The third unit of grade 12 of the FICSS series (Focus on Inner City Social Studies -- see SO 008 271) examines the role of business, industry, and labor and how they interact with the government and the military. The unit deals with the concepts of power theory, corporation, corporate power, unions, union power, and mass society. Power theory models which may be useful in analyzing institutions and their wielding of power are introduced. The content of the unit includes an introduction; essential source materials; knowledge, skill, and behavioral objectives; learning activities; and supplementary resource materials for both students and teachers. (JR)
BUSINESS, INDUSTRY AND LABOR
GRADE TWELVE, UNIT THREE

according to the
"Comprehensive Social Studies Curriculum for Inner City"
as developed by

Project FICSS
(Focus on Inner City Social Studies
Melvin Arnoff, Project Director
Associate Professor, Kent State University

Unit Author
John Remias

Unit Editor
Marion Stroud

Participating School Districts and Superintendents
Akron                        Mr. Conrad C. Ott
Canton                       Dr. Henry Kurdziel
Mansfield                    Mr. Robert E. Glass
Youngstown                   Dr. Richard Viering
Youngstown Diocese           Msgr. Wm. A. Hughes

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June, 1971
PROJECT FICSS
FOCUS ON INNER CITY SOCIAL STUDIES

Project FICSS is a federally funded investigation sponsored by the U.S. Office of Education under Title III of the Elementary and Secondary Education Act. It began on June 12, 1968, and is to conclude in June, 1971.

Purposes
According to the project proposal, the purposes of this investigation are:

1. to construct a K-12 inner city social studies curriculum.
2. to develop new materials and/or adapt available materials designed to implement the new curriculum, to field test these materials, and revise them as necessary.
3. to promote in selected central city school systems change in social studies curriculum and instruction which is in accord with the needs and problems of an urban society.

Organization
The grant was awarded to the Youngstown Public Schools in conjunction with four other northeastern Ohio school districts, Akron, Canton, Mansfield and the Youngstown Diocese. Under the directorship of Dr. Melvin Arnoff of Kent State University, the original designer of the project, the five district social studies coordinators worked in concert to select a five-man team from each school district. These teams met together full time in the summers and part-time during the academic year. As a group they received the necessary input and participated in studies which helped prepare them for the challenging task of developing a social studies curriculum design for the inner city. In order to do this they needed to become knowledgeable in curriculum theory and the problems of the inner city.
Temporary Products
At the end of the first summer study, some materials were developed for use by the schools during the ensuing year. These, however, are no longer in print since they were intended as temporary materials. They were designed to meet specific immediate needs in the direction of providing some modest corrections within the prevailing social studies curriculum of the participating schools to better balance the treatment of minority groups.

Developing the Curriculum Design
Following a series of conferences held during 1968-69 the unit writers from the five school systems had arrived at a tentative K-12 curriculum design. This design was reviewed by lay and professional persons as well as a 60-man Board of Reactors. It was subsequently revised and expanded to include more detailed outlines of the specific units of each grade level. The curriculum design was finalized on April 14, 1970. Even this design, however, has not been sacrosanct. As the writing of individual units progressed, it became clear that some units were part and parcel of others, some lacked sufficient content to stand on their own, and others could be better written by revising the intended content. The final design, therefore, is the product of investigation, speculation, review, and revision in accord with practical pedagogy.

Unit Development
As was indicated above, the first products of this project were temporary units intended as first-aid to the obviously unbalanced curricula of the participating schools.

After the major portion of the curriculum design was completed during the summer of 1969, six units were developed to be classroom tested during the 1969-70 academic year. Sufficient data were collected on these units as they affected classroom achievement and attitudinal changes to permit judicious revision of the materials toward making them more effective in realizing the aims of the curriculum.

The major portion of unit writing was completed during the summer of 1970. During this time, all of the previously prepared units were revised or modified to be in accord with the April 14, 1970 design. Approximately 50 of the 69 units of the K-12 design were prepared by the end of the 1970 seven-week writing session. Thirty-six of these units were thoroughly edited and prepared for utilization in 108 classrooms in the five participating districts during the 1970-1971 school year.
Evaluation
The effect of these materials was evaluated via a design developed in accord with guidelines
specified by the Division of Research, Planning and Development of the Ohio State Department
of Education. The design called for the administration of an attitude and an achievement test
prior to and following the teaching of the first semester units at each grade level, grades 1-12.
While the cumulative effects of these units was being evaluated in one set of classrooms,
a modest idea of the effect of each unit was being gained through the administration of achiev-
ment post-tests following the teaching of individual units in a second set of classrooms.
(Although a pre-test post-test design would have been preferred, fundamental and other consider-
ations obviated this possibility.)

Refining the Curriculum Design and Units
After the first semester units were classroom implemented and evaluated, the data were
analyzed and utilized in unit revision. The units developed for the second semester were used
in many classrooms, however, complete data on the effectiveness of these materials were not
collected due to financial restraints and the improbability of immediately utilizing the data
for unit revision prior to the legally imposed concluding date of the Project, June 11, 1971.
(A three-year project life-span is the maximum allowed under Title III.)

Utilization of the 'FICSS Curriculum Design and Units by Other School Districts
It is the firm conviction of the Project staff and unit writers that the FICSS curriculum
makes a significant contribution toward developing a relevant social studies curriculum in
Grades K-12. Relevancy here refers to the ability of a curriculum to enable pupils to comprehend
the front pages of the newspapers, to understand the variety of ethnic and national cultures
and aspirations of the peoples of America, and to be able to deal intelligently with the public
and personal issues which are germane to all of these areas.
Consequently, every school system is encouraged to review the products of Project FICSS
and, should they find materials in harmony with their view of what is needed in the curriculum,
to use these in part or in total, to adopt and/or adapt them as they see fit. This way Project
FICSS will truly have served as an exemplary project.
SCOPE OF THE TWELFTH GRADE CURRICULUM

The social studies curriculum design for grade twelve is concerned with developing an understanding of the institution of the U.S.A. society which if we fail to understand them, appear to deprive us of our freedom to select life-goal, and style alternatives. The way to avoid a depersonalized, fatalistic society is by understanding the nature of these institutions, what problems they solve and create, and how and where decision making is located as well as how to enter effectively the decision-making process.

The specific units of this grade are:

12.1 Government (Six Weeks)
12.2 The Military (Six Weeks)
12.3 Business, Industry, and Labor (Six Weeks)
12.4 The Church (Four Weeks)
12.5 Education (Four Weeks)
12.6 Organized Crime (Four Weeks)
INTRODUCTION TO UNIT 12.3

POWER: CORPORATE AND LABOR

This is the third unit of grade twelve. It deals with the relatively difficult, yet important concepts of power theory, corporation, corporate power, unions, union power and mass society. This unit has been preceded by units concerning the power of the federal government and the military and their interaction. This unit is to be followed with units emphasizing the power and influence of churches, the educational system, and organized crime.

It is hoped that the students will, through their own investigations, learn the structure, functions, and power of both corporations and unions as well as the interaction of these with both government and the military. The unit also introduces power theory models which may be useful in analyzing institutions and their wielding of power. The unit concludes with considerations concerning the future of our "mass society" and its impact upon individuals.
INTRODUCTION

Introduction to a Unit Teaching Strategy
Incorporated in FICSS Units

Suggested Teaching Procedures and Introductory Activities

Teaching Procedures
1. These units are based on a depth study strategy approach. It is felt that this method is consistent with the "learn by doing" theories of John Dewey, which have been corroborated by Piaget.
2. The basic steps for this strategy consist of introductory activities conducted by the teacher which excite the interest of the student and cause him to ask questions about the new study. These questions serve as an introduction to the scope of the topic.
3. The students, working in groups or individually, research the questions they have raised and categorized. Each student contributes to the committee work in his own special way and at the same time, develops the ability to work in a group situation.
4. One of the most easily recognized trends in the development of recent thought in social studies education is that which is directed toward providing inquiry experiences for the pupil. In these experiences students would not necessarily be told the meaning of the data they would encounter nor would the data necessarily be presented to them. They would have to search for it and to bring meaning to that which they found. From this description, then, it is seen that the depth study strategy proposed here is in concert with the spirit of inquiry.
5. When the group prepares its presentation for the class, they have many occasions to review and restructure their information. After hearing each of the presentations the teacher leads the class in an overview and helps them gain perspective on the topic. The facts gained are used to develop hypotheses and generalizations. Again the facts and understandings are used to develop the culminating activity. Although each of these activities is somewhat different, they all are forms of review or reuse of acquired information. The student, then, is somewhat involved in no less than three opportunities to recall and use the new data. Each time, of course, the information is called for in a new context.
6. In a depth study approach, the teacher assumes the role of the structurer of learning activities. In addition, the teacher is the most readily available resource person, both for process and content. The class could conceivably ask the teacher to talk to them about a specific topic or to discuss a film or filmstrip. If the teacher has had special experiences which are pertinent to the study, the class may call upon him to show slides or to deliver a special talk.*

*Information taken from a monograph by Dr. Melvin Arnoff.
AN OUTLINE OF A TEACHING STRATEGY INCORPORATED INTO PICSS UNITS

PHASE

1. Introduction

11. Raising of questions

111. Categorization of questions by students

IV. Formation of and Instructions to committees

A. Tasks

B. Roles

C. Methods of Researching Information

PURPOSE

To motivate students,

To list students' questions.

To organize ideas. To provide experiences in critical thinking.

To form groups for social or psychological ends. To place responsibility for learning upon the shoulders of students.

To let students know they are defining, pursuing, and reporting their own study.

To aid students in identifying desired organizational schemes for small groups and to help them define the responsibilities and behaviors of leaders and group members.

To aid students in locating, recording, organizing and presenting information.
PHASE | PURPOSE
---|---
V. Information Retrieval | To allow students the opportunity to answer their own questions, to employ their library skills, to develop critical thinking and logical organization of data.
VI. Committee Reports | To develop and rehearse the presentation to the class.
VII. Perspective and Overview | To hear the reports of each committee which has sought to answer the questions of the class.
VIII. Developing Hypotheses and Generalizations | To integrate the findings of the committee reports, to note trends, likenesses and differences when compared with other examples known by the students.
IX. Culminating Experiences | To study the information presented to discover some basic principles of the social sciences which may be operant.
 | To gain further perspective and to enhance recall.*
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Introduction to the Twelfth Grade Curriculum
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* Standard Page
** Contained at the beginning of each individual committee
OBJECTIVES

KNOWLEDGE
The pupil will know:

1. that there is great divergence in the definition of the concept power.
2. that a number of social scientists are concerning themselves with the emergence of a theory of power.
3. that presently there is a variety of theories regarding the concept of power.
4. that Elitist and Pluralist are the two most prevalent power models.
5. that while no single consistent theory does not exist, the use of such an hypothesis does give its user a tool with which he can interpret his assessment of man's behavior in a given situation.
6. the characteristics of a corporation structure as described in a formal definition.
7. how large corporations are in general managed.
8. the relationship of stock holder ownership with management control.
9. characteristics of the management of large corporations.
10. to a degree the amount of concentration of wealth accumulation in "big" business.
11. the characteristics in terms of size of "big" business as opposed to small business.
12. the relationship in terms of assets of big corporations and the government of the various states and the Federal government.
13. the influence of big business on legislators.
14. the influence big business exerts on the individual and society.
15. the influence of big business on the determination and attainment of national priorities.
16. the distinguishing features between vertical and horizontal merger and conglomerates.
17. the extent and trend of merger and conglomerates.
18. the characteristics of the types of merger.
19. the advantage of merging to the corporation.
20. some of the disadvantages of too much merging in relation to the individual and society.
21. what is meant by research and development in relation to the corporation.
22. characteristics of research and development in terms of effort of private research versus public research.
23. the advantages and disadvantages of the emphasis of government sponsored research and development over privately sponsored research and development.
24. the government role in research and development and where it allocates its largest sums of money as well as why.
25. the relationship of the Federal government with the university in terms of research and development.
OBJECTIVES (continued)

KNOWLEDGE
The pupil will know:

26. the cost of the Apollo program in terms of socially needed goods.
27. the definition of production and the factors involved.
28. the significance of the Gross National Product and the philosophy now in free enterprise in America.
29. the characteristics of production as it relates to the producer.
30. the quality of reward received by top management in big business.
31. to an extent what is meant by "corporate conscience", "conventional wisdom" or "businessman's creed".
32. the extent in terms of dollars and which big businesses are involved in the Defense Department's procurement budget.
33. the variety of influences and techniques big business exerts on Federal government.
34. the factors involved in the consumption of what big business produces.
35. the proper role of advertising as opposed to the role they have taken (as far as critics are concerned) and will know that deceptive practices and unethical use of behavioral science are common to all advertising efforts.
36. that big business expands vast sums for advertising.
37. the purpose of selected government agencies and their intended role in regulating the distribution and consumption of private goods.
38. the gap that exists between intended purpose and the effectiveness of these government agencies with respect to business and the consumer.
40. the need for consumer protection.
41. the structure of big unionism in America.
42. the power of the AFL-CIO in relationship to other unions and big business.
43. the proportions of union vs non-union workers in the total labor market.
44. how complex big business and big labor are.
45. the purpose of unionism.
46. the role collective bargaining in unionism.
47. the essential elements of the business-labor contract.
48. how business and labor resolve conflict.
49. the nature of business-management conflict.
50. the influence of big unionism on the individual and society.
OBJECTIVES (continued)

51. the influence and techniques of big Unionism on the Federal government and legislators.
52. the weapons unions apply to business to attain an agreement.
53. the extent of lobbying effort used by business unions.
54. the general concepts of mass society.
55. the effects of unemployment—psychological as well as physical.
56. the degree of alienation felt by some individual and its consequences.
57. the difference between the pluralistic conception of mass society as opposed to the Elitist observation.

SKILLS
The pupil will be able to:

1. enumerate the differences between a pluralist conception and an elitist's conception of a power theory,
2. assign theorists to one of the models or to another variant.
3. use models to understand their own concept of power.
4. express the relationships of the Federal government, corporations, unions and the individual as evidenced by his discussion.
5. use graphs and charts as a tool in understanding complicated structures and processes,
6. make their own visuals with respect to power, corporation, union, Federal government relative size, influence and structure.
7. function effectively in a committee as evidenced by his participation and contribution to the task of his committee.
8. research a topic as evidenced by his ability to complete a given assignment.
9. use library tools as evidenced by his success in locating information.
10. develop public speaking abilities and written expression as evidenced by his participation in discussion of the topic.
11. develop the needed listening skills as evidenced by the attention he must use to answer questions and to relate in group discussion.
12. develop the ability to think analytically, both inductively and deductively as evidenced by his ability to structure and comprehend abstract ideas such as power.
OBJECTIVES

ATTITUDES

The pupil will:

1. Tolerate viewpoints opposite his own as evidenced by his willingness to listen attentively while an opposing view is presented in class.
2. Feel a need to explore viewpoints in depth and seek contrasting views as evidenced by his willingness to seek additional information in the library.
3. Develop a sensitivity toward complex problems as evidenced by his unwillingness to make oversimplified statements and hasty judgments in class.
4. Develop an appreciation of the vital roles that both unions and corporations play in American society as evidenced by this awareness of their relative contributions.
5. Realize that conflict resolution is a necessity in union-management relations as evidenced by willingness to support the idea of voluntary arbitration and negotiations.
6. Believe that it is possible for individuals and groups of individuals to deal successfully with institutions as evidenced by their ability to identify the major issues and power structure for purposes of seeking change.

BEHAVIOR

The pupil will:

1. Exercise leadership in a group situation and in classroom or committee discussions.
2. Exhibit the ability to negotiate a settlement between two divergent points of view in the class or school setting.
3. To be able to accept the responsibility of contributing to his committee's research and reporting activities.
4. Remain open-minded about controversial issues.
5. Weight evidence from conflicting sources and exhibit rational thought.
STRATEGY

I. Introductory Activities

A. To interest the pupils in the study of the structure, functions, and power of corporations and labor unions.

B. To encourage the pupils to raise questions about corporations and labor unions which will structure the scope of the unit.

LEARNING ACTIVITIES

SUGGESTED Introductory Activities

Have the class divide themselves up into two role-playing discussion groups representing the corporation and union viewpoints in the following situation:

CORPORATION

--Six month economic slump
--1970 Fourth Quarter earnings down 60%
--Some salaried employees laid off
--Research and Development cut back 40%
--Pressure from consumer and environmental groups
--Inflation
--Sales down 40%

UNION

--Three-year contract up for negotiation
--Demanding 34% wage increase
--Demanding cost of living clause
--30% of 1970 work force laid off
--Union leadership has difficulty controlling younger members
--6% increase in cost of living index
--3% increase in productivity

MATERIALS

--Three-year contract up for negotiation
--Demanding 34% wage increase
--Demanding cost of living clause
--30% of 1970 work force laid off
--Union leadership has difficulty controlling younger members
--6% increase in cost of living index
--3% increase in productivity

Have the groups discuss individually their separate problems and then have both groups try to solve their collective bargaining situation. Limit the discussion to approximately three class periods or less.
II. Raising Questions

A. To pose the questions of interest to the pupils.

B. To structure the content of the unit.

LEARNING ACTIVITIES

After the teacher has completed the Introductory Activities, he should bring the focus of the classroom discussion to the problem of developing basic questions in reference to the functions, power, and inter-relationships of American corporations and labor unions. The students should be encouraged to raise questions about information they are interested in knowing.

Some questions the students might raise are:

1. How are corporations structured? For what purpose are they organized and what are the major functions of the corporation?
2. Has the concentration of power and capital into the hands of corporation managers been functional or dysfunctional to the individual and to our democratic society?
3. For what purposes are labor unions organized and how successful have they been?
4. To what degree do labor unions exercise power and influence over individuals and institutions and are the effects positive or negative?
5. What are the effects upon the individual of the increasingly concentrated power into the hands of corporations and unions?
6. Can the individual and our democratic framework survive in a "mass society"?

These are just sample questions. They are based on the content of the units. It is hoped and expected that the students will generate a list of at least forty questions that indicate their interests. The teacher can use the question formation activity to strengthen the students' ability to propose useful guidelines for their investigation of the problem. They will thus be able to gain an overview of the unit before they begin to work on answering specific questions or topic areas.
LEARNING ACTIVITIES

Although one cannot anticipate the exact questions students will raise and the categories they will devise for them, it is possible that the following categories will appear. These are not the only categories which can be used for organizing the study. Rather, they are those which the author feels are plausible and would serve as one way to organize the presentation of the content in this unit. Hopefully, the teacher will use those categories suggested by the students.

The content materials of this unit are organized to conform with the categories listed below and committees could be formed to research each topic.

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<th>TOPICS</th>
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<tr>
<td>Power Theory and Mass Society</td>
<td>E</td>
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</table>
IV. Formation of and Instructions to Committees

1. To identify the necessary tasks of the committees.

   The students may wish to work in groups to pursue those topics which most interest them. The content might also be revealed through a more traditional approach, but the FICSS unit writers believe it of great importance that pupils learn the skills and the problems associated with cooperative efforts. Thus they recommend the committee as the agent for seeking factual information. The committee organization also allows for individual excellence, especially as it is perceived as effecting group goals.

Activities

Discuss and decide on something like this:

Class discussion concerning:

1. The tasks of a committee
2. The roles of committee persons
3. The sources of information

A. Tasks of Committees

1. Organize committee
   a. Random selection by teacher or students.
   b. Ranking by students of choices on slips of paper.
   c. Using sociograms to achieve balance within a committee (may be homogeneously or heterogeneously based).

2. Utilize class questions as starting point for planning committee work.

3. Add new questions suggested by committee members.

4. Assign research, find information, coordinate information, develop and present.
2. To determine desired roles in committee operation.

B. Roles in a Committee

1. Leader
   a. To help make everyone become a part of the group
   b. To let everyone have his turn at the "good" jobs
   c. To solicit ideas from all members of the group
   d. To permit the group to decide which ideas are best
   e. To keep the group moving to get its job finished in the best way it can
   f. To help your group decide what its job is

2. Group Member
   a. To help the leader carry out plans
   b. To complete the work assigned to him
   c. To work without disturbing other group members
   d. To ask other members for their ideas
   e. To select only those ideas which help the group do its best work
   f. To make other members of the group feel welcome
STRATEGY

3. To determine desired roles in committee operation.

LEARNING ACTIVITIES

3. Secretary
   a. Record group decision
   b. Verify motions and decisions
   c. Aid committee in coordinating research

C. Finding Information (See Section I)
1. Textbooks and books
   a. Use of Index
   b. Use of glossary, appendix, map lists, illustrations

2. Encyclopedias
   a. Use of key works; letters on volume, index, class reference

3. World Almanac
4. Pamphlets
5. Pictures
6. Filmstrips
7. Charts, cartoons, posters, graphs
8. Records
9. Community

Discussion possibilities for presentation:
1. Reports
2. Panel and round table discussions
3. Visual aids
4. Audio aids.
V. Suggested Information Retrieval Activities

1. Have students visit a local plant and interview the top executives concerning their function and responsibilities. Students might construct a questionnaire prior to their interview.

2. Secure copies of corporation annual reports and note the size, sales, assets, amount spent on research and development, number of employees, corporate salaries, new products, recent acquisitions, growth, etc., of selected industries such as Boeing and International Business Machines.


4. Have students do research on aspects of merger problems of certain failing corporations such as the Penn Central Railroad or Ling, Temco, Vought.

5. Have a local management specialist in labor-relations debate a union representative in class.

6. Have a bookkeeping student investigate the various types of ownership of a corporation (commonstock, preferred stock, bonds, etc.) and their respective claim on assets of the corporation. Also investigate the accounting techniques used to over or understate their financial reports.
Committee A
Corporation:
Structure & Functions

1. A legal creation, whose rights and responsibilities as a single person are stated in its charter.
2. The most common form of corporation is the joint stock corporation.
3. Organized for profit of its owners, known as stockholders.
4. Concentration of capital possible because of its organizational form.
5. Formed (chartered) by applying to the federal or state governments for certification of incorporation.
6. Managed by officers chosen by board of directors who have previously been elected by stockholders.
7. Very large corporations have a board of directors consisting of a large number of people who usually appoint a Chairman of the Board, President, Vice-President, and other critical personnel.
8. Distribution of profits to stockholders is at the discretion of the board of directors.
9. Managers exert great power within the corporation.
10. See Charts 1 and 2.

Chart 1--comparison of corporation with other business forms.
Chart 2--typical corporation structure.
V. Information Retrieval

Committee A

CHARACTERISTICS OF MANAGEMENT

a) Management is self-perpetuating
b) Management recruits, grooms, trains and promotes its successors
c) Management's interests, careers, lives, are determined by their profit and loss statements
d) Management's greatest reward is promotion to the top of the corporation pyramid of power
e) There are definite patterns of mobility within the parent corporation and its subsidiaries

CONCENTRATION OF POWER

a) In aggregate, corporate power is second only to that of the government
b) In the United States, there are between 11-12 million businesses of varying description
c) Individually, corporations exert influence over the lives of many individuals and smaller businesses
   -- General Motors as 745,000 employees.
   -- General Electric sells or services products of 400,000 smaller companies
d) Characteristics of the size of bigness
   -- of the top 500 corporations in the United States, the top fifty have assets equal to the bottom 450.
   -- by ranking corporations and the federal and state governments according to expenditures, there are eight after the federal government before coming to California, five more before coming to New York, and ten more before coming to Pennsylvania.
   -- In sales, General Motors is larger than the thirty companies (largest) in England, the European Common Market, plus the ten largest companies in Japan, all combined.
e) Characteristics of the influence of bigness on the individual and society
   -- "...heart of American power not subject to public control and fraught with danger to society lies in giant corporations."
   -- Decisions made in board rooms guide and direct all our lives.
   -- Large concentrated corporations
      -- set cultural standards and shape social institutions
      -- have influence over the product bought, the price paid, and the quality received.
      -- have influence over where an individual works and what kind of work he does
      -- have influence over which sections of the country will prosper and which will stagnate
      -- have influence over the nation's priority of social goals

MATERIALS

"Finding the Amer. Direc- Amer. Direc-

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A Self-Port- A Self-Port-
atrait of the trait of the
Chief Execu- Chief Execu-
tive, Fortune tive, Fortune
V. Information Retrieval Committee A

a) Giant corporations are too huge to be owned in the ordinary usage of the word.
b) Too many stockholders are involved in a giant corporation to consider them owners.
c) Stockholders are powerless in large corporations.

EXAMPLE
- A.T.&T. has $20 billion in assets.
- Over one half of A.T.&T. stockholders own less than $2,000 worth of stocks.
- A $2,000 investment amounts to a .0000001% interest in the corporation.

MERGERS AND CONGLOMERATES

Trends
- Over a ten year period, the fifty largest corporations swallowed up 471 firms with government approval.
- Despite official frowns and public suspicions 1969 showed a 16% increase in mergers over 1968 when 4,450 firms were involved.
- Many firms, whose names were household names, have disappeared.
- Many firms would have continued healthy had they not been acquired.
V. Information Retrieval

Committee A

TYPES OF MERGERS

- Horizontal Mergers
  a) acquisition of companies with similar products but with dissimilar markets
  b) large national food chain buys local chain

- Vertical Mergers
  a) companies link with suppliers to avoid competition
  b) dairy company purchases bottle making plant

- Conglomerate Merger
  a) companies link who have different products and different markets.
  b) Xerox purchases a publishing company, a micro-film company.

ADVANTAGES of MERGERS

- Reduces competition
- lessen losses with profits from diversified industries
- increased purchasing power
- increased leverage on buyer and supplier
- greater accumulation of assets for expansion
  a) promotional purposes
  b) better defense of rights
  c) more research and development
  d) modernize facilities and equipment
DISADVANTAGES of Mergers

- The rise of monopolistic and oligopolistic structures contributes to intolerable market condition wherein the individual could possibly be surrendering any expectation of truthful information about the product he buys.
- Monopolistic companies have the ability to fix prices.
- Monopolistic companies block competition and new ideas.

FUNCTIONS

- Research and Development
  a) Research and development (R&D)
  b) Characteristics of American R & D
     - America spends less per research dollar than does Italy, Germany, Japan, and England do for civilian goods.
  c) Stability in the rate of growth of the Gross National Product has been attributed to the disproportionate share of military R & D.
  d) Characteristics of corporations who do most of the government R & D.
     - Possess good supply of scientists, engineers and technicians.
     - Have more capital, research abilities, and facilities.
  e) Government supportive role in R & D.
     - Government largest spender
     - Two out of every three scientists and engineers directly or indirectly employed by government funds.
     - Allocation of funds disbursed to few firms.
V. Information Retrieval

Committee A

---Governmental R&D expenditures increasing
---Defense Department spent $75 million in 1950, $7 billion in 1965
---Space Agencies spent $54 million in 1950, $5 billion in 1965
---AEC spent $121 million in 1950, $1.5 billion in 1965.
---Government supports university R&D efforts.
---Some institutions receive substantial portion of their annual budget for government R&D.
---There has been criticism of university involvement in military R&D

(f) Civilian product R&D stable or declining
---Talent being used on military R&D
---Only one out of four scientists and engineers involved in civilian R&D
---Civilian R&D allotted only ten per cent of research dollar
---Medical and environmental research shows slow growth.

(g) ALTERNATIVES
   In terms of social needs, Dr. Warren Weaver, former president of the American Academy of Science drew up this shopping list of an alternative to spending $30 billion on the Apollo program (cost in billions)

<table>
<thead>
<tr>
<th>(Cost of lunar landing)</th>
<th>30.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>10% yearly salary raise for all U.S. teachers</td>
<td>9.8</td>
</tr>
<tr>
<td>$10 million to each of 200 small colleges</td>
<td>2.0</td>
</tr>
<tr>
<td>In the United States</td>
<td></td>
</tr>
<tr>
<td>Complete seven year fellowships to train 50,000 scientists and engineers</td>
<td>1.4</td>
</tr>
<tr>
<td>$200 million to create ten new medical schools</td>
<td>2.0</td>
</tr>
<tr>
<td>Build and endow complete universities in each of fifty-three nations</td>
<td>13.2</td>
</tr>
<tr>
<td>Establish three new foundations like the Rockefeller Foundation</td>
<td>1.5</td>
</tr>
<tr>
<td>For public education and science</td>
<td>.1</td>
</tr>
</tbody>
</table>
"Business is turning into an important force in pushing embattled social legislation through Congress."

"Social causes which in the thirties were the domain of college professors, labor unions, and student demonstrators are the new business of business."

Michael Harrington claims business is looking forward to the rise of a social-industrial complex in the knowledge industry. He also feels that business has been based on a variety of technological, social, and political reasons. However, the chief reason is economic—profits to be made.

The U.S. Chamber of Commerce announced recently that U.S. business was gearing up for an educational revolution.

—By the year 2000, one out of every four dollars spent will come from the knowledge industry.
—The industry will generate 25% of the $2.4 trillion dollar GNP in the year 2000.
—Today's figure is 6.4% of a GNP just less than $1 trillion.

PRODUCTION

a) An economic process which may be thought of in terms of a cycle.
   —raw materials are extracted from the land
   —raw materials are prepared and conveyed to the plant
   —raw materials are manufactured into products to satisfy man's needs
b) production increased rapidly during and following the industrial revolution
c) production advanced because of mass production techniques
d) production presently evolving into automated, computerized system
e) Gross National Product growth is an index of prosperity
   —the GNP is the total value of all goods and services produced during the calendar year
   —the GNP consists of both public and private goods and services
   —the GNP reflects slight growth in public goods and services
V. Information Retrieval

Committee A

**f) Characteristics of a private producer**

- The private producer is motivated by profit
- The profit motive involves risk taking
- Production facilities are owned by a relatively few large corporations
- Stockholders have no effect on what's produced
- Advertising is an important item to the producer
  - Its purpose is to create product desire
  - American industry spends close to 18 billion dollars yearly on advertising
- Production is the most important economic process

**g) Private producers receive status in our society and are rewarded commensurately**

- The sixty-six highest executives at General Motors received more income from salaries, bonuses, and other financial benefits than the combined salaries of the President and Vice President of the United States, the members of the Cabinet, the Supreme Court, the Senate, the House of Representatives, and the fifty state governors.

- The following are selected executive salaries and benefits for 1969:

<table>
<thead>
<tr>
<th>EXECUTIVE</th>
<th>RANK AND COMPANY</th>
<th>COMPENSATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>James Roche</td>
<td>Chairman, General Motors</td>
<td>$790,000</td>
</tr>
<tr>
<td>Henry Ford II</td>
<td>Chairman, Ford Motors</td>
<td>$515,000</td>
</tr>
<tr>
<td>Howard J. Morgan</td>
<td>President, Proctor and Gamble</td>
<td>$425,000</td>
</tr>
<tr>
<td>Harold Ganeen</td>
<td>President, AT &amp; T</td>
<td>$639,724</td>
</tr>
<tr>
<td>Philip Hofmann</td>
<td>President, Johnson &amp; Johnson</td>
<td>$576,383</td>
</tr>
<tr>
<td>William Vaughn</td>
<td>Chairman, Eastman Kodak</td>
<td>$348,000</td>
</tr>
</tbody>
</table>

**h) Private producers are motivated by what is called the "business creed", "conventional wisdom", or "corporate conscience".**

**EXAMPLES**

"What is good for GM is good for America."

"What is good for America is good for GM."
"Government is powerless to create anything in the sense which business produces wealth and the individual produces ideas and invention."
Suggested Information Retrieval Activities

1. Investigate current state and federal laws governing lobbying activities, and campaign contributions.
2. Develop case studies of corporation influence over independent regulatory agencies.
3. Interview or ask a corporation public relations representative to speak to class.
4. Contact lobbyists at state or federal level and ask for summary of current efforts and any accompanying material.
5. Have a local legislator speak to class about corporation influence on state legislation.
6. Contact local city councilmen and find out which local corporations have sought to influence local legislation and laws.
Business corporations, associations, and institutes exert power and influence over government in a variety of ways. The most significant method is to employ permanent and professional representatives who are called lobbyists. A lobbyist is a person who, on behalf of some other person or group and usually for pay, attempts to influence legislation through direct contact with legislators. Lobbyists must register with the government, reveal on whose behalf he is acting, and how much he is receiving and spending in carrying out his pressure activities.

The practice of lobbying has been widespread and influential since the middle of the 19th century.

"The host of contractors, speculators, stock jobbers, and lobby members which haunt the halls of Congress, all desirous...on any and every pretext to get their arms into the public treasury, are sufficient to alarm every friend of his country. Their progress must be arrested."

James Buchanan writing to Franklin Pierce, 1852

In the Twentieth Century, lobbyists and their activities have become so pervasive, that they have been referred to as the "Third House" of our federal legislature.

Lobbying activities are not limited to the federal government level. Business and corporate lobbyists are extremely active at the state and local government levels.

**BUSINESS INFLUENCE ON THE LEGISLATIVE BRANCH**

**Major Issues**

--seek higher protective tariffs
--oil depletion allowances
--leasing federal timberlands and mineral resources
--leasing of off-shore oil rights
--seek favorable tax legislation
--seek higher governmental expenditures for research and development
--seek higher expenditures on military contracts, construction, etc.
--Influence fiscal and monetary policy
--seek federal subsidies and loans
- seek anti-labor legislation
- oppose consumer protection laws
- oppose anti-pollution laws
- oppose class action legal suit legislation

Power Tactics

A. Professional lobbyists
- provide technical information to legislators
- actually write submitted legislation
- testify on behalf of their employers at committee hearings
- hold press conferences
- direct letter writing and advertising campaigns to influence public opinion and legislators
- direct and indirect through professional and social contacts
- direct and indirect subsidies—gifts, entertainment, transportation, housing, expenses, employment, speaking fees
- illegal methods—bribery
- location or expansion of industry in a legislator's home district
- hiring of government officials and politicians for business and lobbying purposes

B. Industry-wide associations and institutes
Examples: American Paper and Pulp Association
American Maritime Association
American Petroleum Institute
National Association of Manufacturers
Association of American Railroads

Power Tactics
- Public relation and advertising campaigns
- Educational programs and pamphlets
- Adoption of industry wide goals and policy positions
- General lobbying tactics
V. Information Retrieval

Committee B

BUSINESS INFLUENCE ON THE EXECUTIVE BRANCH

Major Issues
--influence wage and price guidelines
--handling of nationwide strikes
--seek full employment policies
--free appropriated federal monies
--influence tax legislation
--influence Internal Revenue Service regulations
--influence discretionary executive powers tariff rates
import and export licenses and regulations
--selection of cabinet officials
--appointment of independent regulatory agency heads

Power Tactics
--formal and informal talks and communication
--corporate officers serving on national commissions
determine national priorities, manpower needs, fact-finding commissions,
and reorganization commissions
--provide political assistance and campaign monies (individuals)
--support or opposition to executive actions
--loan executive branch corporate executives
--cooperation or non-cooperation with federal programs

BUSINESS INFLUENCE ON THE JUDICIAL BRANCH

Major Issues
--selection of pro-business and anti-labor judges
--interpretation of tax laws
--interpretation of labor legislation and litigation
--class suits by consumers, conservationists, etc.

Power Tactics
--exercise influence upon the executive and legislative branches concerning judicial nominees
--formal and informal professional and social contacts
--vast resources available to corporations--unlimited funds, large legal staffs, expert testimony
V. Information Retrieval

Committee B

BUSINESS INFLUENCE ON INDEPENDENT REGULATORY AGENCIES

Major Issues
- promote lower standards
- demand weak enforcement of regulations
- change or drop offensive regulations
- influence direction and scope of investigations seek suppression of unfavorable reports
- write loopholes into the regulations

Power Tactics
- seek appointees from industry to be regulated
- provide industry jobs for those who "play ball"
- refuse to provide information and cooperation
- seek legislation that limits money and manpower of the independent regulatory agencies

BUSINESS INFLUENCE ON LABOR

Anti-labor tactics
- dissolution of industries
- relocation of industry
- lockouts
- continuation of production using management
- court injunctions

Automation
- elimination of jobs
- layoffs
- transfers
- retraining
- increased skill demands
- increased education demands

Safety Standards
- poor standards in some industries
  - coal industry--mine disasters--the "black lung"

Wages and Salaries
- low federal minimum wage
- low wages
  - Florida migrant workers
  - California grape pickers
- salary cuts--space industries

BUSINESS INFLUENCE ON INDIVIDUALS

Product design and production
- planned obsolescence
V. Information

Retrieval

Committee B

--poor workmanship
--safety hazards--cars--tires--electrical appliances
--health hazards--drugs--side effects (Birth control pills, Thalidomide, Chloremycetin, foods, additives, cyclamates, lack nutrition--cereals.
--inadequate guarantees and warranties
--no liability and accountability for product defects

ADVERTISING AND MERCHANDISING
--creation of artificial wants, demand for products
--brandname advertising leads consumer to buy product that may be of lower quality and higher price
--expansion of credit and increased credit card use
--false and misleading advertising
--misleading packaging and pricing policies
--price fixing
--contest scandals

ECOLOGICAL EFFECTS
--air pollution
--water pollution--thermal, chemical, organic
V. Suggested Information Retrieval Activities

1. Contact local labor leadership and secure organizational chart and dual copy of current contract.

2. Compare wage rates, fringe benefits, and working conditions of laborers in two or more local industries. Also corporation with public employees.

3. Secure copies of union publications and analyze issues.

4. Investigate current issues such as the following:
   - Labor violence—Yablonski murders
   - Guaranteed Annual Wage
   - Union Membership for Minority Groups
   - Public Employee Strikes

5. Construct a chart showing current union membership figures, and trends.

6. Report on grievance committee activities and NLRB operation and decisions using local complaints.
V. Information Retrieval

Committee C

General
--In 1966, union membership amounted to 16,200,000, or approximately 20% of the total labor force.
--Unions have organized about 50% of their potential.
--Organized labor exerts influence in most walks of life.
--Labor has been most successful in organizing skilled and unskilled workers.
--In recent times, labor has been expanding their efforts to organize professionals and white-collar workers.
--Labor is making great inroads in organizing public employees such as teachers, policemen, firemen, postal employees, etc.
--The purpose of the union is to act as a collective counterpart to the company which is also a collective.
--The union exists to improve the economic, social, and physical welfare of the membership.
--Union assets are small when compared to those of the corporations.
(a) Union assets are listed at $4.5 billion.
(b) AT & T has $31 billion listed assets.

Structure
--Labor and the AFL-CIO are almost synonymous.
(a) The AFL-CIO is made up of 129 autonomous unions.
(b) About 2,500,000 union members are outside of the AFL-CIO.
(c) Major groups outside the AFL-CIO include the United Mine Workers and expelled groups such as the Teamsters Union.

**See Chart 3 which describes the organization of the AFL-CIO.**

"Blue Collar Blues on the Assembly Line"
Fortune, July, 1967

"It Pays To Wake Up The Blue Collar"
Fortune, Sept., 1970

"Walter Reuthe"
Fortune, July, 1967

"Labor 1970"
Fortune, Oct., 1969

"The Fraying White Collar"
Fortune, Dec., 1970
EXECUTIVE COMMITTEE
President, Secretary-Treasurer & Six Vice Presidents Selected by Executive Council, Meets Bimonthly

EXECUTIVE COUNCIL
President, Secretary-Treasurer--Meets Three Times a Year

EXECUTIVE OFFICERS
President & Secretary-Treasurer

CONVENTION
Meets Biannually

GENERAL BOARD
Executive Council Members & Principal Officer of each International Union--Meets Once a Year (at least)

DEPARTMENT OF ORGANIZATION
Regional Directors

NATIONAL HEADQUARTERS

DEPARTMENTS
Building Trades
Industrial Union
Maritime Trades
Metal Trades
Railway Employees
Union Label

Local Department Councils

Affiliated National and International Unions

Local Unions of National & International Unions
Local Trade & International Unions Affiliated Directly with AFL-CIO

Staff Departments

Affiliated State Bodies
Local Bodies

ORGANIZATION OF THE AFL-CIO
V. Information Retrieval

UNION ARRANGEMENTS

--Closed Shop
Employer agrees to hire only union members (few exist, the Taft-Hartley law banned them in firms involved in interstate commerce. Unions prefer a closed shop arrangement.)

--Union Shop
Employer may hire union or non-union members but everyone hired must join the union usually after thirty to sixty days

--Agency Shop
Workers pay dues to the union whether or not they belong to the union since they benefit from union negotiations

--Open Shop
Union membership is not a condition of employment. (unions oppose this arrangement)

MAJOR LEGISLATION GOVERNING UNIONS

--Sherman Anti-Trust Act--1890
Used against illegal union combinations

--Clayton Act--1914
Exempted labor unions from prosecution under anti-trust legislation

--National Labor Relations Act--1935
(a) the Magna Carta of the Labor Movement
(b) recognized labor's right to bargain collectively
(c) created the National Labor Relations Board (NLRB)
   --supervises union elections
   --handles jurisdictional disputes
   --investigative and judicial powers

--Fair Labor Standards Act--1938
Established minimum wages and maximum hours for industries engaged in interstate commerce

--Taft-Hartley Act--1947
Prohibits unions from
(a) coercing workers to join
(b) featherbedding
(c) secondary boycotts
(d) jurisdictional strikes
(e) failing to bargain with employers in good faith
(f) establish closed shops
Provided for
(a) Eighty day "cooling off" period
(b) Optional state "right to work" legislation
V. Information Retrieval

- Landrum-Griffin Act -- 1959
  (a) regulated union elections
  (b) prohibits communists and former convicts from holding union office
  (c) controls on reporting union finances
  (d) guarantees individuals full participation in Union activities

COLLECTIVE BARGAINING

- Collective bargaining is the heart of unionism
- Collective bargaining is a process by which unions share in making business decisions
- It is a way of determining the price of labor in the market
- Wages, hours, and working conditions remain the focus of collective bargaining
- Health, welfare, and pension considerations have been recent additions
- A guaranteed annual wage is presently being sought
TYPICAL CONSIDERATIONS OF UNIONS IN COLLECTIVE BARGAINING

UNION RECOGNITION
Definition of bargaining unit
Union Shop
Recognition of union as sole bargaining agency
Check-off
Union activity during working hours
Use of bulletin boards

GENERAL WAGE PROVISIONS
General wage clauses
Cost-of-living adjustments
Hazardous or unpleasant work
Automatic pay increase
Pay during temporary transfer
Minimum "call pay"

INCENTIVE-WAGE PLANS
Provisions establishing or changing incentive systems
Union participation in setting piece rates
Revision of rates
Guaranteed earnings

TIME STUDIES AND STANDARDS OF PRODUCTION
Time-study safeguards
Production standards and work loads
Size of crew

GUARANTEED EMPLOYMENT OR ANNUAL WAGE

DISMISSAL COMPENSATION

VACATIONS
Eligibility requirements--Amount of pay
Vacation rights in case of discharge or lay-off
Timing of vacation period

HOURS OF WORK
Regular hours
Flexible schedules
Starting and finishing time
Meal and rest periods
Clean-up time

OVERTIME
Overtime rates
Restrictions on overtime
Equal distribution of overtime

SHIFT OPERATIONS
Restriction on multiple shifts
Shift differentials
Choice of shifts
Rotation of shifts

SUNDAY AND HOLIDAY WORK
Penalty rates for Sunday and holidays
Continuous process and maintenance work
Holidays with pay

LEAVE OF ABSENCE
Leave for union business
Leave for civic duty
Sick and maternity leave
Military leave

SENIORITY
Company, plant-wide, departmental
Probation period
Periods of nonemployment
Seniority in plant mergers

LAY-OFF AND RE-EMPLOYMENT
According to Seniority
"Bumping"
Seniority in re-employment

PROMOTION, TRANSFER AND ASSIGNMENTS
Seniority in promotions
Notices of vacancies and bidding
Transfer and assignment

DISCHARGE AND QITS
Cause for discharge
Advance notice of discharge
Appeal of discharge

GRIEVANCE ADJUSTMENT
Shop committees
Steps in procedure
Time limits for handling grievances
Pay status of committeemen

STRIKES AND LOCK-OUTS
Arbitration of unsettled grievances
Prohibition of strikes & lock-outs
Effect of work stoppage on status of agreement
Impasse procedures

PLANT EFFICIENCY AND TECHNOLOGICAL CHANGE
Union-management cooperation
Enforcement of plant efficiency
Technological changes

APPRENTICES AND LEARNERS
HEALTH, SAFETY, AND INSURANCE
Physical examinations
Safety and health
Insurance and benefit plans

MISCELLANEOUS PROVISIONS
Working foremen and employers
Working rules
Outside activity
Charity and other collections
Personnel records
Identification badges

DURATION AND RENEWAL
Temporary extension of expired agreements
Arbitration of agreement terms
Modifications during life of agreement
SUGGESTED INFORMATION RETRIEVAL ACTIVITIES

1. Investigate degree of union member involvement and participation in union activities.
2. Research amount of power exerted by local unions on local political agencies and parties.
3. What unions exist in your community and what nationals are they affiliated with.
4. Collect examples of union publications that are for the purpose of political education.
5. Contact state and local legislators and determine amount of labor influence they are subjected to.
6. Interview local union representative concerning recent contract negotiations.
7. Investigate recent examples of union members not following advice of leadership.
V. Information Retrieval

Power—Labor Influence on Government

Labor unions and their membership exert a great deal of political and economic power over government and its elected representatives. While labor unions maintain paid professional lobbyists in the national and state capitals, it is through the grass-roots political action of its 16 million plus members that it achieves its greatest power and influence. The election of "friends of labor" to the legislative halls is the surest method of securing legislation favorable to the labor movement.

Since the functions and relationships of the organized labor movement is heavily prescribed by government regulatory laws, labor first seeks favorable legislation and then deals with management.

"The scene of the battle is no longer the company plant or the picket line. It has moved into legislative halls of Congress and the legislatures." George Meany, November, 1955

It is important to note that the range of political interests of the unions is as large as those of the corporations. Unions and corporations often cooperate together in influencing issues where both benefit.
V. Information Retrieval

Committee D

Major Issues
- Oppose right-to-work legislation
- Oppose compulsory arbitration
- Guaranteed annual wage
- Social security
- Medicare
- Welfare legislation
- Unemployment benefits

Power Tactics
- Testify before platform committees of both major parties
- Prepare voting records of Senators and Representatives for union membership
- Testify before congressional committee hearings
- Full time paid union officials engaged in political activity
- Organization of election workers in voting precincts
- Use of over 1000 union newspapers
- Use of radio and TV programs and advertising spots
- Campaign literature and pamphlets
- Campaign workers
- Campaign contributions
- Endorsement of candidates

Labor Influence on Government

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Labor Influence on Business

Power Tactics
- Strikes
  - Industry wide
  - Selective
- Wildcat Walk-Outs
- Sick Calls and Absenteeism
- Boycotts
  - Primary
  - Secondary (illegal)
- Picketing, work slowdowns and sabotage
CONFLICT RESOLUTION

--Collective Bargaining
The employer deals with workers as a group through a labor representative to produce a contract acceptable to both labor and management.

--Mediation
A neutral third person tries to find a solution acceptable to both labor and management. The parties in the dispute then accept or reject the mediator's solution.

--Voluntary arbitration
A third person (s) enters the dispute only after labor and management have agreed to accept the decision of the arbitrators as final and binding.

--Fact Finding
Labor and management agree to the appointment of a board to investigate a dispute and recommend a possible solution. Recommendations are not binding.

--Presidential influence
The President makes public appeals to both labor and management to reach early agreement.

--Court Injunctions
--Government seizure
--Compulsory arbitration

LABOR INFLUENCE ON WORKERS

Major issues
--Union operations: Democratic or undemocratic
--Handling of union finances
--Union tactics
--Long range effects of wage and fringe benefits increases
--Minority group relationships

Power Tactics
--Union democracy--
--Election frauds (miscounting ballots, losing ballots, use of union funds to campaign, etc.)
--Strong-arm tactics--(Yablonski Murders)
--Lack of accountability of officials to membership
--Leadership from convict ranks
--Union finances--
--Pension fund scandals, illegal loans, high salaries of officials; misappropriated monies
OTHER ILLEGAL TACTICS

--collusion with management
--racketeering and connecting with organized crime
--job discrimination--minority gaps
--criminal convictions of union officials
--violence--(bombings, murders, property damage, threats, strong-arm tactics, arson)

FUTURE IMPACT

--high wages and benefits have resulted in following trends

(1) Increased do-it-yourself trend and products
(2) Unemployment--construction workers
   shift to modular construction
   shift to house trailers
--featherbedding
   increased productivity or inefficiency
SUGGESTED INFORMATION RETRIEVAL ACTIVITIES

1. Have students utilize the Reader's Guide to Periodical Literature to locate current articles on power theory, mass society, and the status of the individual in our society.

2. How students summarize chapters on power theory and mass society contained in high school or college sociology textbooks.

3. Have the students diagram the formal and informal power structures within corporations and unions.

4. Utilizing the school as a focal point, determine what effects its exertion of power has on the students involved.
V. Information Retrieval

Committee E

POWER THEORY MODELS

Pluralistic model
-- A diffused power structure with no single influence group (corporations, unions, military, etc.) controlling key decisions.
-- A decision process represented by all major segments of society and characterized by bargaining and compromise.
-- A solid public consensus on basic political and economic principles and institutional arrangements.
-- A stable institutional system (economic, political, educational, etc.) within which movements for social change can adequately be assimilated and accommodated.
-- A social system offering diversity and choice and moving steadily toward ideals of equality and democracy.

Elitist Model
-- Rule in a system that is democratic in a formal but not substantive sense.
-- Dominated by a power structure that is hierarchical and controlled by a corporate and military elite.
-- The elite perpetuates their control by spreading their attitudes through the mass media, the educational system, and other systems and institutions.
-- The elite dominates the major political parties.
-- Public control over the crucial decisions of our time have been removed from the masses.

MASS SOCIETY
-- The individual is no match for business and labor power.
  (a) the individual may opt not to conform.
  (b) the individual may join the power system.
-- Who speaks for the individual.
  (a) government through its regulatory power.
  (b) institutions in the sense of exercising countervailing power.
-- Individuals are affected adversely through no fault of their own.
  (a) automation, cyclical nature of the economy, relocation of business, illness or disability, and seniority.
-- Unemployment leads to poverty and attendant welfare problems.
-- Some feel that the individual faces problems even if he escapes unemployment.

"More Power to Everybody"
Fortune, Ma; 1970

"Professor Galbraiths New Industrial State"
Fortune July 1967
V. Information Retrieval

"When the human atoms are knit into the organization in which they are not used in their full rights as responsible human beings but as cogs, levers, and rods, it matters little that their raw material is flesh and blood. What is used as an element in a machine, is an element in that machine."

--Individuals may sense hopelessness and alienation

Alienation is too common in American society

Alienation takes place in degrees of normlessness, powerlessness, and estrangement

--Normlessness is used in a dual manner to describe a lack of clarity of the norms of the community and political behavior and the belief that there is no way to achieve social goals.

--Powerlessness is used to describe the individual's perception that the outcome of political events are out of control.

--Self-estrangement refers to the discrepancy between personal ideas and social values.

--Some writers speak of "anomie" as a sense of estrangement from the social values of the groups to which he belongs.

--Some observers see man living in an urbanized, secularized, mechanized, and terrorized society and unable to cope with the inertness and formlessness of his environment.

--Other observers feel that this assessment is not valid.

--Those who see society as threatening and dehumanizing have advanced a theory of Mass Society.

MASS SOCIETY--PLURALIST VIEW

--Mass participation in national or community decision-making is both impractical and undesirable in their view.

--Pluralists accept a system whereby political concerns are articulated by elite controlled groups.

--They assume these interest groups are autonomous and represent the vast majority.

--They generally accept a degree of political apathy as conducive to moderation and stability and a check against political dogmatism and mass movements.

--They measure the success of the political system by its ability to produce stability and accommodate change.

--They see the American system as unusually successful.
V. Information Retrieval

Committee E

MASS SOCIETY-ELITIST VIEW

--They assume the pluralist model is misleading and view the public as a mass powerless to influence history.

--They see the individual alienated from a meaningful political participation and turned inward to a life increasingly private, devoid of public concerns.

--The giant corporation has become in the elitist framework, the central agency dominating politics and the economy, the mass media, the federal government and most key decision making groups.

--In their view, the major task of American society is not to preserve democracy but to create it.

The elitist sees society in terms of a pyramid:

---Power Elite

---Drifting State of Stalemate Balances

---Politically Fragmented Powerless Emerging Mass Society
VI. Suggested Reporting Activities

Have students prepare a debate on any or all of the following opposing positions:

---Elitist VS Pluralist Power Theory
---Positive or Negative effects of a "mass society" upon the individual
---A management VS labor bargaining session

Have students give oral reports or participate in a discussion of committee topic.

Have students prepare a management or labor-oriented magazine for their employees or membership.

Maintain a bulletin board focusing on recent labor-management problems, technological advances, evidence of lobbying tactics, etc.

Establish a vertical file for the library on lobbying tactics.

Design a public relations campaign to sell a product, win a wage increase, elect a candidate, or influence a governmental body.
VII. Overview

A. To review the questions posed earlier by the class and compare the answers reported by the committees.

B. To gain a perspective concerning the parts of the unit as well as the broader aspects of it.

1. Is additional legislation needed to regulate labor-management disputes so that national, social, political, and economic interests can be achieved?

2. With the increasing growth and concentration of power in the hands of unions and corporations, will the individual in our society ultimately become de-humanized and alienated?

3. Have the majority of people lost control over our democratic process, and if so, where has the control (power) shifted?
VIII. Generalizations

1. Although the official documents of nations provide direction and the spirit of the political and social dream, there will always be a discrepancy between that dream and reality due to the imperfections in the nation of man.

2. The concentration of wealth in the hands of a few leads to the control of power by the few and works to the detriment of the masses.

3. The greater the discrepancy in political and economic power, the greater is the possibility of reaction designed to correct the discrepancies. This may be by either violent or non-violent means, as necessary.

4. Individual effort to achieve is enhanced by reasons of altruism, personal or professional pride, national patriotism, or personal gain. The latter is believed to be the strongest force.

5. People who have a low standard of living and a high disinterest in the interest if their government is their welfare have little to lose in the shifting of their government to communism and are thus unwilling to fight to starve if off.
IX. Suggested Culminating Activities

1. Show the filmstrip, *The Third House*, and relate power theory concepts to the presentation.

2. Prepare a set of guidelines for successful resolution of labor-management disputes.
Hunter, Floyd *Community Power Structure*. Chapel Hill, University of North Carolina Press, 1953
An interesting description of the power structure in a small Southern community. The top forty businessmen make policy for the community and professional men execute their decisions; all others are ruled by them. Hunter stays clear of moral assessments.

The author presents an analysis of businessmen's ethical attitudes. The book presents the results of a study which surveyed 1800 businessmen by use of questionnaire and interview. The author identifies jobs and industries most plagued by unethical practices.

The book analyzes the corporate structure in the United States by dealing with trends in incorporation, the concentration of ownership, the plight of the stockholder and the separation of ownership from control.

As editor of the book, Bresler has collected a series of readings which deal with power centers in America. Readings which deal with varying approaches, Pluralist vs Elitist--to a theory of power are presented. Dealt with are the corporate power, military-industrial complex, the education complex. Divergent views on a mass society are also presented.

By careful selection the author has collected a series of essays on the nature of economics in America. The theme of the title is woven throughout each presentation. The influence of change on the functions and institutions of economic America are treated in the book.

The book deals with the conversations of three prominent men in the field of social science and their views of power in society. It is the feelings of the author that through open ended debates of this sort that new understandings of the knowledge of power, its presence and effects will surface.
Guetsch, Steven and John Howard, Where It's At, New York: Harper-Row, 1970
Written as a new sociology text from a "radical" point of view, the book presents the authors conception of topics which should be stressed in the study of sociology. Authors feel that the affect of society on people is the more proper object of sociology than the study of the phenomena itself. The text is composed of expert's treatment of the usual topics found in a sociology text.

The author examines the nation's major institutions and government agencies to determine the presence of power. Domhoff sees an "elite governing class" whose members control the country's financial and political destiny. Their influence on government, foreign policy, military decisions are probed and analyzed. Domhoff sees this as ominous.

The authors explore the problems faced by management of business in their relationship with associated organizations, principally labor. The book stresses the need for positive leadership in a complex, over-changing human condition. Case studies are used to illustrate the relationship of corporate power and society. Emphasis is placed on the role of values in the making of decisions.

The book presents an economic audit of the price that Americans have paid for twenty years of cold war, much of which is caused by influential power factors of our society. Melman offers suggestions to handle the situation. The book is a critique so American policy making and those who possess power to make decisions.

The late professor of sociology at Columbia sets forth his famous thesis that the nation is dominated by selfish and often conspiratorial manner by all powerful military-industrial-political power center. Mills arguments are characterized as being overstated. An Elitist.

The book is a study of American power groups and their influence on the making of policy. He sees this influence as affected by the policy makers ideological biases and their preconceived notion of goals. He discusses the dominant role of business labor, the military and other groups in policy making decisions.

Odegard, Peter Political Power and Social Change New Jersey: Rutgers University Press, 1968
The author's discussion of political power asserts that political power has preconceived political-social goals, he handles the exercise of power and the controllers of power as well as the dynamics of change in the political-social situation-ships found in American society today.
BIBLIOGRAPHY (continued)

Rose, a sociology professor at the University of Minnesota and a former legislator, set out to refute the contention that our political lives are dominated by a power elite. Powers, he maintains, are exercised by an interplay of a variety of forces, each with a potential to offer checks and balances to other influential groups or associations.

Rukeseysyer, a financial journalist, examines the three way relationship of big labor unions, corporations and central government.

In this book Widick discusses matters of vital importance to all Americans--automation, unemployment, labor, "big" business, collective bargaining, loyalty and competition. He feels that as long as the unions are guided by a business philosophy they cannot add dignity, stature, freedom and democracy to the lives of its members.

The author presents a collection of thirteen speeches at various meetings throughout the US by the Chairman of Humble Oil Company. His speeches depict today's capitalism in action and indicates corporate's response and awareness to today's social problems. Topics range from public affairs to today's environment. It is written from businessman's point of view.

BOOKS RECOMMENDED FOR STUDENTS

A small-sized pamphlet which includes a summary of the salient points in the labor movement in the US. It provides a quick reference to many features of the U.S. labor movement. It is inexpensive--$.25

A comprehensive presentation of the relation of and between legislators and lobbyists in Washington. Lobby laws are presented and their effects on legislators and lobbyists. A registry of lobby representatives and the expenses incurred in lobbying practices is given.

Consumer Report. published by Consumers Union, New York, a non-profit organization. The purpose is to provide consumer information and counsel on consumers goods and services.
The FTC was visited by groups of college students and recent graduates—mostly law students. The organization, its leadership and personnel and its performance were observed against the purpose for its existence. The findings are here presented.

The author concludes that there is still hope in the time remaining for man to confront and solve problems confronting man in highly specialized, automated age. Fromm weaves discussion about economic problems and human character structure by analyzing the current political and social problems. He treats the dehumanizing affects them by replacing human energy with mechanized power.

Galbraith dissects the modern corporation and shows it to be run by a corps of well-trained, hired managers who make policy on a group basis through committees. Since the managers are constrained to make profits, the modern corporator attempts to maximize its prestige and influence. Sales are all that count.

The author discusses the economics of the American market—influences on it and its influence on the people.
Galbraith finds that too much emphasis is placed on the production and consumption of private goods at the expense of social goods and this in turn affects adversely both economy and society through what he calls conventional wisdom decisions are made.

Goodman, a critic of social institutions, views personal corruption as an expression of a broad and basic "structural" immorality of our culture which corrodes all of our social institutions, from church to race tracks. Relevant to study of power.

Hacker compiles essays on the ideas of others who point to the ever increasing danger of inordinate power in the control of corporation. Their dominance as he sees it leads to their ability to shape the lives of the individuals in society. The ten authors bear the theme of corporate dominance over the individuals life.
Lundberg paints a picture of the pervasive American Establishment, a relatively few who hold corporate control and therefore control the American economy. This central-power leads to manipulation of politics. Much factual material relating to individual and corporate wealth is presented. Lundberg espouses an elitist outlook of American society.

The author discusses the various abuses in the packaging of merchandise for sale and the re-packaging of same merchandise for resale. He discusses the power of pressure groups on Congress from a Fair Packaging and Labeling Act in 1966.

*Consumer's Bulletin*, published by Consumer's Research, Inc. (non-profit)
Its effort is to provide individual or group consumer with scientific, technical, and educational information and reports which come from independent laboratories and other testing sources of goods.

The book is an attempt to explain the seeming attempt being made by the advertising industry to channel our unthinking habits, our buying decisions, and our thought processes by use of insights gleaned from psychiatry and other behavioral sciences. Packard treats the advertising field's efforts by citing examples of manipulation and deception from the selling of gasoline to the "selling" of politicians.

Schlesinger presents an analysis of the new technology and its effects on society. The book is a collection of his essays on the critical issues confronting American society today. Such issues as Viet Nam, New Politics, the cold war, and communication media are treated by him. Schlesinger cites the need of individual contributions and the creative leadership if we are to resolve crisis.