Journal Of Contemporary History

Journal of Contemporary History (SAGE, London, Newbury Park and New Delhi), Vol. 26 (1991), 49-69.

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The Anglo-American Council on Productivity (1948-52): The Ideological Roots of the Post-War Debate on Productivity in Britain

In the context of Britain's early post-war economic crisis, with food and commodity shortages and a persistent foreign exchange problem, national attention focused on the question of increasing industrial production. By 1948, with the introduction of Marshall Aid from the United States, that general quest for greater physical output had been overtaken by a more specific focus on increasing productivity, with low labour productivity coming to be identified as Britain's essential problem. Although there were indigenous factors which contributed to this particular focus on productivity, including some that were part and parcel of a general labour movement analysis, the argument here is that a highly important role in setting the agenda for the post-war political debate on productivity in Britain was played by Americans associated with the Marshall Plan, whose influence was exercised through the Anglo-American Council on Productivity (AACP).

The early emphasis on physical production was a carry-over from the intense wartime production drive in munitions, especially after 1941 under Sir Stafford Cripps, the Minister for Aircraft Production. It was under Cripps, as President of the Board of Trade in the Attlee government, that the post-war production campaign was organized. With its corporatist, consensus-seeking approach to industrial policy, the Board of Trade aimed to mobilize support for its programme

through another wartime creation - the National Production Advisory Council for Industry (NPACI) consisting of seven members each from the Trades Union Congress (TUC) and the major employers' organizations, the Federation of British Industry (FBI) and the British Employers' Confederation (BEC), along with two representatives from the nationalized industries. The NPACI operated in parallel to the tripartite National Joint Advisory Council (NJAC) which also brought together the TUC, FBI and BEC, and served as the government's major consultative body on labour matters. It was at the bi-monthly meetings of the NPACI, presided over by Cripps, that production policy was discussed and efforts by Regional Production Councils to implement it were monitored.

The production drive was adopted as a central part of Labour's economic policy in February 1946 with a keynote speech to the House of Commons by Cripps and a radio broadcast to the nation by the prime minister. At the outset, the emphasis was on maximizing production in sectors vital for national reconstruction and boosting exports to pay for raw materials and food that were necessary for the rebuilding programme. The government estimated that exports needed to rise 75 per cent above pre-war levels in order to pay for imports of pre-war value and also to service interest payments on the 1946 dollar loan from the United States.[1] As an industrial nation, Britain was operating in a seller's market and, therefore, the need was to produce as much as possible by whatever means. Cripps argued the need for increased output through greater effort and a reduction in absenteeism. 'Extra Effort Now Means Better Living Sooner' was the slogan. In the early phase, the campaign took the form of a continuous stream of exhortation to work harder. But there were also acute labour shortages in key export industries, and this 'manpower gap' dictated the need to search for more efficient ways of organizing work in the longer term, a goal that chimed well with Labour's Fabian values.

Cripps recognized that to secure exports to the dollar area and so reduce the dollar gap once the favourable trading conditions had passed, physical effort alone would not suffice. In a speech in September 1946, he urged 'the use of every device of ingenuity and invention by organization, mechanization, improved

layout and more skilled and scientific management to increase the capacity of our industries without putting a greater load on our workers'.[2] Full employment had, in fact, caused a relaxation of traditional work discipline which the government saw as a threat to its production plans, and consequently new management techniques were now sought to win the co-operation of workers. The government stressed the importance of fostering greater professionalism in management -- many in government embraced the 'managerial revolution' as a force for progress and democracy --- and with that in mind helped establish the British Institute of Management in 1947.[3]

The leadership of the trade union movement co-operated wholeheartedly with the government's production drive, accepting the need for every unit of production to be worked to maximum capacity. Moreover, the TUC was in the van of those who recognized that physical effort alone would not suffice-productivity was also important. Echoing arguments it had first advanced during the Mond-Turner talks of 1929, it stressed the need for greater productivity through improvements in factory organization, tools and management. Yet, at the same time it feared the possible effect on working conditions of new managerial techniques being urged through the Board of Trade's new Production Efficiency Service unit. TUC General Secretary Sir Walter Citrine expressed a worry that this might result in speed-up of work, unemployment and an increase in private profits. Workers, he argued in the NPACI, should not be told how to do a job.[4] The TUC went on to block a Board of Trade plan to promote the management technique of work study and the use of piecework, and urged the government to monitor any increase in company overhead costs caused by the introduction of new production efficiency methods.[5]

On the left of the labour movement, communists had no difficulty in identifying with government policy on production: among their members there was an enthusiastic espousal of efficiency measures. During the war, they had advocated the use of scientific management, arguing that Stalin had been correct to call for a combination of 'the Russian revolutionary sweep and American efficiency'.[6] This line continued into the post-war years, though by 1947, as the Cold War polarized

relations between East and West, communists in Britain had reversed their support for production and became opponents of the efficiency ethic. But their former uncritical acceptance of scientific management could not simply be set aside and two of Britain's foremost advocates of management efficiency measures, Urwick and Brech, would later argue their case in skilful propagandist fashion by invoking the Soviet experience:

> sound management is the only foundation on which any society can base a rising standard of living... If any worker doubts it, he should study what is happening in Russia today. Ever since the inauguration of the first five-year plan the drive for production has been speeded up - Stakhanovism, Shock Brigaders, socialist competition, the strictest discipline, individual responsibility and leadership, all these are features of industrial life under the Soviets just as they are in capitalist countries.[7]

For the TUC, a large part of the solution to the problem of industrial production was to be found in the creation and development of joint consultation and joint production mechanisms.

However, the government placed little emphasis on democratizing the structure of management and the system of control in industry. From 1947 onwards, as Labour began to retreat from egalitarian approaches to economic and social problems, the technocratic values upheld by Cripps became increasingly visible in government policy. The battle for production to overcome the immediate crisis of post- war scarcity that had found widespread support among the work- force was gradually transformed into a permanent fixation with productivity as a technical problem. Reflecting this tendency within the TUC, the Production Committee began to urge unions to take a more active interest in industrial techniques and general problems associated with increased efficiency.[8]

However, as the national campaign for ever increasing efficiency advanced in the late 1940s and the 1950s, organized labour found itself more and more cast in the role of the scapegoat --- its restrictive practices *the cause* of low productivity -- as a particular managerialist view of productivity and its dynamic came to dominate political debate on the subject. To see how the debate was cast in these terms it

is necessary to examine the propaganda impact of Marshall Aid and in particular the work of the Anglo-American Council on Productivity, itself an outgrowth of the aid programme and indeed the Marshall Plan's most visible activity in Britain.

The initiative for creating the AACP came jointly from Chancellor of the Exchequer Sir Stafford Cripps and Marshall Plan Administrator Paul Hoffman in July 1948. Irritated by a stream of adverse reports on British industrial practices by American businessmen returning from visits to Britain, criticism which could have jeopardized the flow of Marshall Aid, Cripps secured agreement within the NPACI that such transatlantic visits be officially sponsored in future so that American businessmen would see a true picture of the situation in Britain and not a partial and distorted one. Cripps approached Hoffman and they agreed to set up a joint British-American council on productivity.[9] There was considerable British criticism of this agreement from the outset. Initial press comment was unfavourable, and British trade union leaders were profoundly irritated. The decision had been taken without consulting them and they were irked by the implication that British industry needed the advice of the Americans to increase production.[10]A number of trades councils wrote to the TUC to denounce its participation in a campaign to further the use of degrading American methods of scientific management and speed-up techniques.[11] Their understanding of what the AACP would be doing was more accurate than the line put forward by Cripps when he announced the Council's creation. Almost from the outset, his idea of an information programme aimed at correcting American misconceptions of British industry was transformed into a quite different scheme under which Britons would learn about productivity American-style.

It might be said in his defence that, in creating the AACP, Cripps was involved in a highly elaborate stratagem designed to convince the United States that Britain was actually doing more to justify receipt of American aid than was really the case. It was a fact that only six weeks earlier he had been extremely worried about the amount of aid likely to be received, indeed if any aid would be forthcoming at all given the unco-operative attitude of the United States Congress. [12] He was not one to be beguiled by the values of the American administration and certainly not a person to accept lectures from Paul Hoffman

on how to manage Britain's economic affairs. Rather than lead the country into a position of economic subservience to the United States, he sought as Chancellor of the Exchequer from November 1947 to maintain Britain's economic independence, his foreign economic policy being marked if anything by an element of isolation.[13] In the midst of the AACP publicity programme to highlight British productivity weaknesses, Cripps was later to become conscious of the fact that labour's enemies were beginning to score propaganda points at the expense of the trade unions and he tried to offset this.[14] But the fact was that, while the existence of the AACP might have rendered the American Congress more willing to provide aid, in creating it he helped launch a programme which ultimately supported private industry's ideological challenge to basic labour movement values.

With a budget of close to a million pounds, two-thirds of it provided by the Marshall Plan, the AACP operated from August 1948 to June 1952. The Council consisted of twenty people, twelve Britons and eight Americans, who met in joint session roughly once a year. Both national sections were made up of representatives from business and labour, the British side being drawn from the TUC, the FBI and the BEC. The British side of the Council met regularly to supervise an ongoing programme of activities centrally administered by a small secretariat.

The TUC leaders soon came to terms with the AACP. At the first full session of the Council, they joined forces with the British employer representatives in a public stand against any investigation of restrictive labour or trade practices. In essence, they denied that there was a problem of overmanning or price-fixing, pointing out that many such practices had been abandoned in the war, and arguing that where they still existed they were beneficial to the community. Both sides of British industry were telling the Americans that these arrangements were a domestic matter, unsuitable for joint British-US consideration. Most of the American members of the Council were unhappy with this stand. American co-chairman Philip Reed of General Electric made clear his own view that competition was an important factor and he reserved the right of his American colleagues to record in any subsequent report 'that we in America do feel that the tool of competition,

the fact of competition, has a very much greater influence on productivity than you apparently feel here'.[15] In private, the TUC leaders were much closer to the American position than they dared admit publicly. They were all really agreed on the need to eliminate restrictions on the more 'scientific' use of manpower, machines and raw materials. The problem was how to get the rank and file to see things that way.[16] The shift in TUC emphasis was apparent a month later when General Secretary Vincent Tewson told a special conference of trade union executives:

> Our modern vocabulary is changing from the old terms we used... previously we were talking about more production -- it was a seller's market. Generally speaking, the term 'productivity' not merely refers to more and more production; it refers essentially to being able to produce efficiently.[17]

The first joint session of the AACP in October-November 1948 had ended with agreement to pursue certain lines of inquiry. Sub- committees would be set up to investigate the degree of mechanization in various industries on both sides of the Atlantic, different levels of productivity in comparable industries, and methods of educating workers and managers in efficient practices. In addition, a committee to promote transatlantic visits was established. When the Council met again in March 1949, a report from its mechanization sub-committee revealed that American industry had between two and three times the amount of electrical power per worker as British industry. The relative difference in the supply of power per head in the two countries had not narrowed since the war and Britain still had a huge backlog to catch up on from the pre-war years of inadequate investment. The paper concluded: 'While there are other factors which affect productivity, there is no single limitation so restricting as a shortage of power and capital equipment.' Kilowatt-hour consumption of electricity per head corresponded almost exactly with the relative standard of living in different countries. [18]

However, AACP's attempt to compare the levels of mechanization in more detail

and to equate the relationship between this and levels of productivity was abortive. It was impossible to assemble data from which comparisons between British and American firms or industries could be made. The AACP's mechanization sub-committee was therefore disbanded. Already the *Economist* Intelligence Unit (EIU) had poured cold water on much of the Council's work:

> The project started with rather facile assumptions, based on some highly publicised productivity studies which had already appeared. Only after the American members of the council came face to face with the facts of British production did they appreciate how complex are the causes of differences in output.

The one beneficial result, according to the Intelligence Unit, was that the Americans on the Council could now disabuse their countrymen of such widespread myths as that Britain's difficulties were due largely to sloth.[19] The EIU was wrong on that count. In the early days of the AACP, American Ambassador Douglas had told Secretary of State Marshall: 'The only answer to Britain's difficulties is to work harder and, I fear, for less.'[20] It was a theme that would re-echo in British productivity debates for decades to come.

Meanwhile, in its capacity as an agency of propaganda, the Council's most productive role was in arranging a programme of visits to the United States. In all, 138 teams of managers, workers and specialists -- over 900 people in total -- travelled to America on such trips. Their various reports of findings received considerable media attention -- during 1950 and 1951 a new report was issued every week or so -- and the sales of these totalled over 600,000 copies.[21] And it was the general impact of the reports taken as a whole rather than the specific recommendations of particular teams that was most important in generating awareness of the importance of productivity among the labour force.

The American visits, lasting about four to six weeks, were made by teams consisting of up to a dozen members drawn equally from management, technical grades and shopfloor workers. Problems of travel and distance in the United States meant that frequently the visitors were restricted to the north-east corner of the country. Consequently, they tended to see only the more advanced

industrial areas and, as was subsequently pointed out by many critics, this influenced the kind of comparisons that the teams were able to draw. Confinement to this part of the United States also ensured that the visitors did not see much of the large sections of the country where industry was untouched by unionization. Indeed, there were cases where non-union American firms rejected the AACP's request to host a visit by a team including trade unionists. Clearly, those sections of industry studied by the British visitors were not wholly representative of the American economy.

Although the visits programme was ostensibly a joint union- management venture, it is quite apparent that management personnel dominated the teams. Each party had its own chairman and secretary and in almost every team these positions were filled by management spokesmen. Not only did managers fill the key positions, it was often the employers' side that effectively decided the composition of the party. Sometimes the most that the union could hope for was to be allowed to approve the names of shopfloor workers who had already been selected by the employers to make the trip. Occasionally the union discovered the identity of the shopfloor members only on the team's return.[22] When the Foundry Workers' Union protested to the employers' association about the composition of the Steel Foundry Team and put forward their own shopfloor nominees, the employers rejected them, arguing that, since they and not the unions were bearing some of the cost of the trip, the selection of personnel should be up to the employers.[23] In another case, a team in the USA was questioned by American union officials about union conditions in their industry and was embarrassed to discover that no one in the party was competent to answer.[24]

The result was that the management side of the teams was often far more representative of powerful employer and managerial bodies than were the worker members representative of the labour movement. For example, the Building Team Report noted that the shopfloor members had not been chosen by virtue of any official position held, simply on the grounds that they represented the 'average worker'. By contrast, the balance of the team included the President and Secretary of the National Federation of Building Trades Employers, who acted as team leader and secretary respectively, the President of the Royal Institute of

British Architects and various leaders of other building employers' associations. An alleged strength of the reports in general, indeed one of their most vaunted features, was the fact that they were all unanimous, with very few dissenting views recorded. Given the composition and method of selecting the teams, that is hardly surprising.

Features of American industry that earned praise throughout the reports included: production planning and control; economic handling of materials; good layout of work places; modern methods of costing; and use of work study. But although it was in their discussion of technical matters that the teams were best informed, it was on vaguer psychological elements that they tended to place their greatest emphasis -- invoking factors such as the appreciation by workpeople of the need for higher productivity; the progressive attitude of management; and the spirit of competition in order to explain American productive superiority.

As exercises in propaganda, the message of the team reports was clearly directed more at labour than management. The teams formed a highly favourable view of American management with its great professionalism, but curiously they then devoted more attention in their reports to the role of trade unions in raising productivity. Throughout, the reports tended to exaggerate the extent to which American unions employed their own industrial engineers and efficiency experts and to misconstrue the purpose for which they sought to avail themselves of such expertise. More generally, the reports failed to analyse in any depth the background to the American unions' alleged productivity consciousness. The 'negative incentives' to greater effort such as the higher level of unemployment in the United States and the anti-union thrust of the Taft-Hartley Act were rarely mentioned, and then in a non-critical manner.

The reports frequently failed to understand the causal relationship between the high wages and standard of living in America and the high level of productivity. Occasionally there was a recognition that the living standard was both cause and effect of high productivity.[25] More commonly the line taken was that high wages for British workers had first to be earned by higher productivity. The teams missed the point that it was the historically high cost of labour in the United States that gave rise to the high degree of mechanization. The relation- ship of

wage costs to capital costs was the exact opposite in Britain.

In criticizing restrictive practices in Britain, the reports were often less forthcoming about similar practices in the United States. There was scarcely any reference to restrictive labour practices among American workers, despite the fact that in many industries these were commonplace. At the very first meeting of the AACP, American labour spokesman Victor Reuther had pointed out that the American press berated US labour for its alleged restrictive practices in much the same way as the British press criticized the unions.

The general impression conveyed by the reports was of a vital United States economy benefiting enormously from the influence of vigorous competition, contrasting sharply with British industry which was stagnating under cartel arrangements and weighed down by state controls. Yet this happy picture of an archetypal, free enterprise economy flew in the face of many of the facts of American industrial life. The Steel Foundry team reported: "Throughout American industry competition is a governing factor... within the steel foundry geographical groups, competition is intense for the business in the district,"[26] apparently unaware that in 1947 the US Federal Trade commission had charged the American Iron and Steel Institute with price-fixing and conspiring to kill competition. Among the corporations named were Bethlehem Steel and United States Steel. Likewise, the competitiveness of the American construction industry recorded by the Building Team was sharply at odds with other evidence which showed that no fewer than 25 per cent of all cases dealt with by the Department of Justice's Anti-Trust Division concerned the building industry.[27] But despite the reality of oligopolistic business practices and increasing economic management by government in the United States, it tended to be assumed in the reports that more competition and less government restriction would create for Britain similar conditions for optimum utilization of resources. Several AACP team reports took the opportunity to express thinly veiled political attacks on the Labour government. The Grey Ironfounding Report, for example, complained that company taxes and dividend limitation 'deprives management of a powerful and traditional incentive',[28] while maintaining that its line of argument was above politics: 'In our present plight, productivity must override welfare, traditions and ideologies.' [29]

As always, there were conflicting impressions of the relative effort put in by equivalent workers in the United States and Britain. That lack of hard work was Britain's real problem was widely believed by American observers. On the other hand, the point was frequently made, especially when trying to sell the virtues of scientific management, that Americans worked no harder than their British counterparts: they simply worked more effectively as a result of method study, the use of power tools and better servicing of skilled labour.[30] Many AACP reports supported this view, but in British union circles there was much scepticism over what seemed to be a deliberate sugaring of the pill. The trouble was that the reports themselves frequently depicted a much more exacting work regime than workers in Britain were accustomed to. For example, the Steel Foundry Report described the condition of repetition workers who 'threw themselves into extremely arduous work ... with complete abandon and disclaim of exhaustion... then [on the whistle] they lay down where they worked and fell asleep'. The Building Report quoted Alistair Cooke on work rhythms in American construction: ‘They haul and hammer and drill and bulldoze with fearful zest. If they work this way they will keep their job. If they don't, they won't. That is the simple, brutal rule of life in America in prosperous times.’[31]

Overall, according to the reports, it was not so much the technical superiority of American industry or the unique attributes of its continental economy, richly endowed with natural resources, that gave the United States its decisive advantage in productivity; rather it was the result of cultural factors that could be summed up in terms of the 'American way of life'. Americans were found to be 'production-minded' and this attitude derived from a 'climate of productivity'. But this was hard to define and was simply expressed as an intangible. The debate over productivity and its causes was conducted against the background of recurrent economic crisis where it was expedient to find quick solutions. Pending the arrival of the long-term benefits of new investment, some of it from Marshall Aid -- the prospect of which in Britain often receded into the distant future -- the typical solution involved greater effort by the workforce and changes in methods and processes which frequently entailed less agreeable working conditions.[32] Over time, a change in attitude on the part of workers came to be represented not merely as a necessary basis for extra effort now, but a precondition for capital

investment programmes.

It was commonplace to invoke intangible factors in explaining America's relative industrial success. In a 1950 submission to the Marshall Plan, the British section of AACP wrote: 'High productivity results largely from an attitude of mind on the part of Management and Labour'.[33] The tendency for the AACP to explain productivity performance in such terms continued until the end. In one revealing passage of its final report, the document conceded that it was 'quite clear that the major improvements in productivity cannot be achieved without more capital investment', but went on to affirm: 'we believe that the main value of our experiment may prove to be psychological and lie in the improvement of the climate of opinion about productivity'.[34]

In the course of all this the TUC was caught up in a dual role which necessitated a delicate balancing act. As members of the AACP, senior members of the TUC General Council were keen to generate among trade unionists a greater consciousness of productivity and its causes. Though confident that much of the technical detail in the team reports was valuable, they were anxious not to provoke a membership revolt within the unions over the implications of the reports' findings, and they were clearly uneasy about many of the crude generalizations in these documents. Their approach was not to attack publicly those reports whose contents went against union thinking, but rather to shift the focus to the concrete factors central to increased productivity and to restrain the worst excesses of AACP propaganda.

Among TUC affiliates there was much criticism of the reports, and not only in unions under communist leadership such as the Foundry Workers who made clear their total rejection of the AACP programme. In situations where unions adopted a strong public stand against the report on their industry- as with the building, printing, foundry and hosiery unions — the pattern was for the TUC General Secretary, Vincent Tewson, to meet personally with the union leadership and to urge the need for a more restrained position.[35] Adverse publicity for the visits programme made the AACP very nervous. Following the criticism received from the hosiery workers, the secretary of the British side of AACP wrote to Vincent

Tewson asking him to intervene for the sake of the continuing success of the programme: 'As you know, we are being pressed very strongly by ECA [i.e. the Marshall Plan agency] . . . a case like this, of which ECA are aware, is very unfortunate.'[36] In a similar vein, the AACP secretary approached Tewson regarding a possible conflict over the Brassfounders' Report: 'I need hardly say that the last thing we would wish to promote is any sort of controversy over the report as this might only have the effect of making management less willing to follow it up.'[37]

The TUC's main positive contribution to this phase of the productivity drive took the form of a special study team of trade union officials which visited the United States at Marshall Plan expense from October to December 1949. The party comprised ten middle-ranking union officials. The American objective was to win over a younger generation of future leaders to their approach to productivity: 'Our project by exposing a rising leadership in the key unions to the best American practices in this regard will contribute importantly to the metamorphosis of thought and attitude.'[38] In the party were men who would subsequently rise to the highest office in their unions and become influential members of the TUC General Council: George Doughty of the Draughtsmen, George Brinham of the Woodworkers and Lewis Wright of the Cotton Weavers. The party was led by Ernest Jones, later President of the National Union of Mineworkers.

The TUC party's terms of reference required it to examine American union attitudes to scientific management. Behind this lay pressure to assess what positive contribution unions could make to productivity growth. There was a widely-held impression in British government and union circles that in America trade unions were very active in this field. AACP team reports had suggested that a large segment of the American labour movement was vigorously co- operating in production through its own industrial engineers, even to the extent of reorganizing plants through an offer of assistance by its technical staff.[39] It was, therefore, the TUC team's job to discover what could be borrowed from American practice. The bulk of the team's report consisted of a detailed description of the structure and functioning of American unions together with a close examination of the responses of the leading unions to the adoption by employers of modern

managerial techniques. In this respect it was sober, balanced and a useful corrective to the distortions contained in other reports of the period emanating from the United States. With one exception, the International Ladies' Garment Workers' Union (ILGWU), the TUC party found little evidence among American unions of any positive commitment to scientific management. The predominant attitude to this development among the leading unions ranged from outright hostility to passive but reluctant acceptance. Even in the ILGWU the techniques of scientific management were accepted only as part of a militant wage-bargaining strategy, not as a collaborative arrangement with employers. Lewis Wright of the Weavers' Union concluded that American union interest in time study was 'purely defensive':

> I think it is not a question of whether US labour unions accept the steps and changes necessary to increase productivity. It seems to me... that they are not in so strong a position to oppose the introduction of such methods. There is ample evidence [that] they are not, so far as I can see, accepted readily. If they could be opposed, in most instances they would be... [40]

On the surface there was little the TUC could borrow from American experience. The basic components -- aggressive wage- bargaining by unions and thrusting entrepreneurship by employers -- were lacking in Britain. The lack of aggressive wage strategies at the official level among TUC affiliates and a cartel mentality among employers made for a completely different situation, and under the loyalist leadership of the Deakin-Williamson-Lawther triumvirate the TUC was not inclined to change this by abandoning its moderation in wage-bargaining, even after the official support for wage restraint was defeated in 1950. What the team had learned exploded the myth that American unions were vigorously co-operating in production matters. However, their report was not the negative document that such a discovery seemed to warrant. The climate of the time demanded a positive report, and so by clever argument the team's recommendations reworked American union practice into a formula that purported to be relevant to the British trade union movement under a Labour government.

According to TUC thinking, Britain's productivity problem arose from poor management: employers could not be relied upon to introduce the measures necessary to increase efficiency. Organized labour, on the other hand, was a responsible body, and as guarantor of the nation's economic well-being it would have to take the initiative in pressing for the efficiency measures ignored by employers.[41] Hence, the basic recommendation of the TUC report was that unions should co-operate in the application of scientific management. More specifically, they should 'seek to increase productive efficiency through greater use of mechanical aids and application of time and motion study'. Unions were urged to set up their own production engineering departments and, following the practice of the ILGWU, 'be prepared to give technical advice and assistance to firms whose profit margins are falling to the extent of threatening both wage levels and employment security'.[42]

Only by the report putting the best possible gloss on ILGWU practice, by inferring for the other American unions studied an emphasis different from that which they themselves proclaimed, and through some highly imaginative speculation as to future trends in American labour-management relations, was American practice made to seem relevant to Britain. As the ILGWU's Production Department chief, William Gomberg, recorded following an ECA- sponsored visit to Britain to help publicize the report: 'Despite the accuracy of the description, it was still strange to find oddly distorted views of what American trade unionists actually were doing...' [43]

But if the ILGWU was the only American union following this particular strategy, how did the TUC arrive at the view that this was a model destined to be adopted by US unions generally? Here the authors of the report made an imaginative leap and with deft footwork conjured up a scenario designed to appeal to a British trade union readership. The report speculated that the American unions would gradually become more powerful relative to management, that managerial aggressiveness in the pursuit of efficiency would decline and that in consequence the unions would become more responsible in terms of the needs of the national economy:

> In thus widening their activities the possibility exists that they [the unions] will assume responsibility not unlike that of the British trade union movement in the British economy. The more successful American unions become in influencing their Government to direct or guide the national economy to counteract inflationary tendencies and stabilise the purchasing power of wage earners, the more they would tend to remove the pressure on management to be aggressive and progressive. In such circumstances, unions might have to rely on forces other than competition, to maintain increasing productivity.[44]

In these conditions, an environment not unlike that in Britain, American union interest in scientific management techniques was essential.

As applied to Labour Britain, the proposals of the TUC team were not to form the basis of an American-style high wage policy. Yet, that being the case, there was still no discussion of any mechanism by which swollen profits from higher productivity would be redistributed or how firms would be compelled to reinvest in ways acceptable to labour.[45] The TUC was, in effect, proposing a responsible role for the unions in an area where the unions had no legal responsibility. There was now no parallel move by the TUC leadership to seek a democratization of private industry, to require a sharing of power between workers and managers such as might have made sense of a co-operative approach to production. Trade unions were being encouraged to generate pressure for the introduction of scientific management without having any guarantees of being able to control its subsequent development. They could only hope that new efficiency measures would stimulate exports, a better balance of payments, and that in the long run consumer standards would rise.

The American officials in the Marshall Plan derived considerable satisfaction from the TUC's productivity report. One proclaimed that it was the 'most valuable document' to have been produced under Marshall Plan auspices: 'The UK has made about as complete a turn-about on trade union attitudes... as any trade union movement. This is as far as they can go.'[46] The main result of the team's visit and report was that in 1950 the TUC established a Production Department

and training-school in scientific management techniques. Six-hundred union officers and shop stewards passed through this in the next four years. As Vincent Tewson would later argue, a quiet revolution was taking place[47] The programme was useful in equipping a cadre of union officials with some basic technical skills but, offering as it did no clear analysis of the role of scientific management in capitalist society, its effect was to reinforce the notion of such techniques as ideologically neutral. It would still take many years to whittle away at rank and file suspicion of time study and management's growing body of control techniques. But from this period, the lack of firm union leadership on the issue left union members vulnerable to attack by employers and unsympathetic governments.

In general, the TUC's participation in the AACP and its restraint in not criticizing publicly some of the more unacceptable reports handed the employers a huge propaganda advantage.[48] A whole series of crude assertions and ill-thought-out nostrums about productivity had been repeated over and over again and had gained still further publicity as the subject of extensive press coverage. Meanwhile, TUC reservations were often confined to internal memoranda. Reviewing the contribution of AACP teams as the work of the Productivity Council drew to an end, the TUC's Production Department chief, Edwin Fletcher, conceded that the technical material in the reports was first-class, but he expressed strong reservations about their generalizations on social and economic issues:

> The fact remains... that really substantial gains in productivity can only be achieved by greater mechanisation, powered tools and equipment and changes in factory layout and production organisation and flow processes -- all of which are associated with national economic factors.[49]

To attempt to change the 'climate of opinion' was, he thought, the least practical of approaches to productivity. Yet this had been a major emphasis of the AACP. As a final commemorative project before being wound up in 1952, the AACP commissioned economist Graham Hutton to write a popular book on productivity. As a member of the Council's vetting committee, Fletcher found it necessary to insist on extensive revisions of a text replete with simplistic, psycho-sociological notions and political prejudice. Fletcher charged Hutton with treating superficially

the central factor -- the USA's historically higher rate of capital accumulation. He complained about the repeated and unproven assertion that the high level of taxation in Britain was a major handicap. It seemed to him that the book also exaggerated British lethargy and then explained it in terms of psychological sickness. Hutton's discussion of restrictive practices, Fletcher argued, was partial and incomplete: such practices were criticized without being clearly defined. No analysis of the reasons for their existence was attempted nor any clear indication given of how they might be abandoned or other safeguards provided. The inference was that they originated in a black past when management was exploitative, but this was contrasted with a white present in which management was now perfectly trustworthy, so that the practices were no longer necessary. [50] The TUC demanded extensive changes in Hutton's draft before the text was approved for publication. But even so the book, *We Too Can Prosper,* remained a highly 'controversial document'.[51]

The Council came to regard its work as 'one of the largest experiments in adult education ever attempted'. It is, of course, a matter for debate whether its main impetus really was in generating an informed discussion of the factors involved in productivity growth or towards propaganda supportive of the 'American way of life'. Reviewing the programme, Marshall Plan chief Hoffman remarked: 'Even more important than what Europeans learn about lathes and ploughs is what they learn about America... They found out for themselves... the "American Way"... '[52] If TUC leaders were blind to the ideological content of the productivity crusade, the same could not be said of American businessmen attached to the Marshall Plan and AACP. For Philip Reed, the American co-chairman of the Council, the two outstanding problems of the world were the lack of competitiveness in Europe and the lack of individual freedom in the face of growing state power, and the solution to both was to be found in the promotion throughout the Western world of individualism, the competitive ethic and the pursuit of productivity growth. Viewing the subject in geopolitical terms, Reed argued that the Soviet challenge had united the West

> to a degree unprecedented in history, a degree which now begins to give the promise of yielding fruits so firm - political, economical, and social - that we may yet come to describe the Russian threat to communize the world as

a blessing in disguise. [53]

The AACP was wound up as intended in 1952. To its sponsors it had been a great success and it paved the way for the establishment in 1953 of the British Productivity Council (BPC) as a permanent organization with a long-term programme aimed at following up the recommendations of the AACP team reports and generally promoting productivity consciousness. The BPC in turn served as a model for the national productivity centres that the United States insisted be established in all Marshall Plan countries. The next phase of productivity campaigning would benefit from the $9 million of Conditional Aid that the United States made available to Britain for this type of activity in the early and mid-1950s. Through such funds the BPC was able to provide advisory services to industry, work- study training, and films, television programmes and literature, all preaching the need for ever-increasing growth in productivity. What was being assiduously implanted into the popular consciousness was the 'common sense' of productivity.

The TUC participated wholeheartedly in this work: its senior officers served as members of the BPC, trades councils were pressured into joining local productivity associations, and one General Council member, Ted Hill, was disciplined by the TUC for his public criticism of the productivity campaign. Beneath the level of national union leadership, occasional misgivings surfaced about aspects of their programme-the fact, for example, that the BPC's Work Study Unit appeared to be unduly reliant on personnel and teaching materials supplied by ICI's Work Study Department. [54] Dissident union leaders such as the communist Les Cannon protested that hundreds of thousands of workers were being exploited by productivity schemes agreed to by their unions.[55] In 1954, even Tom Williamson, General Secretary of the General and Municipal Workers' Union, a former stalwart of the AACP and a leading advocate of the productivity ethic, began to wonder whether labour had been short-changed in its support for productivity growth:

> There are allegations being made that the workpeople are not getting their share; and, side by side with these, there are allegations that too much is

being paid out in dividends. It seems to me that this is a matter in which we should interest ourselves, because there does not appear to be any reliable evidence on which these statements can be properly argued. [56]

It was a poignant comment on the role of the TUC leadership that, after six years of unwavering support for the productivity drive, one of their number should enquire innocently who had benefited from the exercise. But the trade union leadership offered no critical analysis of where the productivity campaign was leading or of its implications for workers and working conditions. Where they were well enough organized, shopfloor workers often resisted in an ad hoc fashion those new management techniques that undermined established working conditions and increased managerial control of the labour process. But theirs was an uphill struggle: they had to contend with the 'common sense' of productivity, and from the late 1940s onwards that had been appropriated by management.

Notes

1. Cripps, Address to Prosperity Campaign Conference, Edinburgh, 19 September 1946, NPACI, 27 September 1946. NPACI minutes and papers are contained in TUC file series 557, TUC, London.
2. Ibid.
3. A.A. Rogow, *The Labour Government and British Industry 1945-51* (1974), 103.
4. Discussion of Production Efficiency Service, NPACI, 7 December 1945.
5. NPACI General Council Side, 15 February 1946.

6. Quoted in Geoff Brown, *Sabotage* (1977), 284-5.
7. L. Urwick and E.F.L. Brech, *The Making of Scientific Management,* vol. 2 (1949), 208.
8. NPACI General Council Side, 3 June 1948.
9. NPACI, 7 July 1948; TUC GC Minutes, 28 July 1948; *Hansard,* 28 July 1948.
10. Memorandum of Conversation, Golden, Swayzee and Tobin, 24 August 1948, Department of State Papers 840.5043 Recov. US National Archives. Golden had been in conference with the TUC leaders when the announcement was made.
11. Manchester and Salford Trades Council to Tewson, 20 August 1948; Taunton Trades Council to Tewson, 3 September 1948; Croydon Trades Council to Tewson, 4 September 1948, TUC Papers 552. R.
12. Cripps Statement, NPACI, 4 June 1948.
13. Kenneth O. Morgan, *Labour in Power, 1945-51* (1984), 363-4.
14. Cripps to Tewson, 30 July 1950, TUC 557.37.
15. Report of AACP Full Council, 26-29 October 1948, TUC 552.31 and Transcript TUC 659.
16. Ibid.
17. Report of Special Conference of Trade Union Executive Committees, 18 November 1948, TUC 571/71.
18. AACP, Report of Second Session, 7 April 1949; Informal Meeting, 17 October 1949, TUC 552.31.
19. *Foreign Report, Economist* Intelligence Unit, 3 February 1949.
20. Douglas to Marshall, 12 August 1948, ECA Admin, 6. Marshall Plan Papers, US National Archives.
21. *Draft History of the Council's Activities;* 'Organised Labour and Productivity in Western Europe', Labour Productivity Branch PTAD/SRE, 28 August 1952, William Gomberg Papers, London School of Economics.
22. Tewson to Sir Thomas Hutton, 20 January 1950, TUC 552.3.
23. NPACI General Council Side, 30 March 1950.
24. Tewson to Sir Thomas Hutton, op. cit.
25. *Grey Ironfounding Report*, 20.
26. *Steel Founding Report*, 33.
27. John Cates, 'The Politics of Free Enterprise', *New Statesman,* 29 December

1951.

28. *Grey Ironfounding Report,* 17.

29. Ibid., 20.

30. For example, *Cotton Yarn Doubling*, *Zinc*, *Aluminium Die Casting Reports*. See also Leo Goldstone, *A Critical Analysis of the Anglo-American Productivity Reports*, undated (1951?), mimeographed, 22. TUC Library. Goldstone has many useful insights into the contradictions in these reports.

31. *Building Report,* 55.

32. This was still the line being pushed in 1953 with the fall in profits and the rise in unemployment. See also Graham Hutton, *We Too Can Prosper* (1953), 224-5.

33. *AACP - British Section Interim Report*, 31 January 1950, TUC 552.32 III.

34. *Final AACP Report,* TUC 552.3.

35. Tewson to Fletcher, 4 January 1952, TUC 552.372 II.

36. Hutton to Tewson, 13 November 1951, TUC 552.372 II.

37. Hutton to Tewson, 22 November 1950, TUC 552.372 II.

38. Killen to Forbes, 31 May 1949, ECA Lab. Div. 152.

39. Paradise to Kenny, 28 December 1949, ECA Lab. Div. 152.

40. Transcript of 3rd Round Table ECA Discussion with Members of the UK Trade Union Production Engineering Team, New York, 28 November 1949, TUC HD 21.

41. NPACI General Council Side, 1 August 1950.

42. *Trade Unions and Productivity*, TUC (1950), 60–1.

43. Gomberg Report on Special Mission to United Kingdom, Netherlands and Germany, ECA Lab. Div. 146.

44. *Trade Unions and Productivity,* op. cit., 51-2.

45. TUC Annual Report (1950), 506; (1951), 482.

46. Report of European Labour Staff Conference, 23 May 1950, ECA Lab. Div. 144.

47. *The Spectator,* 17 December 1954, 772.

48. Even though employers themselves were subject to American criticism for their cartel practices, they were able to rise above this and deflect the criticism onto the government and its trade union allies for their support for centralized state regulation of industry.

49. Fletcher, *The Anglo-American Council on Productivity,* 21 April 1952, TUC 552.32 III.

50. Fletcher to Horne, 22 August 1952, TUC 557.374.

51. Fletcher to Tewson, 30 January 1953, TUC 557.374.
52. *Draft History of the Council's Activities,* undated (1952?), TUC, 552.32 III; Paul Hoffman, *Peace Can be Won* (1950), 91.
53. AACP Full Council, 6 April 1949, TUC 557.32.
54. TUC Production Committee Minutes, 19 May 1955, TUC 557.1 VI.
55. Les Cannon, 'The Productivity Drive', *Marxist Quarterly,* 2,2 (April 1955), 94.
56. Williamson to Tewson, 18 November 1954, TUC 564.8.

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