentieth Century. Gerald Zahavi Interview with A.C. Stevens, 29. IUE/UE Local 301 Collection. Series 3, Box 3. M.E. Grenander Department of Special Collections and Archives, University at Albany, SUNY.

[3] "Carey vs. Boulware," *Fortune*, October 1952.

development of the right. Virgil Day, Boulware's successor, helped organize the Labor Law Study Group, a predecessor of the Business Roundtable.[4] Herbert Northrup, another Boulware protégé, founded the Research Advisory Group at the Wharton School of Business, which provided research for antiunion campaigns and encouragement for companies like Phelps Dodge during the 1983 copper strike (in which the union was crushed).[5] And Ronald Reagan, who worked at the company during the 1950s, remained in supportive contact with Boulware until the 1980s.

Historians in recent years have started to challenge the idea of the postwar liberal consensus, describing the public relations campaigns companies ran to dissuade workers from supporting unions, the anti-union strategies of businessmen, the political roots of the Goldwater campaign and of popular anti-Communism, and challenging the idea of a labor-management accord.[6] GE and "Boulwarism," the unique philosophy and practice of

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[4] James Gross, *Broken Promises: The Subversion of U.S. Labor Policy, 1947-1994* (Philadelphia: Temple University Press, 1995), 200-204.

[5] Jonathan D. Rosenblum, *Copper Crucible: How the Arizona Miners' Strike of 1983 Recast Labor-Management Relations in America* (Ithaca: ILR Press, 1995), 44, 61-63.

[6] See, for example, Elizabeth Fones-Wolf, *Selling Free Enterprise: The Business Assault on Labor and Liberalism, 1945-1960* (Urbana and Chicago: University of Illinois Press, 1994); Howell John Harris, *The Right to Manage: Industrial Relations Policies of American Business in the 1940s* (Madison: University of Wisconsin Press, 1982); Jack Metzgar, *Striking Steel: Solidarity Remembered* (Philadelphia: Temple University Press, 2000); Rick Perlstein, *Before the Storm: Barry Goldwater and the Unmaking of the American Consensus* (New York: Hill and Wang, 2001); Lisa McGirr, *Suburban Warriors: The Origins of the New American Right* (Princeton: Princeton University Press, 2001); Matthew Dallek, *The Right Moment: Ronald Reagan's First Victory and the Decisive Turning Point in American Politics (*New York:

labor relations developed by Lemuel Boulware, have generally received little more than a few lines of commentary in these studies Yet GE's political activity is important not only for its considerable impact on the conservative movement of the 1950s and beyond, but also because it served as an example for other corporations and so contributed to the growing mobilization of business throughout the rest of the twentieth century. While liberals dallied about the *Vital Center*, Boulware and his conservative allies were busy writing, speaking and building a conservative movement—working to weaken the labor unions that once provided liberalism's mass base. In both its enthusiastic embrace of political conflict and its quasi-utopian free market ideology, this vanguard movement of right-wing businessmen rejected the faith of the disappointed liberals of the 1950s that class conflict was dead and political ideology a relic from a radical past.

General Electric was a surprising leader for the conservative movement among businessmen, for the company had a liberal past. Producing goods that were emblems of modernity, GE had always been deeply concerned with corporate image and public relations. During the 1920s, Owen Young, the company's president, and Gerard Swope, its CEO, hired Bruce Barton and the advertising firm B.B. & O. to portray the company as the bearer of "electrical consciousness," liberating people (especially women) from meaningless drudgery, brightening the path to a better, freer world. The company spent time and money developing its logo, seeking to make it, in the words of one advertising

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Free Press, 2000); Nelson Lichtenstein, *State of the Union: A Century of American Labor* (Princeton: Princeton University Press, 2002), especially Chapter 3.

campaign, "the initials of a friend."[7] Swope and Young were professionals who saw themselves as sensitive and cultured (Swope's wife had worked with Jane Addams at Hull House). They wanted their company to be the same way.[8] During the Depression, while companies like Maytag, Emerson and RCA did open battle with the electrical workers' union, GE signed a nation-wide contract in 1937—based on the existing employee handbook—with the United Electrical Workers (UE) without a strike.[9]

The most important factor in the company's political transformation was the growth of the electrical workers' union during World War II. At the beginning of the war, the UE was a local organization, representing workers at each plant. During the war, however, the UE won more than 800 union representation elections, becoming the third largest union in the CIO (at its peak, it represented 600,000 workers).[10] With its new power, the union was able to fight the company's practice of paying lower wages in areas where unions were weak and the discriminatory pay scales for women (especially

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[7] Roland Marchand, *Creating the Corporate Soul: The Rise of Public Relations and Corporate Imagery in American Big Business* (Berkeley: University of California Press, 1998), 151-155.

[8] David Loth, *Swope of G.E.: The Story of Gerard Swope and General Electric in American Business* (New York: Simon & Schuster, 1958), 31-34.

[9] James Matles and James Higgins, *Them and Us: Struggles of a Rank-and-File Union* (Englewood Cliffs, New Jersey: Prentice Hall, 1974), 78-88. Ronald Schatz, *The Electrical Workers: A History of Labor at General Electric and Westinghouse, 1923-1960* (Urbana: University of Illinois Press, 1983), 70-74. Also see Ronald Schatz, "The End of Corporate Liberalism: Class Struggle in the Electrical Manufacturing Industry." *Radical America* 9, July-August 1975, for an analysis of the 1946 strike that emphasizes the unique economic position of GE.

[10] Schatz, "The End of Corporate Liberalism," 194.

important because the proportion of women in GE's workforce rose from 20% in 1940 to 40% in 1944).[11] And at the end of the war, the UE was ready to strike on a national level to guarantee that electrical workers would be able to share in the fruits of renewed civilian production.[12] Two hundred thousand UE members, working at GE, Westinghouse and General Motors, struck their jobs on January 1, 1946.[13]

The electrical workers' strike in early 1946, part of the largest nation-wide strike wave in the country's history, was a watershed for GE management. The basic demand was a raise of $2 a day (about 25 percent a year). The union struck GE, Westinghouse and General Motors simultaneously, starting on January 14, 1946. On the very first day of picketing, hundreds of workers massed at the gates of one plant (in Erie, Pennsylvania), before 6 a.m., when picketing was officially supposed to begin, building fires against the freezing cold.[14] In Bridgeport, Connecticut, where nearly 11,000 workers were striking, GE offered strikers one of its buildings as a rest hall for picketers in sub-freezing weather; the union refused.[15] Restaurants delivered hot punches to the strikers.[16] College students came down to walk the picket lines.[17] City governments endorsed the aims of the strikers, and fifty-five senators and congressmen signed a public

[11] Ibid, 195.

[12] Matles and Higgins, *Them and Us*, 138-139.

[13] Schatz, "The End of Corporate Liberalism," 199.

[14] Matles and Higgins, *Them and Us*, 142.

[15] *New York Times*, 1/16/46.

[16] Matles and Higgins, *Them and Us*, 144.

[17] *New York Times*, 1/20/46. Students from Mount Holyoke joined a Westinghouse picket line, carrying signs reading "Salary Workers Need $2 a Day Too!"

statement supporting the strike.[18] In Bloomsfield, New Jersey, where there were both Westinghouse and GE plants, 5,000 picketers marched to the center of the town, carrying signs like "Our Fight Is Your Fight," "GI versus GE," and "We're not dumb clucks—we want two bucks." The rally was led by seven supportive policemen and by picketers on horseback. The local American Legion post supported the strikers, and its band joined in the parade. The mayor of the town opened the rally with a prayer: "Help us so that when we pray each day, 'Give us this day our daily bread,' the 'us' will include all people." One policeman quoted in the New York Times said, "I can't talk officially, but any working man would be for the strike."[19] The children of strikers marched on the picket lines, bearing signs reading "I'm backing my Daddy," and "More Money Buys More Shoes."[20]

For much of the strike, workers controlled plant access. Hundreds marched in mass picket lines, refusing to allow even white-collar and management workers in, permitting a few maintenance men to go through. Charles Wilson, GE's president, described the situation in Schenectady, New York, in a Congressional hearing:

> The picketing in the larger plants was literally hundreds of people, actually joining hands and going around in an

[18] Matles and Higgins, *Them and Us*, 144. The statement read, "UE workers deserve full moral and financial support in their grim struggle for a substantial wage increase and for a decent American standard of living."

[19] *New York Times*, 1/16/46.

[20] *New York Times*, 2/23/46.

> ellipse in front of the plant so that nobody could get through. To give you the best illustration of it, we have at the Schenectady works some 12,000 people who were not members of the union, scientists from our research laboratories and other laboratories…there were at least 200 people at each of the gates…They had their hands joined and kept going around and around in this elliptical formation. And nobody was going to try to buck that line and try to get through.[21]

The strike was settled in early March. The employees won an 18-and-a-half cent increase—well over what the company had been offering. For the General Electric management, the strike was traumatic and shocking. Wilson testified before Congress, "These bitter conditions…have never been obvious in our own relationship with our people before they were unionized, or after they were unionized. I mean we haven't had bitter and bad controversies between the management and the unions."[22] Wilson couldn't believe that he would not be allowed to enter his plants. "To me it is the height of stupidity that we, as a corporation, should not be allowed to get into our plants, people

[21] *United States Congress, Senate, Committee on Education and Labor. Hearings…on S. 1661, A Bill to Provide for the Appointment of Fact-Finding Boards to Investigate Labor Disputes*. 79th Congress, 1st and 2nd Sessions, Part 1, 644.

[22] *Testimony before Senate Committee on Education and Labor, Hearings on S. 1661, A Bill to Provide for the Appointment of Fact-Finding Boards to Investigate Labor Disputes*, 79th Congress, 1st and 2nd Sessions, Part I, 1945-1946, 647.

who are not members of the union," he said (he actually granted that the workers had the right to keep strikebreakers and scabs out of the plant, appealing only to the right of management and supervisory personnel).[23] "I don't think that the corporation should have to go with its hat in had to a union and ask for permission to bring its engineers and so on into a plant."[24] But as frightening as the sudden intransigence of the workers was the feeling that GE officials had that they were alone. Local mayors, clergy, teachers, small businesses, town residents, politicians—all seemed to be on the union's side, all seemed to believe that GE was in the wrong. As GE consultant Herbert Northrup later wrote,

> Employees, including many new recruits of the war period, appeared vigorously to support the union's demands and to have little or no knowledge of the company side of the issues. Moreover, the community leaders, politicians, and merchants in areas where GE had plants, also seemed to support the union, to believe that General Electric employees were underpaid, and to hold General Electric responsible for the strike.[25]

[23] Ibid, 645.

[24] Ibid, 652.

[25] Herbert Northrup, *Boulwarism* (University of Michigan, Ann Arbor: 1964), 21.

To remake labor relations at GE after the strike, Charles Wilson hired a balding, middle-aged man with elfin ears—Lemuel Ricketts Boulware. College-educated, with a background in sales and marketing, Boulware had little prior experience in labor relations. During the 1920s, he worked as the sales manager for the Syracuse [Easy] Washing Machine Corporation, where he was responsible for training the sales staff. He helped to found the Marketing Executives Society and gave public lectures on sales and advertising. In the middle of the Depression, he and his wife embarked upon a world cruise. Boulware met Ralph Cordiner and Charles E. Wilson (the future and current presidents of GE) while they were all working at the War Production Board during World War II. Wilson hired Boulware at GE after the war and put him in charge of labor relations at the "affiliated companies," subsidiary companies owned by GE that bargained with unions separately. None of the employees at these companies joined in the 1946 strike, although they were also represented by the UE, and after the strike, Wilson asked Boulware to expand the labor relations program he had pioneered there, which had been shaped by his long background in marketing and public relations.[26]

Boulware's career at GE was deeply affected by the memory of the 1946 strike. Business seemed to be losing in a massive political struggle, and it needed to fight back. As he wrote in one of his first memos at GE, circulated even before the 1946 strike,

> Management is in a ***sales*** campaign to determine ***who*** will run business and the country,--and to determine if business and the country will be run ***right***. Union leaders and left

[26] Ibid, 25-26.

> wingers are out calling on the "customers," finding out what the customers want and doing something about it, meanwhile vigorously, courageously, imaginatively, brutally and effectively attacking management as incompetent and crooked.

Unions sought to transform society. In contrast, businessmen saw themselves as apolitical technocrats, for whom politics was a distraction from the more pressing matters of production and budgets.

> Management, on the other hand, is "staying home" and remaining silent—the most negative possible sales procedure. Who has been winning this sales competition for 13 years, and who still is, is all too evident in elections, labor laws, the attitude of all public servants, and the convictions held by workmen and the public about management.[27]

Boulware's philosophy of labor relations combined paternalism with a utopian view of the free market. The market allowed each individual actor to pursue his or her own ends, magically optimizing outcomes for all. Unions threatened the free market, and therefore were necessarily opposed to the interests of those they claimed to represent.

[27] Lemuel Boulware Papers, MS Coll 52, Box 8, Folder 154, Van Pelt Library, University of Pennsylvania.

"The union official," he said in a speech to GE managers, "simply represents the most familiar symbol of the socialist opposition to maximizing the free market that is workable, to giving business the freedom it may otherwise prove it deserves, and to progressing toward that better material and spiritual America where decisions are decentralized to the individual citizen to the maximum degree possible."[28] Since the conflict between unions and management was a battle between the tyrannical forces of collectivism and the liberating promise of the free market, Boulware believed that the relationship between labor and management at GE was a vital part of a much larger struggle. No contract negotiation could ever be viewed as a simple, self-contained and particular discussion over terms, in which both sides came together, exchanged views, and arrived at a fair solution. Rather, every negotiation was, in his view, a chance to demonstrate the power of the corporation and the weakness of the union. "In one sense," he proclaimed,

> There is never a beginning and never an end to preparing for bargaining. What happens in the periodic sessions at the bargaining table is merely an accounting—a more or less formal tallying up—of what happens in the daily relations that go on year in and year out between General

[28] Lemuel Boulware Papers, MS Coll 52, Box 9, Folder 181. Van Pelt Library, University of Pennsylvania.

> Electric managers and their associates in the plants and in the communities.[29]

As he had learned during the strike of 1946, no conflict with the union—no negotiations, no demonstrations, and certainly no strikes—could ever be viewed simply as an economic event. The particulars were never really at stake. Rather, the union was a political threat, challenging the ability of management to make decisions unfettered, to decide what was right, and to exercise its power. As he put it in a memo regarding a threatened strike in 1954, "This threat is more than mere window dressing. It is the real show-down for power over employees, management, our communities and all others concerned. What is at stake is not just our current profits, but our whole right to run the business in the balanced best interests of all, and our ability to have GE grow, serve, prosper and even survive."[30]

Unlike the Cold War liberals and the moderate Republicans of the Eisenhower administration, Boulware did not view the Soviet Union as the greatest political threat facing the United States. Far more dangerous, in part because it was accepted by the Cold War consensus that saw social spending as a necessary bulwark against Communist doctrines, was the welfare state and the power of labor. Boulware—borrowing from the philosophy of Austrian economists Friedrich Hayek and Ludvig von Mises—believed

[29] Memo dated 4/2/55. Lemuel Boulware Papers, MS Collection 52, Box 8, Folder 166. Van Pelt Library, University of Pennsylvania.

[30] Division Managers Meeting memo, dated 11/17/54. Lemuel Boulware Papers, MD Coll 52, Box 8, Folder 170.

that unions and the welfare state would lead the whole country down a path that ended in socialism. GE took a hard-line stance against Communist workers, who were an important group in the company's factories and in the UE leadership. The company co-operated with Senator Joseph McCarthy in rounding up suspected Communists for HUAC hearings, which were at times conducted directly prior to union elections in which the anti-Communist IUE faced off against the radical UE, and workers who took the Fifth Amendment were fired.[31] Still, for Boulware, unions—regardless of their political affiliation—were the real danger. In 1948, GE put out an advertisement in the plants reading,

> We honestly believe that the top leaders on both sides in UE are consciously or unconsciously working in a direction opposite to our better understanding of our free system and to our better use of that system. We do not think being termed an 'anti-Communist' in the case of one, or a 'door-opener for the Communist party' in the case of the other, makes any difference.[32]

[31] Oral History Project: Schenectady General Electric in the Twentieth Century, Gerald Zahavi Interview with A.C. Stevens, 45. IUE/UE Local 301 Collection, Series 3, Box 3. M.E. Grenander Department of Special Collections and Archives, University of Albany, SUNY.

[32] "Carey vs. Boulware," *Fortune*, October 1952.

Boulware even testified in Senate hearings on Communist unions in May 1952 that there was no way of telling, from activities in the plant, "which unions were Communist-dominated and which were not."[33] "Let's face it," he said in a speech he delivered to many audiences in the late 1940s and early 1950s,

> We have got to get just as aroused and just as active about all kinds of socialists as we are about the communist brand of socialist. Our real danger is that, while we are scared to death of communism, too many of us seemingly haven't come to fear socialism at all. The intentions of the communists are, of course, the ultimate in the wrong direction. But the potentialities for evil of the socialists—who are careful not to be known as such—are just out of this world, and simply because we are not alerted at all.[34]

[33] Ibid.

[34] Lemuel Boulware, "Salvation is *Not* Free." Boulware gave versions of this speech to many different audiences, including the Economic Club of Chicago, the Economic Club of Detroit, Sales Executives Club, American Chamber of Commerce Executives Convention, California Personnel Management Association, National Tool and Die Manufacturers Association, Summit County Employers Association and others. GE Corporate Pamphlets, 5583/1, Box 57, Kheel Center for the Co-operation of Labor and Management, Catherwood Library, Cornell University.

During the 1950s, "Boulwarism" (Boulware himself always rejected the term, saying that his program was nothing "new or unorthodox or even experimental") was best known as a contract negotiating strategy.[35] When a contract came up for negotiation at G.E., the company would generally refuse to engage in active negotiating sessions. Managers would speak little during the meetings with the union. But on the last day of negotiations, they would present their contract offer publicly to the entire community—as though they were advertising a new model of washing machine or a special brand of refrigerator. The company would then say that since its offer expressed structural economic realities as perfectly as any fixed contract could reflect the ceaseless ebb and flow of the marketplace, it would not change the offer, no matter what the union did. As Boulware said, a strike "obviously should not be any factor at all in determining whether an offer or settlement is to represent more or less than what's right."[36] GE would then put the proposal into effect for all non-union workers (and any workers in different unions who might accept it). It would set a date for the union to accept the contract, and refuse to give retroactive wage increases past that deadline.[37]

The primary theory behind Boulwarism as a contract strategy was that the union should never be shown to win anything for the employees. The union was an interloper; real industrial democracy lay in the connection between the employer and the employees. Management determined wages, benefits and work rules based on market conditions. Perhaps it might take a few casual recommendations from the union. But the union could

[35] *Wall Street Journal*, 11/3/54.

[36] *Wall Street Journal*, 11/3/54.

[37] *Wall Street Journal*, 11/3/54.

never force management to do anything that management did not genuinely believe was in the best interest of the company, based on its superior understanding of the free market. In a sense, not even the employer was responsible for the matters it bargained over with the union: The market set wages and determined working conditions, not the employer. "Governments, unions and shareholders have no way to protect permanently the employee of one business against the employee of another, more efficient business—or against the customer who refuses to pay."[38] The internal planned economy of the corporation dissolved into the infinite market interactions that made it up. In a speech to Employee Relations Managers in preparation (eight months early) for the 1960 negotiations, Boulware said,

> We must…tell the truth about productivity, how much it is, how many people make how many kinds of contributions to it, how the fruits are distributed by market action alone even when inflationary and discriminatory pay increases have been forced on some leading businesses and when there have been other harmful distortions of the free market process.[39]

[38] Memo, 7/1/60. Lemuel Boulware Papers, MS Collection 52, Box 10, Folder 196.

[39] Boulware, "A Job of Two Magnitudes," speech to employee relations managers, 12/8/59. Lemuel Boulware Papers, MS Collection 52, Box 80, Folder 1619.

But while Boulwarism became famous as a contract bargaining strategy, it also described a state of affairs within the plant between negotiations. Boulware envisioned a constant stream of propaganda aimed at workers, designed to cement their loyalties to the company. Just as union organizers sought to build a network of relationships within the company that would bolster the power of workers, Boulware imagined a network of relationships between workers and supervisors that would guarantee employee solidarity with GE. Boulware called this strategy "job marketing." As though the job was another product made by the company, the job would be "sold" to the worker. "We…take the initiative in doing right voluntarily and…respond as far as feasible, to what our job customers [tell] us [are] the material and emotional needs and aspirations which they would like us to try our best to satisfy in return for an honest day's work," he mused in one 1956 division managers' meeting.[40]

In order to strengthen the bonds between management and workers, Boulware created a multi-tiered system of intra-plant communications, including a weekly publication for managers, *The Employee Relations News*, and a weekly publication for employees, the *Works News*. The *Works News* contained regular features such as a question column called "The Grapevine," where workers could ask about difficulties or disagreements—or, as the paper put it, where rumors could be answered with facts. For example, in early 1955, one worker inquired: "I have heard that Christmas bonuses are granted by many employers who possess less wealth than the General Electric Company. Why then does not the G.E. Company prove beyond doubt its sincere good will in this matter also?" The company responded, "General Electric prefers a program of enduring

[40] Directors' meeting notes, 12/17/54. Lemuel Boulware Papers, MS Collection 52, Box 8, Folder 170.

value, one which may not be dramatized in flash acts…Mostly, however, we feel that every time the state, an employer, or anyone else takes over one of our individual responsibilities completely, we are one step farther along the road to socialism and a halt to progress."[41] At about the same time, as anxiety about job loss, plant closures and automation began to spread in cities like Schenectady, the *Works News* printed a copy of an old handbill opposing the railroad, with the headline, "The Fearful Always Attempt to Halt Progress."[42] A few years later, the paper ran an article on "Foreign Competition and American Investors"—about how American investors were putting their money into foreign countries. "Put yourself in the investor's shoes. Where would you invest your money if you had reason to believe American production costs were headed higher, and American profits lower?"[43] Regular broadsheets giving a conservative perspective on economic questions—"Should Pay Be Equal Everywhere? Would it be fair to you? Would it create ghost towns? Would you have to move?" "Jobs depend on Faith" "How Big Are General Electric Profits—Are They Too Big?" "Who Told You These Fairy Tales—Do You Still Believe Any of Them?"—supplemented the *Works News*.[44]

The centerpiece of Boulware's vision of labor relations was the creation of a network of organizers—whom he called "job salesmen," i.e., supervisors—on behalf of the corporation and the free market, which could rival the structure of the union in the plant. Management should consciously strive to create a dense web of affective

[41] *G.E. Schenectady News*, January 14, 1955. University of Albany Library.

[42] *G.E. Schenectady News*, February 11, 1955. University of Albany Library.

[43] *G.E. Schenectady News*, July 15, 1955. University of Albany Library.

[44] Schatz, *The Electrical Workers*, 172-3.

relationships that could supplant those created by the union. A job, Boulware suggested, was "an intimate relationship between two people—the employee and his boss." The supervisor, he hoped, was to be "Mr. General Electric—or, better still, as nearly as humanly possible…Mr. Everything" on matters related to the job.[45] Starting in 1947, each of the company's 15,000 supervisors was given a lengthy handbook of "scripts" explaining at great length good answers to difficult questions that workers might ask. These responses were almost always couched in the most general, abstract and philosophical terms, seeking to encourage a market logic and vision of the company rather than respond to particular concerns at GE. For example, workers might fear that Big Business was "greedy and unprincipled," and that its growth came at the expense of workers and small business. The supervisor's response:

> The size of a business is determined by the amount of goods it sells. In the absence of monopoly, the amount of goods it sells is determined all over again every day by the votes of individuals in that most free and democratic of processes, the 'plebiscite of the marketplace.'

For workers who wondered by G.E. had allowed the union to organize—if the union was so bad and the company so good—the supervisor was poised to recant G.E.'s earlier position of neutrality:

[45] Lemuel Boulware, *The Truth About Boulwarism: Trying to Do Right Voluntarily* (Washington, D.C.: Bureau of National Affairs, 1969), 31.

> …The Company felt it had many reasons for remaining silent. Rightly or wrongly this has been the fashion of business. It has taken most of 15 years for businessmen to realize that people were paying attention to the unfair charges against them. G.E. management assumed that it has a good place in the minds of its employees. It assumed everyone would know it provided a good place to work. It assumed its character, ability and honest intentions towards employees were thoroughly and accurately understood. *It realizes now that it was wrong.*[46]

Another crucial aspect of Boulware's program was training GE managers and workers in free market ideology. The company used a course developed at Du Pont, entitled "How Our Business System Operates." It was conducted on company time in three one-and-a-half hours sessions for small groups; according to Boulware, all 190,000 GE employees took part in it. (He claimed that the company spent more than $2 million in lost time for workers to take the class.) The reasons the company gave for mandating the course were highly ideological. "No longer can a business be operated by ignoring the world outside the plant gate. No longer can a businessman operate his business with an eye solely on the profit ledger," read a pamphlet about the economics education program.

[46] Supervisors' Guide to GE Job Information. Corporate Pamphlets Collection, Accession 5583/1, Box 57. Kheel Center for Labor-Management Cooperation, Catherwood Library, Cornell University.

> As employers in this country, businesspeople are directly associated with more than 60,000,000 people, more than a third of our population. If these sixty millions are made aware of the economic facts of life, we can be sure that they will, in turn, influence the thinking and knowledge of at least another third of the population.[47]

Free-market ideology was intended to politicize GE's managers as much as tame its workers. Boulware's background in public relations—especially the teachings of Edward Bernays—strongly influenced his view of political action. Society, for him, was simultaneously highly decentralized and extremely hierarchical. It was a collection of small social orders, in which people were divided into leaders and followers. "Thought leaders" were people who exercised a disproportionate amount of power over other people's lives and opinions, and it was these people who needed to be located, contacted, and persuaded to believe in the free market and GE: "[T]here [i]s a thought-leader for every 8, 10, or 12 people, whether these people made up a baseball team, a football team, an army squad, a company president and his top officers, a US president and his cabinet, or a little group in the corner of a shop or office or community."[48] The basic problem facing American society was that a small number of union leaders had managed to seize a

[47] "Highlights of the General Electric Economic Education Program," Kheel Library for Labor-Management Co-operation, Catherwood Library, Cornell University, Accession 5583, Box 52.

[48] Boulware, *The Truth About Boulwarism*, 59.

disproportionate amount of power over American workers by establishing themselves as "thought-leaders." To combat the broad political force of the labor movement, businessmen needed to use their power over their employees to attack the labor movement and to preach a stringent market economics: They needed to become "thought-leaders" themselves.

To this end, GE recommended readings to managers, supervisors and "many other concerned thought-leaders in and out of plants and offices," including publications by William Roepke (*Economics of the Free Society*), Lawrence Fertig (*Prosperity Through Freedom*), writers affiliated with the Foundation for Economic Education and several works by conservative journalist Henry Hazlett.[49] Boulware himself wrote a free-market text, which was revised and published under the name of economics journalist Lewis Haney, that the company distributed (Boulware had originally wanted to commission Austrian economist Ludvig von Mises to write an economic "catechism," but Mises declined) to managers and workers; there were efforts to encourage both supervisors and workers to organize study groups to talk about the book.[50] GE suggested that "concerned thought-leaders" regularly read the *Wall Street Journal* editorial page, Henry Hazlett and Lawrence Fertig's columns, William Buckley's editorials, the *National Review*, and the *Freeman Magazine*. *The Road Ahead*, a short, nightmarish work of social criticism by

[49] "Highlights of the General Electric Economic Education Program," Kheel Library for Labor-Management Co-operation, Catherwood Library, Cornell University, Accession 5583, Box 52.

[50] Lisa Ann Kannenberg, "The Product of GE's Progress: Labor, Management and Community Relations in Schenectady, 1930-1960." Ph.D. Dissertation, Rutgers University, 1999, 215.

conservative writer John Flynn depicting an immanent socialist dystopia, was distributed to all managers.[51]

Boulware though it was essential that G.E. communicate to the broader community, influencing the broader culture in which plant relationships took place. "The five to 50 neighbors per employee—adding up to as many as 50 thousand in a community where we had a thousand employees—had to be offered the same initial and corrective information as was offered to the employee," Boulware wrote.[52] In one of his first memos at G.E., he suggested a "children's chorus," advertising in national magazines, including "racial and religious" ones, plant tours for everyone from the Kiwanis and Rotary clubs to milk delivery men, and "leadership in all heart-warming local activities, such as crippled children, injured veterans, and perhaps Community Chest, Red Cross, etc."[53] The company developed a series of "Planned Community Advertising" programs, which used "all the techniques of modern two-way communication." The "Program for Clergy," for example, described a program for meeting with and organizing clergymen to be more supportive of business causes. Local clergymen would meet at the plant and take a factory tour. Clergymen were asked to participate in planning the event: "A very important psychological approach was used in this first step by taking this selected group of local clergymen into confidence in the planning." From the company's standpoint, the communications program was highly successful.

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[51] Boulware, *The Truth About Boulwarism*, 30-38.

[52] Boulware, *The Truth About Boulwarism*, 58.

[53] "Proposed Program of Plant and Community Relations," 8/1/45. Lemuel Boulware Papers, Box 8, Folder 154.

> All you need to do is look at the difficult periods of 1950, 1951, 1952, and the early part of 1953, with their union strife—and compare them with the earlier periods. A few plants did strike, but in those communities we found public sentiment in our favor. But here was the real pay-off. Unlike 1946, *there were no clergymen in the picket lines.*[54]

For Boulware, the purpose of the community outreach program was partly to help generate a greater level of sympathy for General Electric. But it was not simply an effort to publicize positive qualities of the company—to portray G.E. as "a good employer, a good buyer of local goods and services, a good taxpayer, a good contributor and otherwise a desirable corporate citizen." Instead, it was part of a broader political project, an effort to increase public receptivity for free markets and private enterprise in general, and to:

> ….[J]oin with other businessmen…in the pursuit of still further understanding of our free system of incentives and competition on the part of the community as a whole…resulting [in] far greater understanding and deserved approval on the part of the community of business in general and the free markets and free persons concept of

[54] "Program for Clergy," General Electric, undated. Accession 5583, Box 53, Kheel Center for Labor-Management Co-Operation, Catherwood Library, Cornell University.

> the economic and political system within which business operates.[55]

While top management always supported Boulware's policies, they took a while to catch on throughout the middle ranks. At first, many managers resented the new power of the labor relations department. Boulware's ascendancy took place at the same time as Ralph Cordiner (whose nicknames within the company were "the Undertaker" and "Razor Ralph") sought to decentralize the company and make management at all levels more aware of competition. Executive earnings began to be indexed to profits, so that managers were asked to bear a higher level of risk. Some were asked to leave their old towns to go to new factories.[56] Managerial assistants, whom Cordiner believed were nothing but "prop[s] for a manager who can't get his own work done," were fired.[57] In this context, as one plant manager in Schenectady remembered, "a lot of the old-timers thought Boulware was for the birds." In particular, they did not share his stark opinion on the opposition of the company and its workers: "He was far more aware of a sharp different of feeling between management and labor than I felt, or than we felt, in Schenectady."[58]

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[55] Boulware to Bertrand Chapman, undated. Accession 5583/1-17, Kheel Center for Labor-Management Co-operation, Catherwood Library, Cornell University.

[56] "The Overhaul of General Electric," *Fortune*, December 1955.

[57] Kannenberg, "The Product of GE's Progress," 199.

[58] Oral History Project: Schenectady General Electric in the Twentieth Century. Gerald Zahavi interview with A.C. Stevens, 29-30. IUE/UE Local 301 Collection. Series 3, Box 3. M.E. Grenander Department of Special Collections and Archives, University at Albany, SUNY.

But over the course of the 1950s, Boulware's authority actually expanded. Cordiner, who was extremely enthusiastic about Boulware's policies, insisted that all divisions of GE make labor relations a priority. Many old-time managers quit GE, angry at the disruption the company's policies had caused in their careers.[59] The company began to recruit heavily on college campuses, to the point that a degree became a prerequisite for a managerial job. At the same time, GE established its own business school, the General Electric Management Research and Development Institute, in Crotonville, New York. The result was that Boulware supervised a staff of Employee Relations Managers who were mostly college graduates, carefully trained by the corporation, which gave him a power base within the firm independent of the older supervisors. The new white-collar managers had little personal experience of solidarity with the unions or with production workers at all.[60]

At the same time, GE sought to hire at least some people with expressly conservative politics for leadership positions. For example, early in 1957 John McCarty of the Plant Community Relations Services Department wrote to Boulware to suggest that the company hire Peter Steele, then director of education for the Associated Industries of Missouri. Steele's main claim to fame was his authorship of a pamphlet entitled "Blueprint for World Revolt," which GE had circulated widely to its managers and executives. McCarty wanted Steele to contact and work with leaders of national liberal organizations, in the hopes of converting them to the GE program: "Just like in war,

[59] Kannenberg, "The Product of GE's Progress," 201.

[60] Kannenberg, "The Product of GE's Progress," 199-203.

someone has to go in and individually contact the enemy."[61] Steele was thrilled to go work for GE. As he wrote to his brother, Boulware was "without a peer among businessmen who speak up for what they believe and the General Electric Compnay is way out ahead of others in the realization of what needs to be done and its willingness to take up the lead in doing it."[62] Steele urged GE to support the American Economics Association and the Remnant (an attempt to mobilize conservative clergymen). He ultimately left GE to campaign for Barry Goldwater. The hiring of Steele on the basis of his conservative ideology and writing shows how far the company had gone towards conceiving of its political program in terms that resembled those of a giant think tank.

Yet even as GE proselytized to its employees about the glories of the free market, the company was teaching another lesson about power in the marketplace. During the mid-50s, GE moved production from the older plants (located in a 10-state belt of Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Ohio, Indiana, Illinois, and Michigan) to newer facilities, such as the company's gigantic Appliance Park in Louisville, Kentucky, which had been a war plant during World War II. Employment at the Bridgeport, Connecticut plant, which made consumer appliances

[61] John McCarty to Lemuel Boulware, 3/29/57. Peter Steele Papers, Box 2, Correspondence D-G. Knight Library, University of Oregon.

[62] Peter Steele to Thurston Steele, 4/1/57. Peter Steele Papers, Box 2, Correspondence D-G. Knight Library, University of Oregon.

such as toasters and electric blankets, dropped from 6,500 in 1947 to 2,888 in 1955 (even though the market for these goods was rising)—jobs moved to Allentown, Pennsylvania; Syracuse and Brockport, New York; and Ashboro, North Carolina. The Schenectady Works plant, which made producer goods such as turbines, saw employment fall from 20,000 in 1954 (it had peaked at 40,000 during World War II) to 8,500 in 1965. The production was shifted to Roanoke, Waynesboro and Lynchburg, Virginia; Shelbyville, Indiana; Baltimore, Maryland; Johnson City, New York; and towns in Vermont and California.[63]

The company explicitly favored opening new plants in right-to-work states.[64] In one case, a West Virginia management consultant who had been working with Boulware and Wilson in 1954 signed an affadavit in which he said that his efforts to bring the company to Clarksburg, West Virginia foundered when Boulware recalled being grilled in a Congressional hearing in the late 1940s by a West Virginia representative. (The plant went to Kentucky instead.)[65] In a speech given in Arizona, Boulware announced that "a very important factor" in the company's decision to invest in computer factories in the state was "the fact that you do have a right-to-work law, and the fact that a growing majority of the citizens are so obviously coming to appreciate and support voluntarism as opposed to compulsion in union membership."[66] Boulware helped develop a "Better

[63] Schatz, *The Electrical Workers*, 233-238.

[64] Lemuel Boulware Papers, Box 35, Folder 904. Manuscript Collection 52, Box 35, Folder 904.

[65] Lemuel Boulware Papers, Manuscript Collection 52, Box 42, Folder 1180.

[66] "Politics: The Businessman's Biggest Job in 1958," speech given 5/21/58 to the annual meeting of the Phoenix Chamber of Commerce. Corporate Pamphlets Collection, Accession 5583, Box 61, Kheel Center for the Co-operation of Labor and Management, Catherwood Library, Cornell University.

Business Climate" survey, measuring how friendly a town was to industry (he even got the U.S. Chamber of Commerce to establish a committee on "Getting and Keeping Good Employers" and make him the chair).[67] Even once the plants had opened, the company continued to use the specter of competition to discipline workers. One union leader told of a plant that had relocated from Bloomsfield, New Jersey, to Tyler, Texas, where wages were 30 to 35 cents an hour lower, and benefits less generous. "[W]hen our Tyler local asked the company for a wage increase it was told that G.E. could not afford it because it was not competitive in Tyler! Exactly the same story was told to people in Bloomsfield."[68]

GE publicly justified its decision to transfer jobs and speed up production in terms of the company's competitive position. But inside the company Boulware discussed it in terms of disciplining the workforce. At the Schenectady Works plant, for example, where thousands of skilled machinists (in addition to line workers) made generators, turbines, and other industrial equipment, management announced in 1954 a plan to double the plant's production and profits over ten years—without hiring any additional employees. Several lines of production—Industrial Controls, Industrial Heating, Porcelain Division and Cables—were moved out of Schenectady to Southern shops. Within the plant, the company embarked on a program of automation and speed-up. Grievances piled up as foremen refused to deal with stewards during the workday. As a

[67] Kannenberg, "The Product of GE's Progress," 225-226.

[68] John Callahan testimony (Callahan was the chairman of the IUE-GE Conference Board) before the Special Senate Committee on Unemployment, 1/8/60, 2-3. IUE/UE Local 301 Archives, Reel 2, M.E. Grenander Department of Special Collections and Archives, University at Albany, SUNY.

result, workers began to engage in stoppages, especially in departments such as the Turbine Department, where there were concentrations of machinists with strong union consciousness and craft solidarity.[69] Such wildcat strikes, however, only intensified company's determination to move the jobs. In a memo dated September 1956, Boulware warned:

> Schenectady in general and the Turbine shop in particular have a problem. It is that the pay is too high for the value of work done, that the employees are unresponsive to guidance and in the matters of cooperation, that the supervision is frustrated and even doubtful as to the soundness and ethics of our plans unknown, and that the situation is getting worse rather than better with the inevitable result that more and more of the other operations must be taken out of such a high-cost atmosphere, and that as much as possible of the Turbine business must be drained off to be taken to other places where it is more

[69] The union newspaper described one such work stoppage in 1957, which was over issues involving the upgrading of long-time employees. The contract grievance was settled after the work stoppage in the Turbine Department. However, even though the turbine workers had won, the department managers were reluctant to apply the settlement elsewhere in the plant. *Local 301 News*, 4/19/57. IUE/UE Local 301 Collection, Reel 3, M.E. Grenander Department of Special Collections and Archives, University at Albany, SUNY.

> possible to operate within the prices people can and will pay.

Boulware was aware that this would devastate Schenectady, but he saw moving the jobs as discipline for workers who had grown accustomed to organization and power.

> This is not a question of General Electric profits. This is a question of pay for schoolteachers, the number of ads in the newspapers, the amount of collections in the church boxes, and whether people's homes are going to be worth anything or not in Schenectady. Underlying all of this is that we have grown so large in Schenectady that we have created a seller's market on labor there. It is up to Schenectady to prove that it can go contrary to most all other human experience, and that is that it can discipline itself morally and economically not to take the short-term course of abusing the future through trying to cash in exorbitantly on the present sellers' market.[70]

The fact of the company's decision to move production out of its industrial base, combined with its rhetoric about the wisdom of the free market, made the threat of job

[70] Memo dated 9/12/56. While it is an unsigned memo, it is written in Boulware's style. Lemuel Boulware papers, Box 9, Folder 180.

loss a potent factor in negotiations. Especially during the recession of the late 1950s, Boulware frequently referred to capital flight and to GE's competition with low-cost companies abroad (and in the South) during negotiations, suggesting that if the workers did not co-operate with whatever the company wanted to do, their jobs might be the next to go. The miracle of social harmony through the free market could as easily turn violent, closing factories and destroying cities with impersonal cruelty. Preparing for negotiations in 1960, Boulware warned workers about the "new and pressing realities of the 1960 problem." Low-cost foreign competition was forcing prices down, leaving companies to face "the customer strike, or slow-down, or sit-down, which can be permanent—as empty factories with broken windows in many older industrial areas so vividly dramatize."[71] The Japanese had supposedly captured 60% of the market in Christmas tree lights. Domestically there was also increased competition: "New communities, eager for industrial growth, are taking business away from older communities by challenging the values produced in many of the long-established communities."[72] Inexorable competition left the company no choice. While workers were preparing for a strike vote in 1960, the *Works News* queried:

> If there is a strike, how long would it take the company to regain its market position once it has settled? How many jobs will be lost before the company could regain the

[71] Memo dated 7/1/60. Lemuel Boulware papers, Box 10, Folder 196.

[72] Ibid.

> business it would lose during a strike? Would my job be one of those that would be lost? Would the loss be temporary or permanent?[73]

But perhaps the most important aspect of Boulwarism was its relentless politicizing of the economy. For Boulware, almost all of the problems that GE had in labor and community relations were at heart political. The New Deal had triumphed, in both political parties and throughout the American population. As long as this was the case business could not be safe. What was needed, Boulware believed, was a general rejuvenation of pro-business, free-market values throughout the American population. Businessmen needed to lead the people in this necessary cultural transformation. Without it, the company's efforts to improve community relations—the advertising programs, the economics classes, the tough negotiating stances—would come to naught. "The fact must be faced frankly that politics today are waged in the economic arena," he warned. "Businessmen must realize that they have been pushed 'beyond the commercial field into the political arena."[74]

Boulware and GE supported the right-to-work campaigns of the late 1950s (the company even gave financial support to the campaign for right-to-work Proposition 18, in California during Republican Senator William F. Knowland's disastrous gubernatorial

[73] *General Electric Schenectady News*, 9/16/60. State University of New York at Albany Library.

[74] Lemuel Boulware, "1950 Program of Employee, Community and Union Relations Division." Lemuel Boulware Papers, MS Collection 52, Box 8, Box 8, Folder 157.

campaign).[75] Winning the campaigns mattered less to Boulware than using them as an educational tool. As he wrote to a supporter, "The discussion and promotion of right-to-work measures in the various states—even though most of these measures do not pass on the first trial—is the best process I know of so far by which employers and other thoughtful people in the public can…bring to employees and the public the damage which compulsory unionism does to employees and citizens."[76] The company also donated money to business organizations like the National Association of Manufacturers, the Business Advisory Council and the Committee on Economic Development. [77]

But most important, Boulware urged other businessmen to become active in electoral politics. After delivering a speech to the Phoenix Chamber of Commerce entitled "Politics: The Businessman's Biggest Job in 1958," he received fan mail: "I hope you are sending this speech to every businessman in the country," wrote Fred G. Clark of the American Economics Foundation. Boulware responded that he had already sent out about 160,000 copies of the speech to all GE supervisors, to "our plant community lists made up of clergymen, teachers, heads of women's organizations and other thought leaders," all Congressional Representatives and to "all the remaining names in Poor's Directory of Directors not otherwise covered." The Phoenix Chamber distributed 800

[75] 9/24/58, Memo on Salt Lake City Conference 9/21-9/22 Sponsored by the National Right-to-Work Committee. James Clise Papers, Box 9, Folder on Voluntary Unionism. Knight Library, University of Oregon.

[76] Memo, 11/26/58. Lemuel Boulware Papers, MS Collection 52, Box 10, Folder 196.

[77] Lemuel Boulware Papers, MS Collection 52, Box 9, Folder 193. Also see Regnery papers at the Hoover Institute; Boulware often read and commented on manuscripts for Henry Regnery, the conservative publishing house.

copies, one newspaper ran the whole text, Senator Barry Goldwater put the speech in the Congressional Record, and "requests are now coming in for one dozen to 400 or 500 each." [78] Around the country, businessmen were paying attention to Boulware's program. *Fortune* magazine ran an editorial arguing that corporations were "rediscovering" politics, which focused on GE, and the Wall Street Journal ran a similar piece on business and politics ("Business and Elections: One Aim: To Counter Unions") which featured GE as well. [79] As one James Collins of the Fidelity Union Life Insurance Company wrote to Boulware, "We need more companies to take the same positive attitude that GE is taking." [80]

The company's executives, including Boulware, gave money and time to conservative causes.[81] In 1964, Ralph Cordiner—who had recently stepped down as G.E.'s president—took on the job of leading the fund-raising campaign for Barry Goldwater in the months leading up to the election, while Boulware himself (also

[78] Boulware to Clark, 6/17/58.

[79] *Fortune* editorial, October 1958. *Wall Street Journal*, "Business & Elections," 10/14/58.

[80] Collins to Boulware, 9/16/58. Lemuel Boulware Papers, MS Collection 52, Box 34, Folder 864. Collins also praised Sears and Ford.

[81] Boulware was a frequent contributor to conservative causes as an individual. By 1966, he had given $11,200 to the Intercollegiate Society of Individualists, $4,750 to Americans for Constitutional Action, $1,000 to American Conservative Union, and more money to the Foundation for Economic Education, the American Economics Foundation, the Freedom School and the Intercollegiate Society of Individualists. Lemuel Boulware Papers, MS Collection 52, Box 39, Folder 1066.

recently retired) contributed about $10,000 to the Goldwater campaign.[82] Later in life, Goldwater would remember Boulware as a key supporter, rhapsodizing about "the great inspiration that you provided for me as you so stubbornly, rightly and forcefully fought with the union that was trying to take over your company. I wish we had more like you around. The woods are full of softies, not many tough ones left."[83] Less directly, though perhaps more important over the long run, in the 1950s the company employed Ronald Reagan, then a failed movie actor reduced to doing gigs in Las Vegas. Reagan introduced the company's television program and traveled around the country, speaking to audiences of workers and giving the famous G.E. speech. Earl Dunkel, the man who trained Reagan, remembered that when Reagan came to G.E.,

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[82] Rick Perlstein, *Before the Storm: Barry Goldwater and the Unmaking of the American Consensus*. New York: Hill and Wang, 2001, 441. Also see Lemuel Boulware papers, MS Collection 52, Box 35, Folder 880. Van Pelt Library, University of Pennsylvania.

[83] Goldwater to Boulware, 4/27/78. Lemuel Boulware Papers, MS Collection 52, Box 38, Folder 1040. This nostalgic correspondence continued into the 1980s. In 1983, Goldwater wrote, "The fact that I failed really was not too important. The important thing is that through men like you we did start a realization, which is growing more and more, of the fundamental facts of life, the fundamental facts of philosophy that have made America great. In my book, Lem Boulware is going to go down as one of the men we should have had more of as we progressed through the year, rather torturous ones that have produced nothings." (Goldwater to Boulware, 6/13/83.) Boulware responded in similar fashion: "It is to you we all owe the bringing of sensible conservatism out into the open…You may have lost the one battle along the way. But you are now winning the war." (Boulware to Goldwater, 6/20/83.) Later, Goldwater wrote to Boulware, "Don't be thanking me for anything I've done in politics. Thank yourself and a few others, just a handful, who had the courage to stand behind me when I was beginning to say things that the rest of the people didn't like or understand." (Goldwater to Boulware, 9/10/84.)

> …His politics were in the process of change. He had been a New Deal Democrat. He didn't like the way things were going, the trend of things. I was, am, and always will be an arch conservative…I was drumbeating this at him all the time. Whenevger he tried to defend New Dealism, or what was passing for it at the time, we would have some rather spirited arguments. I think this helped him to realize, as he put it later, that he didn't desert the Democratic party; the Democratic party deserted him.[84]

Boulware offered financial support to Reagan throughout his political career, and Reagan remembered him over his entire time in politics. In 1966, after Reagan declared for governor of California, Boulware contributed to the campaign. Reagan wrote back thanking him and expressing anxiety: "[S]omehow making the actual declaration was like stepping off the high dive and realizing you were on the way to the water and it might be cold."[85] Ten years later, Reagan wrote again: "I promise you I'll be trying to stir up the business world, including the exhortation to fight back against government's increasing lust for power over free enterprise."[86] And once he'd attained the presidency, Reagan

[84] Oral History of Earl Dunckel, by Gabrielle Morris (1982): Ronald Reagan and the General Electric Theater, 1954-55, 15. Bancroft Library, University of California at Berkeley.

[85] Reagan to Boulware, 1/13/66. Lemuel Boulware Papers, MS Collection 52, Box 48, Folder 1435.

[86] Reagan to Boulware, 1/2/75. Lemuel Boulware Papers, MS Collection 52, Box 48, Folder 1435.

sent Boulware autographed golf balls and a personal note: "Dear Lem—in case I do something wrong—hit one of these with a 9 iron or a 'wedge' and I'll feel it."[87]

More important than Boulware's financial donations, though, was the role he played in instilling the sense in a part of the business community that ideological and political engagement was an appropriate, legitimate and absolutely essential part of being a businessman. Businessmen needed to fight on behalf of the free market, against the monopolistic threat of unions and the welfare state that threatened to exercise illegitimate power over the state. The idea of businessmen as crusaders on behalf of the free market—the weak and powerless rebels against the omnipotent forces of labor—was the Boulware's real legacy. Businessmen had to bear the burden of politics. As he put it, "No one else seems to be willing to go through the agony of trying to put what we think is right and what we instinctively know is right into language that is intelligible and convincing to the great mass of citizens who at the moment are being lied to by their government and by their unions."[88] Exhorting businessmen to "inner regeneration" and admonishing them that they must "literally be born again" in the fight for the free market, he concluded:

> Let us businessmen stop being Nervous Nellies about this!
>
> There is no such thing as a humiliating defeat in a just

[87] Reagan to Boulware, undated but sometime in 1981. Lemuel Boulware Papers, MS Collection 52, Box 48, Folder 1435.

[88] Lemuel Boulware, "Why Should General Electric Take on the Job of Marketing Public Opinion?"Lemuel Boulware Papers, MS Collection 52, Box 8, Folder 165.

> cause. And, anyhow, let's go at this job fearlessly—recognizing that mightier than armies is the power of a righteous idea whose time has come.[89]

The impact of Boulwarism on GE's unions is difficult to separate from the larger political context in which his strategies were developed—the culture of anticommunism and the larger turn away from the left in the postwar era. GE's unions were weakened by McCarthyism and by the internecine warfare the national political shift to the right caused within the labor movement. The CIO expelled the UE in November 1949, on the charge that it was a Communist-dominated union, and Philip Murray granted a charter to the IUE (International Union of Electrical Workers) specifically in order to create an anti-Communist CIO union in the electrical industry. The UE and the IUE spent much of the 1950s attacking each other, and the UE leadership claimed with good reason that the division within the labor movement debilitated the union more than GE's strategies.[90] Still, despite the damage done to the labor movement by internal political conflicts, Boulwarism did weaken the unions. This was most evident in the disastrous 1960 IUE

[89] Lemuel Boulware, "Salvation is Not Free." Corporate Pamphlets Collection, Accession 5583, Box 60, Kheel Center for Labor-Management Co-operation, Catherwood Library, Cornell University. PERSONAL NOTE DOUBLE CHECK

[90] Matles and Higgins, *Them and Us*, 252. Schatz, *The Electrical Workers*, 232. Also see David Caute, *The Great Fear: The Anti-Communist Purge Under Truman and Eisenhower* (New York: Simon and Schuster, 1978) for more on anticommunism in the electrical industry.

strike, described by a *New York Times* labor reporter as ""the worst setback any union has received in a nationwide strike since World War II."[91]

During the recession of the late 1950s, both the UE and the IUE were becoming increasingly aware of the negative impact of GE's management decisions on the rights and living standards of union members. Managers were using "decentralization" to avoid settling grievances. The new plants in the south were starting to lay people off. The issues the IUE sought to raise in negotiations in 1958 and 1960 (the IUE had signed a five-year contract in 1955, the best one in the decade, with an agreement to re-negotiate wages in 1958) spoke to the basic conflicts of the postwar economy—an end to regional and sexual wage differentials, the establishment of joint committees to handle the problem of automation, protection of seniority in plant relocations. GE refused to seriously deal with any of them.[92] The union relinquished most of its demands in 1958, but it began to prepare in earnest for a national strike in 1960—holding local meetings, bringing an IUE "caravan" across the country to each plant, broadcasting television messages, conducting surveys for bargaining.[93]

The company was preparing for a strike as well, as it had been in one way or another ever since 1946. Not only did it seek to evade the union's demands regarding employment security, but it also wanted to eliminate the cost-of-living provision that had been negotiated in 1955. By 1958, the company was already saying that the 1955 contract

[91] A.H. Raskin, *New York Times*, 10/25/60.

[92] Salvatore Joseph Bella, "Boulwarism and Collective Bargaining at General Electric: A Study in Union-Management Relations." Ph.D. Dissertation, Cornell University, 1962, 300-400.

[93] Ibid, 410.

had been "too generous," and by 1960, it was adamant that the "business situation" necessitated that "any offer the Company made…would have to be far less generous than the 1955 offer."[94]

For months leading up to the strike, GE made it clear to workers and to the general public that it planned to keep its plants operating if workers struck. Jack Parker (Boulware's successor—Boulware had retired in 1957, but continued to consult the company and was heavily involved in planning the 1960 strike strategy) told meetings of management employees, "The Company will take a long strike rather than accede to demands that are detrimental to the future of the business or that infringe on the basic individual rights of employees."[95] He elaborated, "General Electric will make every effort to see that the plants remain open and will do all possible to encourage proper law enforcement to maintain this condition should there be a strike this fall."[96] At the plant gates in Louisville, Kentucky, after the start of the strike, management hung a sign: "The plant is open and all employees are urged to report for work as usual."[97]

Yet the first days of the strike looked very much like 1946. In Philadelphia, hundreds of picketers shut down the switchgear plant entirely. Nearly all workers were out on strike in Fort Wayne, Indiana. The huge Appliance Park in Louisville, Kentucky was virtually idled—although picketers had to walk past the giant sign saying the plant

[94] "The Story of General Electric's 1960 Negotiations with the IUE," iii. Lemuel Boulware Papers, Ms Collection 52, Box 10, Folder 206.

[95] Victor Riesel, "Inside Labor," *The South Bend Tribune* (Indiana), April 18, 1960. Riesel was reporting on a meeting of GE management employees. Cited in Bella, 425-6.

[96] Ibid.

[97] *Wall Street Journal*, 10/3/60.

was open, one company spokesman said he didn't know if there were enough workers in any one department to sustain "what you would call production." The Syracuse local had initially voted against striking, but when the strike began it shut down the plant.[98] Almost all hourly employees were out on strike at the plant in Pittsfield, Massachusetts.[99] There were substantial pickets in Lynn, Massachusetts, where supervisors had to be conducted by police through picket lines, and after the first week of the strike 3,500 workers showed up for a single shift of picket duty in Schenectady, even though the local had been divided about striking and had initially voted against it.[100]

For Boulware, even though there was little real violence during the strike, the picket lines seemed a perfect expression of the union's implicit force. The reluctance of the police to break up picket lines demonstrated their collusion with the illicit power of the unions. "Are you now in the grip of a SUPER-GOVERNMENT of LAW-BREAKERS?" one company pamphlet asked. "Can or do this super-dictatorship's imported or local goons damage at will your person, your family, your car, your neighbor's savings, your city's property and future?"[101] In Pittsfield, the company took out a series of ads in the newspapers:

> Your mayor is murdering Pittsfield. These law breakers are preventing citizens from coming in to the GE plant and

[98] *Wall Street Journal*, 10/4/60.

[99] *Wall Street Journal*, 10/12/60.

[100] *Wall Street Journal*, 10/11/60.

[101] 10/10/60. Lemuel Boulware Papers, MS Collection 52, Box 10, Folder 204.

> doing work they want to do. Your mayor's police, when asked for protection in going through the brutal picket line, are answering, 'Don't be foolish. We are not strike breakers.' Well, they and the mayor may not be strike breakers but they are Pittsfield breakers. Your cowed mayor—and his cowed police—are stupidly driving out not only GE but any other employers out of this town. This conduct will put a black eye on Pittsfield that will last for generations. Grass will and should grow in Pittsfield streets—if your mayor does not stop instantly his dishonorable abandoning of his sacred oath to enforce the law.[102]

A few days before the strike deadline, managers sent personal letters to the workers' homes, painting the leadership as out of touch. "The union officials should be the servants and not the masters of the members," one letter read. "It is thus now up to you to decide where your own interest lies. We hope your decision—in your own and the common interest—will be to come into work Monday morning after having told your local union officials and the local law enforcement officials that you do not want any fooling about your being able to exercise your rights or about your being protected against unlawful interference with the exercise of those rights."[103] After the strike started,

[102] 10/3/60. Lemuel Boulware Papers, MS Collection 52, Box 10, Folder 204.

[103] 9/27/60. Lemuel Boulware Papers, MS Collection 52, Box 10, Folder 203.

Boulware and Parker began to direct managers to urge workers to cross the picket lines, "not through ultimatums or organized 'back to work' movements, but through patient persuasion of individuals and groups of employees that it is in their own best interests to return to work now." The plan encouraged managers and supervisors to maintain "close contact" with people crossing the picket lines, for "they represent a channel by which management can learn more of the feelings and desires of all employees with respect to the question of returning to work." Supervisors were instructed to keep in phone contact with their employees, and to pay home visits; the company provided them with scripts of arguments to persuade strikers to cross the picket lines. Certain workers should be targeted—"key individuals or small groups of employees whose return is particularly important, perhaps because of defense work…or whose judgment is particularly respected by other employees." The supervisors were told to keep in touch with community leaders aware of "the lasting damage…a long and hopeless strike could have upon job security and the community," and to encourage them to talk to other people.[104]

The company took out full-page ads in *The New York Times*, the *Wall Street Journal* and local publications, attacking James Carey (the IUE president) and denouncing the picketers. Letters were sent to shareholders, reminding them that in addition to their direct interest in GE they were also consumers and businessmen who were "adversely affected" by inflation and high wages, and by the "union's restriction of output and insistence on destroying property and otherwise breaking the law when they call a strike." [105] GE even encouraged secretaries and women employees to pose as the

[104] Lemuel Boulware Papers, MS Collection 52, Box 10, Folder 205.

[105] "Beyond General Electric," 10/14/60. Lemuel Boulware Papers, MS Collection 52, Box 10, Folder 205.

wives of strikers and call into radio talk shows, angry with the union for what it was doing to their families.[106]

In the context of the management barrage, the strike was doomed. While the strike was going on, most of the other unions at GE were settling contracts with the company. The UAW and the IAM accepted the contract, and by October 20th, sixty-two of the unions at GE had taken the offer. Without support from the other unions, it was difficult to sustain the strike, and IUE workers began to cross the picket lines. The strike fell apart completely after two weeks, when the Schenectady local voted to go back to work. The union accepted the very contract it had originally struck to reject.

Businessmen across the country wrote to Boulware to congratulate him on the company's victory in the strike. A Detroit lawyer named Raymond Dykema wrote, "It appears to me that the failure of the strike is one of the noteworthy events of 1960. Probably it is a milestone in labor relations. Undoubtedly it arises from what you call management's 'homework.' I think America owes you a debt of gratitude."[107] Another friend wrote, "As Charles Boivin tells me on landing a big trout, 'I am very happy for you!' I know Carey isn't a trout, but a rough fish, of no value, but it will help all of us to have him out of the waters."[108] Maxwell Goodwin wrote, "Your crowning glory—Carey bites the dust! The recognition being given you is grand and you must love Carey now

[106] Kannenberg, "The Product of GE's Progress," 270.

[107] Raymond Dykema to Lemual Boulware, 11/1/60. Dykema was a partner at Dykema, Wheat, Spencer, Goodnow & Trigg, a law office in Detroit. Lemuel Boulware Papers, MS Collection 52, Box 35, Folder 942.

[108] Harold Edwards to Lemuel Boulware, 10/24/60. Lemuel Boulware Papers, MS Collection 52, Box 35, Folder 949.

that he stuck his neck out and gave you the chance to prove your policy. Now perfect it for politics and USA will be saved."[109] Another business friend wrote, "All this week I have meant to write and tell you what a helluva good job you did for GE—and the malicious malignancy forthcoming from your sparring-partner through the press makes your victory all the more pleasing to some of us. Bless you for it."[110] Arthur Rosenbaum, the director of economic research for Sears, wrote with congratulations and to ask to see the material GE had distributed to its workers.[111] Boulwarism was widely credited with the company's victory in the strike. Maurice Franks, president of the conservative National Labor-Management Foundation, wrote, "Congratulations! I believe the settlement of the GE strike is the beginning of a new era in industrial relations. The era when management will no longer cowtow to the whims of the selfish, incompetent or radical labor leader."[112] A major part of Boulware's approach, of course, was to never stop working. In an executive office meeting memo shortly after the strike, Cordiner asked each manager to "appraise…what had been learned of management-labor

[109] Maxwell Goodwin to Lemuel Boulware, 10/25/60. Lemuel Boulware Papers, MS Collection 52, Box 37, Folder 1044.

[110] Donald Ordway to Lemuel Boulware, 10/28/60. Lemuel Boulware Papers, MS Collection 52, Box 47, Folder 1370.

[111] Arthur Rosenbaum to Lemuel Boulware, 10/25/60. Lemuel Boulware Papers, MS Collection 52, Box 49, Folder 1472.

[112] Maurice Franks to Lemuel Boulware, 11/2/60. Lemuel Boulware Papers, MS Collection 52, Box 37, Folder 1010.

relations" at each plant, and to offer "suggestions of what could be done to place the company in an even stronger position three years hence."[113]

What can we learn from General Electric and Boulwarism? First, the case of GE suggests that there was no liberal consensus in the 1950s. Corporate leaders like Ralph Cordiner and Boulware were committed to a vigorous anti-union strategy. They sought to put forward an aggressive political program—which included support for free-market candidates, no matter how extreme—joining businessmen together in a defense of capitalism and the free market. For Boulware, the liberal order of the 1950s—despite its many limitations and despite the weakness and self-doubt of liberals over the same period—was and remained a restriction on corporate power. Memories of the 1946 strike wave and of the potential power of organized workers haunted GE's leaders throughout the seemingly placid days of the 1950s boom. The liberal and social democratic elements of the New Deal order seemed as great a threat to management power as the Communists and the Soviet Union. Other businessmen followed GE's lead and got involved in building a politics centered around economic conservatism—contributing to right-wing think tanks like the American Enterprise Institute and the Foundation for Economic Education, participating in Spiritual Mobilization (a movement of businessmen to combat liberalism in the nation's churches), organizing right-to-work campaigns, supporting Herbert Kohler in his four-year battle with the United Auto Workers in Wisconsin, and

[113] Executive office meeting memo, 11/14/60. Lemuel Boulware Papers, MS Collection 52, Box 10, Folder 206.

ultimately participating in the Goldwater campaign of 1964. Prosperity, for these business leaders, did not mute class conflict.

But the story of Boulwarism also suggests that in the late 1950s, there was a real shift in the world of conservative politics. Corporate management was starting to see labor relations as political, and to believe that political engagement was key to maintaining control—not only over the firm, but also in American society more generally. For Boulware, the key was to build a conservative grass-roots movement from the top down, encouraging supervisors and management to see themselves as organizers for conservative economic politics. Superficially this resembled—and consciously borrowed from—the organizing project and tactics of the union, but the power dynamics that drove it were fundamentally different. The free market movement would later present itself as a populist movement. But it had its origins in the efforts of companies like GE to find ways to combat the liberal order at the end of World War II. The idea of the market—an anarchic space of desire and individual achievement, in which even the mammoth GE was reduced to an insignificant cipher—provided them with an elegant theory that they could use to justify and explain their power. The roots of this market vision and the politics that followed from it lay not in the dissatisfied longings of populist Americans, but in the political orientations and ambitions of the top strata of American society.