The Association for Diplomatic Studies and Training
Foreign Affairs Oral History Project
Labor Series

# JEROME ROSOW

*Interviewed by: Morris Weisz*
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## INTERVIEW

[Note: This interview was not edited by Mr. Rosow]

*Q: Today is April 15, tax day. And this is Morris Weisz and I'm interviewing—taking advantage of the visit to Washington—interviewing Jerome Rosow, the head of the Work in America Institute. And, we are recording his actions, as a government official and later on, too, I hope, in the field of international work or the international aspects of his work, when he was in the Labor Department and after that.*

*Jerry, could you give your name and association and background?*

ROSOW: Yeah. My name is Jerome M. Rosow. I served in the Nixon Administration with Secretary George Shultz as Assistant Secretary of Labor for Policy Evaluation and Research.

*Q: [The acronym for that position was] ASPER.*

ROSOW: ASPER. And, that was a new position. Had not been held in the Labor Department since Moynihan left the Labor Department in the Johnson Administration. Prior to that period of service, I was in the office from December of '69 through August of '71. Prior to that, I was an executive with Exxon Corporation—at that time known as Standard Oil Company of New Jersey. And, I came to Washington from a position I held in London as Manager of Employee Relations for S.M. Europe, which covered seventeen countries in Western Europe, where we had investments in the oil business. _____ and related energy business.

*Q: Were you educated in that field? As I recall, your education—*

ROSOW: I was educated in the University of Chicago in Political Science and Public Administration. I did all the work through a master's in Public Administration, but didn't finish it because I went into the service. My career started in 1942 in the Department of the Army as a classification analyst. And I worked for one year in that capacity until I enlisted in the service and went into the Quartermaster Corps, became a Chief Warrant Officer. I was assigned to the Philadelphia Quartermaster Depot as Assistant Director of Personnel from 1943, late '43 until I came out of the service in early '46. And, after staying in a civilian capacity in Philadelphia to re-employ the military people on leave of absence for six months, I went to Washington and became Director of Compensation for the War Assets Administration—which was selling all the surplus military equipment and properties and supplies.

I had that job until 1948 and the Agency completed its work. And I went back to the Army as a civilian, in the Office of the Quartermaster General, and to do organization development work. And, a year later, I went to the Pentagon as Assistant Director of Wage and Salary Administration for the Army, which at that time had a half a million civilians. And that was 1950–51. And, by late '51, I went to the Salary Stabilization Board during the Korean War, to be the Director of Policy for the Salary Stabilization Board until early '52, when I was employed by Creole Petroleum Corporation to go to Venezuela.

So, I left my Civil Service career in 1952, having served about nine years. And, when I went to work for Standard Oil in New York, after Venezuela for three years, I was Director of Industrial Relations Research and Compensation for the corporation, worldwide. And, in '65, I was part of a team to create a new company in Europe called Esso Europe. I was there for almost three years, until Shultz asked me to come to Washington.

After serving in the Nixon Administration three years, I went back to Standard Oil in New York to be Manager of Public Affairs Policy for the corporation worldwide. And held that job until I retired in 1977. But prior to retirement, I took a public service lead to found the Work in America Institute, a tripartite organization dedicated to advancing productivity and the quality of working life in America. And I've been president of that organization since 1975, and retired from Exxon in '77.

*Q: And this is very important for us, the background, because people in the fields that we are looking into in this oral history project, come from such a varied background as against the professional diplomat, who comes from the background in one of the universities and then goes directly into the Foreign Service. So, that's the reason I wanted you to go into that detail.*

*Well, you came to work, then, in the Shultz Administration with sort of a broad background in personnel policy and organization development.*

ROSOW: That's right. And Secretary Shultz worked for me as a consultant in Exxon. Douglas McGregor introduced us. He was one of his teachers at MIT, and former president of Antioch College and was consultant to Standard Oil Company of New Jersey in our field. So, he was a friend of mine and also a teacher of Shultz. And Shultz was then Assistant Dean at Chicago. I had already left the university many years earlier. And we met and we engaged Shultz for a summer research project, I believe in around 1958. He worked for us that summer and then, subsequently, I arranged for him to go to Europe to do some studies for us in England, at our refinery. And, our friendship continued in the intervening years. So, when he was named Secretary of Labor, almost ten years later, that's why he called me in London to come and join the Administration.

*Q: Well, that's interesting. If you're willing to go into it, the difference between Shultz and other Secretaries of Labor in terms of how they recruited people, as I recall, he didn't have a political litmus test for people.*

ROSOW: Well, no. In fact, the Nixon Administration, at that time, the President was quite open, which contrasted the second term. When George called me, I said there were really two obstacles to my taking a leave of absence. I wasn't going to resign at that point. I was just about forty-nine years old. And, I had already put in a long service in the company. And, I had a good career and I was, you know, still advancing. I also was invested in the work in London, in building the company up. I said the first reason was that I was a registered Democrat and I didn't believe that the Nixon Administration would be too happy with me as an Assistant Secretary. And, secondly, I didn't know if I

could arrange a public service lead because of the importance of the work I was doing in London and whether my company would be amenable to that. George's answer was that he would talk to the President that night and get back to me the next day. Of course I had some misgivings about the President's political record in the Congress and in the Senate. And I wasn't really, and also was vice president, I wasn't that elated about serving in the Nixon Administration, but I had complete trust in George Shultz, I also felt that it was a challenge any public citizen should take. so, he called the next day and said that the President said, "Just get the best people. I don't care what their political affiliation is."

In contrast the second term, nobody could be appointed to some cabinet post unless they were a strong, registered loyal Republican. Some of my colleagues in the sub-cabinet changed their political affiliation—one of whom was the successor to George Shultz, Jim Hodgson, who registered as a Republican, wanting to be re-appointed in the second term, but was not re-appointed—not because of his political affiliations, but because he just wasn't tough enough, hard as nails, the way Ehrlichman and The White House expected him to perform. So, he was not re-nominated. So, changing the political.

*Q: _____ to realize, Jerry, that you're going to be asked whether these could be open to students. But Jim Hodgson has said, very.*

ROSOW: He's been interviewed, here?

*Q: No, I've known him. Incidentally, I've written for him.*

ROSOW: I like him. He's a nice man.

*Q: A wonderful guy.*

ROSOW: But he got shafted by The White House on—well, they went up to Camp David and reviewed the entire cabinet and sub-cabinet knocked, they had a list. They knocked off a whole lot of guys. He was just one of many. But, you know, they forgave, I mean they still saw him as useful and made him ambassador to Japan. I mean, he was not *persona non-grata*. They just didn't think he was strong enough to be Secretary of Labor, or maybe, not compliant enough to their wishes. I don't know the reason, but it was a big disappointment to him.

*Q: Yes, but he did very well in Japan. And that connection is where I met him. I did a paper for him. And, later on, the same thing happened to Dunlap, of course.*

ROSOW: I noticed he hadn't responded to your questionnaire. Do you think that is because you haven't located him or…?

*Q: Who, Hudson?*

ROSOW: Yeah.

*Q: Haven't located him. I sent.*

ROSOW: He was out in California, the last I heard.

*Q: Yeah, so did I. And I sent it to that address. No, I've had wonderful relations with him.*

ROSOW: Yeah. He's a nice man.

*Q: Yeah.*

ROSOW: I worked for him. Then, when George went to The White House, I would say that for at least a year, a little over a year, we got along fine.

*Q: Now, when you came there, you found a big plate of things to be done—some of them left over from Moynihan. And, how did you reach, become involved in international affairs? The Assistant Secretary for International Affairs at that time, was a series of people, wasn't it?*

ROSOW: That was that professor from Cornell.

*Q: Silvabrain.*

ROSOW: Right. George M.

*Q: Who has agreed to be interviewed and I'm going to get him on.*

ROSOW: He's still alive?

*Q: Oh, yes.*

ROSOW: Yeah?

*Q: And, very enthusiastic.*

ROSOW: I thought he was quite a bit older.

*Q: Yeah. He's retired and—*

ROSOW: Must be in his eighties.

*Q: He's retired in California and has agreed to be interviewed. And now, we have an agent, out in California, who is doing interviews.*

ROSOW: I liked George. He was a nice man. I worked with him. Actually, my role there was really, primarily, to be a think tank for the Secretary of Labor and for The White House in Labor Affairs rather than to be involved in the internal work of the Labor

Department.

*Q: _____ Administration _____.*

ROSOW: And, George asked me to take over the budget from the Department and Moynihan had had a BLS [Bureau of Labor Statistics] reporting to him, when he was in that position. And, I didn't want that. I refused both of those assignments on the basis that they would interfere with my intellectual freedom and time to do the policy development work—policy planning and new legislations. And, that's really what I was, was really an arm to the Secretary. I didn't report to the undersecretary, at any time. Jim and I had an understanding. He was undersecretary at the time.

*Q: Jim Hodgson?*

ROSOW: Yeah. And I would report directly to George. And when Jim succeeded George, I always stayed on the basis, but I would not report to Larry Silberman who became the undersecretary, for whom I had very little respect and still do, even though he's on the Judicial Bench here, in the District. So, I had that kind of an independent stature. I came to that job and took a fifty percent cut in pay. And, I felt that if I was going to work there, I wanted to be useful. And, I wasn't there, in retrospect, you know, I had no ambition to get a higher position in the government. I felt I was there to help George be successful in what he was doing. And he tracked very well with the President. So, we had a lot of entre to get new things in. He also made a close friendship with Ehrlichman, who was Chief of Staff. And, a lot of ideas that Ehrlichman needed, he would send to George and George would ask me to work on them. So, that made for very exciting projects coming my way, that would ordinarily not. Like I was the man in charge of The White House Conference on Children and Youth in 1970, even though my name never appeared anywhere. Because Hess, who was, Steve Hess was Moynihan's Deputy, was named to that job to move him out of The White House. Because, it seems Moynihan didn't feel he was producing. And then, Hess got off with a very liberal left agenda, to kind of criticize the whole Administration in this youth conference. And, The White House asked me to take over and straighten Hess out. And, I did that as one of my ancillary jobs. It was very stressful because the President was paranoid about Vietnam and the youth culture being anti-Vietnam. And we had to bring fifteen hundred young people together in the national conference, to debate these issues. And, I got that, you know, unwelcomed job to do, for George and for The White House.

*Q: Well, you mentioned Moynihan in this connection, referring to him in his new job with the new Administration.*

ROSOW: Yes. Well, he was the domestic advisor at that time.

*Q: Through Nixon.*

ROSOW: I also worked with him indirectly, on the Welfare Reform. You see, what I got really involved in were two major projects. The first was, I had only been there a couple

of months. Had a very small staff and a minuscule budget. And the government had decided that the key issue for the first term was welfare reform. The President campaigned on it and, you know, deja vu, right now, with the same issue—although it's secondary to health reform, today.

But, welfare reform was the hot social issue. People were very aggravated about the welfare poor being so close to the working poor. And there was a big split in The White House between Arthur Burns and Pat Moynihan and Bob Finch, who was on Moynihan's side. And the Vice President, Agnew, and others who were on one side of the welfare reform and Moynihan and Finch and the others were another side. And, after two months of inability to reconcile these two groups, Nixon asked Shultz to take an independent look at it. And that became me. And when Shultz gave me all the documents, I must have had three books of documents and said, "Take a new look at the welfare reform."

Well, I didn't even know what AFDC [Aid to Families with Dependent Children] stood for. To me, it was like a foreign country. I'd been overseas and I was in the private sector for the last, at that time, fifteen to eighteen years. I wasn't following social events in the United States, having been three years in Europe. And, I got a small staff together and we started a task force on it and I wrote what was called The Shultz Set-Aside. I wrote a memorandum after about six weeks or a month, two months, to The White House, to the President of the United States, suggesting that we had to support the working corps, which is where Arthur Burns was opposed. Because he felt if you gave money to people who are working, you would just make them a little pregnant and they would quit working and go off on welfare a hundred percent.

And, our philosophy was, and there was a study in New Jersey, a five-year study, that proved that people who work for low wages, and got welfare support, worked themselves out of debt and out of poverty. Got better jobs, more education. And left the welfare rolls. The difference was one billion dollars—which is not a lot of money, today, but twenty-two years ago, the budget at that time for Welfare reform was three billion. And, my proposal would add a billion, or an estimated cost. And, the question was, would the President kick up the budget and would this debate, you know, be resolved? And so, I wrote this paper. It was about six or seven pages digested. And George signed it and we sent it over there.

And, about a week later, I got a call. I was on a field trip, here in town. Got a call from Bill Safire. And he introduced himself and he said, "Could you join us for lunch?" Now, I had been three months in the job. My staff, who'd worked for Moynihan, were nudging me to see Moynihan and to get acquainted with the relevant transition.

*Q: Was this Phil Arno or somebody else?*

ROSOW: Phil Arno was there.

*Q: Oh, yes.*

ROSOW: Paul Barton.

*Q: Oh, yes.*

ROSOW: _____ Phil was a wonderful guy. Unfortunately, he didn't stay that long. He stayed with me for less than a year and left to retire. But, it was Phil Arno, Paul Barton, Marty Nimero. All these people who really worked with Moynihan. And, were working on welfare reform in those early days. But they didn't get anywhere. Moynihan was inaccessible. You know, he was going to bother. He didn't give a shit about who was the new Assistant Secretary of Labor. He had no loyalty to the Labor Department. He was on a fast track, working in a hostile environment in The White House, surrounded by a bunch of Republicans and speaking the Democratic line. And getting away with it. And eating Haldeman and Ehrlichman up alive in meetings by putting the needle in all the time.

So, I was invited to this luncheon, the first time I met Moynihan, Safire and Ehrlichman. And, they said—Safire who's very open, still a friend of mine but I don't see him a lot. I noticed in today's *Times*, he just celebrated twenty years on the *New York Times*, on the editorial board. Safire said, "The President read your memo and he said, `This guy thinks exactly the way I do. Get a hold of him.'" I had never met Nixon, yet. "`And form a task force. And you've got to work on the way he sees a solution to the welfare thing.'" And, that started a task force of four of us. One fellow from ATW, who was a Deputy Assistant Secretary, a deputy to Ehrlichman, who later ended up serving a year in jail because he signed papers on Nixon's gift to the Archives, which were post-dated. A wonderful guy, a lawyer from, you know, just didn't mean anything wrong. And Bob Nathan, Dick Nathan, who was the Assistant Budget Director. So, we had the Budget, HEW, the Labor Department and The White House. It was a team of four. And we were supposed to draft the Welfare Bill. And, we did that from around April until August. August the 7th when President Nixon went on television and announced the Welfare Reform, which was legislation we wrote and which we fought through the whole Cabinet.

At one point, we had to go up to Camp David because the then Vice President Agnew, the Secretary of Treasury—Kennedy, the Budget Director and Arthur Burns all co-signed a memo to the President objecting to our proposal, to our plan. And saying that it was wrong and it wouldn't work. So, Moynihan, Shultz and our team, we were at the next level, were hanging in there to go for the working poor and to go for the plan the way we had. There were a lot of other contretemps. Bob Finch called George before the Camp David meeting, on a weekend and said he couldn't speak out in favor of our proposal, because he was getting too much heat from the rest of team.

*Q: California, yeah.*

ROSOW: Yeah, from California, from Reagan. So, and we had been out to California. After the President gave the TV thing, we went out to San Clemente. We met with Reagan, when he was the governor, and his Cabinet, to sell them on the proposal. And they were not buying it. But, in any event, we went up to Camp David and a debate

resulted, uncomfortably for me, between myself and Arthur Burns. But, I remember going up in a helicopter, sitting next to Moynihan, whom I knew a little bit. He was the front man. He got all the PR. He was fantastic with the press. He never came to a single working meeting of the group with me, every night in The White House from five until midnight, writing this thing. Fighting it out, taking it back to the superiors to get it cleared. And then he would go public and he saw us like he'd see a speech writer. You know, we were in the background. He didn't realize or care that we were formulating a real policy and defending it. And then we had to go up and do all the testimony. He never even testified on the Hill.

So, he was very useful in that role. And I respected him for it, but he never rolled up his sleeves to do any of the work. And, of course, he would have been a great president, because he was trained for the job. The guy really had the right training.

Anyway, that was where we got into the real heavy politics. And, as a result of that, I got to know Nixon pretty well. And, I got more assignments. And, I must say, they changed my opinion about the President very radically, because he was a very pragmatic guy. And he supported every initiative we wanted. He pushed reform on unemployment insurance that we couldn't get through since Eisenhower. Because, apparently, it takes a Tory president to get liberal legislation.

*Q: China's a good example.*

ROSOW: Right. So, it was a very good place to be at that particular time, with Shultz having all that power, and with Nixon wanting to see things happen. And that's how I got into it, another project which had to do with the blue collar workers' problems, called the Blue Collar Blues, where I wrote a memorandum called, "The Problem of the Blue Collar Worker," which we couldn't get through the White House—for political reasons. It was bottled up and then Shultz kept trying. We tried to get Moynihan interested. He didn't want to touch it. Luckily, because he would have pre-empted the whole thing. He was really, you know, he'd swallow up anything that was politically hot.

But we ended up with a Cabinet Committee meeting every Thursday afternoon in the White House, with the Secretary of ATW, Commerce, Labor, Treasury and a bunch of political advisors.

*Q: OMB [Office of Management and Budget], anybody?*

ROSOW: There was no OMB, yet. It was still—

*Q: Oh, yeah. That's right.*

ROSOW: —the Bureau of the Budget.

No, they weren't in there. Because there wasn't a budget problem. I had written a memo about what was eating up the American workers. And the Cantaba Committee said,

"Well, we're not going to vote for president, unless you can come up with a list of recommendations." And I didn't think we were ready to recommend actions, it was just to establish an agreement that there was a problem. Then, somebody would talk about solutions.

So, we came up, at this point, with about thirteen ideas—one of which was a White House dinner for Labor, which was held on Labor Day. But the most important of which was Pension Reform. That was the beginning of ARICA.

*Q: On, really? That's interesting. Has anybody, coincidentally, it doesn't have any relevance to our current project on labor diplomacy—anybody in the peace, things are so revealed in today—anybody in the current administration trying to seek out people with your type of experience?*

ROSOW: No, I don't think so. Every administration comes in with its, you know, to some extent, there is a feeling, you know, that you don't want to relive the past. And you need fresh ideas. But those, there was incident today, in *The New York Times*, this morning. Deja vu, I found a big laugh. I was reading it to my wife on the plane. Secretary Rice, whom I admire, and he's really a brilliant guy. He came into the job really running, I mean he's in a position in action, now, where most Secretaries would take a year to be, in less than three months. But, he gave a press conference, saying that the job loss was very serious, the same day the BLS had data that there was a 390,000 increase in jobs.

And he and his chief economist gave a press conference an hour before the BLS to meet on its regular monthly meeting with the press, saying just exactly the opposite. So, of course, he's coming out to support, to act as a political shield for the Administration's legislation. It was tied up in the Senate. And the BLS is oblivious to this. They're telling the truth, the way it is. They're not coloring it black, white or yellow. And the article said, just as I remember it, when Hodgson was Secretary in '71, the unemployment was about 7% going up. And, the President was very concerned about the Congressional election. And, I had been talking to Jim a few days before. And I said, "You know, you're going around the country making speeches that unemployment is coming down. And I think you should temper that because we have no data showing it's coming down. And, I've looked at all the data, and my staff. And we've talked to the BLS and we really think the best you can offer is about a level up, maybe come up a tick or two-tenths or something."

He was getting instructions from The White House. And, he called the press conference, just like yesterday, called the press conference an hour before the BLS is to release them, not tell the BLS what he's doing. And said that, "They're very optimistic when the numbers come out, today, their unemployment is going to go down." An hour later, there's a press conference over at the BLS, across town, and they didn't, they knew the Secretary had some kind of press conference, but they didn't know what he said. And they go ahead and give a straight story and the press, who was down at the Labor Department at 14th Street, went over there and said, "What the hell. We were just told it was going to be down. And you're telling us it just went up two-tenths of a percent.

Who's running the Labor Department?" Well, it was pretty obvious that Jim had gotten his instructions from The White House, and put the best face on it and embarrassed everybody. And then, after that, Nixon got the impression.

*Q: Was this the origin of Fran Goldstein being fired?*

ROSOW: Oh, yes. Absolutely. Absolutely. Nixon got the impression that there were a bunch of Jews over in the BLS, tampering with the numbers to make him look bad, because he was paranoid about certain parts of the government. And, then they appointed this guy who later went to Marriott, who was Bush's political honcho in The White House, to make up a list of names of all the Jews in.

*Q: Malek.*

ROSOW: Yeah, Fred Malek. Right. I never knew him, but I knew of him. And, I guess I never got on that particular list, but Safire and myself, Arnie Weber, were all of the same religion. And, I remember we were at an A-J's federation meeting here, in Washington, invited to speak because we were all in the Administration. And I said to Safire, "Where's Arthur Burns?" You know, why isn't he up here? And, I learned later that he was very dedicated to Israel. He felt he was much more effective not to go public, and to work on Nixon behind the scenes.

I don't think Nixon was really an anti-Semite. I think Nixon had the same kind of prejudices that people have about Blacks and Puerto Ricans and just out of ignorance. Because, if he were really anti-Semitic, he never would have built his staff with as many Jewish people.

*Q: Also, he would have had a feel for the people he was dealing with. Which, he evidently didn't.*

ROSOW: _____ very, very stiff, stand-offish personality. Larry always dressed to the hilt—_____ tie and never took your jacket off. And the only time I ever saw him in an informal dress was in San Clemente, when he wore an Air Force, presidential jacket and drove around on a golf cart, which was just coming on the market at that time. Sort of a toy. And, but he was very, very uptight in his personal relations.

*Q: Jerry, are you writing a biography? You should get this down someplace. We'll send you a transcript.*

ROSOW: _____ my own anecdotes. Somebody sees it from a different point of view. You know, when I wrote this thing, Morrie, to just tell you one anecdote that's my favorite. I wrote this, "The Problem with the Blue Collar Worker" and got in The White House, and nobody would touch it. They didn't see the significance of it. And, one of the things that came out of it was IRA—the Individual Retirement Account. And, I give George Shultz some credit for that. We were sitting and talking one day. And the Teal Bill was up for change. The Treasury came to us and said, "Can we make a deal with

Labor? We want to put a cap on the Keyou [?], because professional people are putting up to seventy-five thousand dollars a year in their pension plans. And it was just excessive. All coming out of wages and not being taxed.

So, George said to me, he said, "Look at that." He called me in one day and he said, "What's the average wage in America?" And I said, "Fifteen thousand dollars." He said, "O.K. Well, let's give every uncovered pensioner, every worker in America who has no pension, the right to put ten percent of their wages into a tax-free account to create a pension."

*Q: That's a brilliant idea.*

ROSOW: I said, "Fantastic." And we knew that those people weren't going to be covered. My only concern was, could they afford ten percent? But, at least, the right was there. So, that created the IRA.

When the word got out, by the time George was OMB, Jim had this thing. And, word got out that we were going for pension reform, as a result of my "blue collar" memo. And I'll come back in just a minute. I got called to a meeting at The White House. Peter Flanigan, who was the son of a man named Flanigan, who was Chairman of the Board of Manufacturers' Hanover Bank in New York, was in The White House, very close to the President, political advisor and very much the front man for the insurance and banking industry.

He called Jim up and says, "You've got to stop this pension thing. Everybody in New York's upset about it. There's a delegation coming down from New York to stop this pension reform." So, Hodgson called me in. He was white-faced and he tells me this. He says, "What'll I do?" I said, "Nothing. Just go to the meeting and we're not going to pay any attention to them, you know, we're going to fight this thing." "Well," he said, "Flanigan, you know." I said, "You go to the meeting." And nothing was resolved. It was just, they were saying, "It's terrible. You're going to interfere in the funding and the management of all these billions of dollars in pension money. And which the banks and insurance companies are most qualified to manage. And government shouldn't interfere and so forth." They didn't even understand the IRA provision. They thought the IRA was terrible. About a week later I get a call. Flanigan calls some Cabinet meeting with Commerce, Labor, ATW and some honchos, politically. And, he says, "Well, what's this all about the pension plan." Of course he didn't talk about the meeting the week before, but I knew all about it. And he goes on and after about twenty minutes, he proposes a commission to study pension reform, to take a year, to study pension reform. I already knew, you know, I wasn't going to be in the government for another year. I knew this trick because we do it in industry. Whenever you want to block an idea, put a study group on it.

And, I had nothing to lose. You know, I wasn't indentured there. If I were smart, I would not have come in as an Assistant Secretary. I would have had George made me Undersecretary, because the job was vacant. I had no political ambition. The result was

that I had to work for a year for Jim.

Anyway, coming back to this meeting, I objected. And he looked at me, like I came out of the woodwork. And he says, "Who are you?" Just like that. You know, he didn't have the courtesy to be polite and say, "You know, we haven't met." We did shake hands, but to defy him, to, you know. I said, "Oh, I wasn't any guy in whispered conversations, only that I was very close to George Shultz." And, you know, he was talking to me, he was talking to Shultz. So, he kind of backed off a little bit and he listened to me. And finally said, "I really believe we need this study group, you know. You don't want it to be a year, well maybe nine months." I said, "No, I don't want it at all. We have studies in the Labor Department, volumes. You want to read them, I'll send them over.

"Well, you know, why are you pressing this and so forth?" So I said, "You know, Peter, I suggest you talk to the President before you make a decision or even a recommendation. Because it so happens that what the President's agenda is, and I thought you were his political advisor, is to split the labor vote in the next election. And, the way to do that is for him to do something for the American working man. And the most important thing on the agenda, his number one, is pension reform. Now, there are millions of votes out there hanging on this legislation. And, if you believe that it's useless and apolitical against the President's interests, then I think you should appoint the Commission. But, I think you should discuss with the President before you make that decision."

So, he looks at me like he didn't even think of the political part of it. You know, like, "Jesus Christ, how could I be so stupid?" The result was a commission was never appointed. And we started drafting the original legislation. It didn't pass until '74. But it was on track and didn't get sidetracked.

*Q: Jerry, I was just thinking, you have to get this thing down in some way. Because, obviously, it's not going to find its way public.*

ROSOW: Who wants to read my stuff. I mean, you know, when you're Assistant. If I were a Cabinet Officer or somebody, a lot of people somehow, Morris, don't want to repeat these anecdotes because either they think they're going to be one-sided, or not entirely true. See, on this whole thing, I was a naive person, politically. I had been a civil servant; I've been in the business world and out of Washington for years when I came back. I came back, essentially, one because of George and two, because having served nine years as a civil servant, I never thought I could be assistant secretary of anything. And, getting an offer for a job like that, I was willing to sacrifice whatever it took. I left my wife in London for six months. I commuted for three months. Every two weeks, two weeks here and two weeks in London, because I couldn't get my confirmation through the damn committee. It took a long time.

So, when I did this memo and we couldn't get the White House to move, there was a guy on the *Wall Street Journal* who had heard about this Cabinet's committees who, you know, the rulers and so forth, a guy named Rose. He kept bugging me. He'd just come over late with a _____ and knife. Give him an interview. Tell him some of the

ideas we were working on. But, I kept saying, nothing has been decided. It was all in development, just like this health care, although it was not of the same magnitude. It's a small magnitude.

One day he called me up and he said, "I hear that the Committee has finished or that you have." There was no committee. [He] said, "I heard that you sent a memo to the President and nothing's happening." And, nothing was happening. George tried and tried. We couldn't get anybody there to pick up the flame. So, he came this evening. He said, "Look, I know there's a memo. Why don't you give it to me." So, I said, "Yeah. I'm going to give it to you. But goddamnit, if you ever tell anybody I gave it to you, you know, I'm going to be in real trouble. You have to conceal your source." So, he grabs this thing, eagerly, and he's going to write a piece. Two days later, Joe Loftus comes in to see me, who had been on the *New York Times* for forty years and was George Shultz's public affairs advisor. He says, "Jerry, I hear you leaked the memo to *The Wall Street Journal*." I said, "Joe, I didn't give the memo to *The Wall Street Journal*. I don't know what you're talking about." So, and of course, I liked Joe very much. And he could see I was not, you know, kibitzing. So, he says, "I only want one thing from you. I've been a newspaper man for forty years in this town and I would lose face terribly, if I didn't protect *The Times*. You gave it to the *Journal*, give it to *The Times*. Rosenthal and *The Times* wants the piece."

So, I said, "Well, have him call me." So, Rosenthal calls me up, whenever it was, a day later, and I greeted him with the documents, confidentially. And, I figure whoever writes it will write it and we'll see what happens. I get a desperate call on Friday night from this guy, Rose, from *The Wall Street Journal*. And he says to me, "What happened? What happened? I'm working on the piece and I hear you gave it to *The New York Times*. How did they find out that I had this piece?" I said, "Well, not from me." So he says, "Well, I—" I said, "You must have blabbed about it at the bar or somewhere to some of your friends, right?" He says to me, "Jesus Christ! You're right. I mentioned it to somebody. And here it is, Friday night, and *The Journal* doesn't come out until Monday. And *The Times* is going to beat me on Sunday. What should I do?"

So, I said, "I don't know. You know, don't blame me, Jesus, I thought you'd have that article published by now." He calls me back an hour later and he said, "I talked to my editor and I have a choice. I can get the back spread of the front section or I've got to wait until Tuesday to get on the front page. What should I do?" I said, "Take it." Because I wanted to get the damn story out.

Rosenthal, though, had not studied the thing and couldn't really grasp it's political significance, because this guy Rose wrote a piece saying this was a political adventure by the Nixon Administration with _____.

*Q: Why didn't he give it to Abe Raskin?*

ROSOW: I don't know.

*Q: Rosenthal.*

ROSOW: I don't know. Abe would have done a story on it.

*Q: Because Joe Loftus knew Abe well enough to have reached it to him. Why didn't he do that?*

ROSOW: Sure. Because, I guess, Rosenthal _____ in Washington. And it was easier to get it right here. So, Rosenthal ran a piece on the front page, about this big, with a carryover. And it lists, it didn't really have, *The Journal* really had the—and you know me, I wasn't in this thing politically. When I wrote, *The Blue Collar Painbook*, I wasn't thinking about the labor vote, I was thinking about workers. I really was not wired in to Nixon's, you know, mind. So, spread all over the paper. Now, it just so happened, before it appears, Shultz was going to OMB, that weekend. And we had a big party for him at the Cosmos Club. So, we're over at the bar getting a drink and Joe Loftus and I are there and Joe told George that this thing could leak.

Well, George calls over in the bar and he says, "Goddamnit! I want that story killed. I don't want that story to appear. Nobody was supposed to have that memo."

So, Joe says, "George, you can't kill the story. *The Journal* and *The Times* have a copy of the memo."

*Q: How did they get it?*

ROSOW: So, George says, "I want this story killed." So I said, "George, look, you're no longer Secretary of Labor. You were sworn in this morning at the Rose Garden, Director of OMB. You're not responsible for that any more. Relax." "No, I won't." I said, "George, you've got to live with it. It's out there. We all have to live with it. Whatever happens will happen. And you didn't have anything to do with this. You're innocent. Nobody—you knew nothing about the leaks—nobody ever told you. Joe just told you because he heard about it." George didn't ask me if I gave it. He wouldn't do that.

So, Monday comes. Here's this big story. And, they pass us. I don't get a call from the White House. Nothing's happening. My name was in there a couple of times, that I'd written the memo. But nothing, no calls, no attribution of how I felt. A day goes by, two days go by, and I get a call from Ken Cole, who was Ehrlichman's deputy, and a good friend of mine. A friend that I met in the government. He says to me, "Jerry, _____ called and they want two hundred copies of your memorandum. And we're flooded with telegrams from all over the country that are applauding the Republican Party for taking some initiative on the American worker." I said, "Gee, that's fantastic." So he says, "How did this story ever get in *The Wall Street Journal*?" I said, "Tim, don't look a gift horse in the mouth."

And that's what exploded to get us to get a Cabinet Committee to review it.

*Q: That's great.*

ROSOW: It took public opinion, you know, the White House was very adroit at using trial balloons. During the welfare debate, I would pick up *The Washington Post* and be furious about something we talked about until midnight that night, was on the front page of *The Post* being aired to see what the public would think about, or what the right wing, up on the Hill, would think about it, especially the starving Democrats. And, I would go to the Committee and once or twice I've said, "I'm resigning from this Committee, because it's full of leaks. There are four of us and somebody's talking to *The Washington Post*. And I'm not going to stand for it. I mean, I feel like a God-damned fool." So, Dick Masons walked me out in the hall.

*Q: Didn't you realize what was going on?*

ROSOW: What's going on. I mean, I was naive. He said, "I leaked those stories on instructions from Ehrlichman, to see how the West is, you know, run it up the flagpole."

*Q: Jerry, you've displayed a degree of innocence that I didn't think you were guilty of.*

ROSOW: So, I didn't know that they were _____. You know, I really wasn't an insider on the political side. It's the political side of the government which, you know, got enmeshed in Watergate. And there was the legitimate, operational side of the government, the bureaucracy, which was doing its job. The two didn't speak to each other.

*Q: Essentially, Nixon was a schizophrenic because he could operate on both those levels quite effectively.*

ROSOW: Correct. That's right.

*Q: But, Jerry, you said you had a limited amount of time. I want to get to your work in the international _____.*

ROSOW: Yeah, let's go. No, on international, here's my background.

*Q: How did you get into it? And, for instance, did George Hildebrand who was then in charge of, did he say, "Here's a guy who has been working abroad. I gotta use him." Or was it the subject matter that came up?*

ROSOW: No, absolutely not. Well, basically, the department was just like industry, like the universities, like every large institution in our society. There were turf separations. There was some bitterness between the international division and me because, prior to George reorganizing the Labor Department, there was an Assistant Secretary for International Affairs. He had a different title but he was subject to Senate confirmation. And, therefore, had a higher status. The Secretary of each department had an allocation of Assistant Secretaries by statutes. In order to change this number, you had to get the

statute changed. But, you could ship the titles, like that Reich is doing now, you could reconfigure the Assistant Secretaries under different rubrics. But, you couldn't add to the number of Assistant Secretaries, without getting a statutory change. So, Shultz reorganized the department and created a Manpower Department by himself and because he wanted me, he created this job as Assistant Secretary for Policy, to be his arm for policy and to get the space, he made the international affairs division, Deputy Undersecretary for their National Affairs, which was non-cented, non-presidential appointment.

*Q: And, it had some advantages because of that, later on.*

ROSOW: Yeah, but at that point, it was a disadvantage.

*Q: Yeah.*

ROSOW: So, I don't think that the people, there, felt any warmth toward me, pre-emptying their prior status. I had nothing to do with it. I didn't know about it until after I got there. But, Hildebrand and I had a friendly relationship. But, there really was no joint consultation. And, if he was aware of my international background, he never spoke of it and I didn't particularly talk about it because I was so pre-occupied with my work, there, and getting up to speed. That the least that I was interested in doing was to branch over into anybody else's area. So, they had their conferences. I'd hear of something going on overseas and express some interest. I never really was invited by them to participate or to give any counsel. However, having had a prior association with the OECD [Organization for Economic Co-operation and Development] and the ILO [International Labor Organization] from my work in England, as a businessman, and having been associated with some of that, I continued interest. If an OECD minister's meeting came up, or a study group, I would volunteer or suggest that I want to go. When that happens, I had enough rank that the international people did not say I wasn't eligible.

*Q: Excuse me, Jerry. We're getting signal that this should be.*

ROSOW: Not the international.

*Q: Yeah, I wanted you to speak about how you got into international affairs. And, you mentioned the fact that while you were in private employment in London and other places and had responsibilities for international programs with private companies, we could get involved in ILO and OECD matters. So, before you talk about what you did on the government for that, how did you get into that?*

ROSOW: Well, when I was in Europe, I had already been aware of the OECD as an activity. And, since we covered all the countries in Western Europe and had large companies, and was very interested in the legislation of social development. We saw the OECD and the emerging European Common Market Organization in Brussels, as international body that we should know something about. So, I also formed a group, there were a lot of international personnel people from local/national companies based in

Brussels, Paris and London. And we formed an association of about twenty international, multi-national companies. We used to meet, periodically, in Geneva. And, were called the European Employee Relations Counsel. It had no formal structure or charges. It was just a gathering of professionals and I chaired that for a year or so, while I was still in England. And, I made friends.

*Q: This would have been before '69.*

ROSOW: Yeah, before I went to the government. So, when I—and then I attended some OECD advisory meetings as an industry representative. And, I wanted to have a broader view of what was going on, other than getting it just through the company officials, just in terms of our parochial, internal needs, but more in terms of the international scene. So, when I would go to some of these countries, also I'd make an appointment, of visiting the Minister of Labor's office or the Employers Federation to get directly their point of view. So, I wasn't always under the influence of my counterpart in the German company or the French company or the Swedish company. I was trying to educate myself about that.

And, I have previously spent about ten years in the Latin American part of our business. Because I was, at that time, very fluent in Spanish and my work did involve worldwide statistics.

And when I came to Washington, I naturally had an interest in continuing that. And when I'd see an OECD activity, I would, when I could spare the time, I'd get myself invited and go as a representative of _____. Once or twice I went on behalf of the Secretary. And, he couldn't go, so I would be there _____ ministers' conference.

When I left the government, then I worked for Exxon, Steve Collado, Emilio Collado.

*Q: I knew him, yes.*

ROSOW: Was Chairman of the U.S.A.D.X., and he got me elected to the board of the U.S.A.D.X.

*Q: Could you describe U.S.A.D.X.?*

ROSOW: Sure. It was the, each country of the rich man's club of the OECD had an organization called the Business and Industry Advisory Council—BIAC. And it was the liaison or representative body that spoke for a cross-section of American employers, usually large employers with some sampling, some tie-ins to U.S. Chamber and the MAM and the International Chamber of Commerce. But, mostly big business. And, Collado was Executive Vice President of Exxon, the Chair of BIAC because he was in international. He had been the first Executive Director of the World Bank. He had a love for government. And, knowing that my background and our friendship and I was just staff in public affairs, to prepare papers for certain BIAC, so I became very active there. And I headed up within the BX, I chaired a committee on educational employment.

*Q: Now, I should say—*

ROSOW: Because that was after I left the government. However, I still had a government role for twelve years after I was resigned from the Labor Department. I was Chairman of the _____ for federal pay from 1971 to _____.

*Q: Let me interrupt you for a moment because I want our records to show that corresponding to this BIAC, Business and Industry Advisory Committee. We had a two act, like Craig Union advises me we're going to have a whole lot in our project about that chest.*

ROSOW: Well, when I was first involved with OECD, I was very critical of the study groups, because it had very little trade union representation. And, I felt that it was just unbalanced because the employers seemed to dominate the OECD. For a lot of reasons: first they were much closer with the governments that were supporting the OECD. Secondly, they were much closer with the political apparatus of the government. _____ Union's work, except in maybe the Scandinavian countries. And finally, because these trade unions didn't have the financing to be running off to Paris meetings and spending a week there on expense account.

So, we had an underrepresentation of labor and Tueck was always invited to the meetings, but you have one or two people would show off. And I remember being very critical of that, in later years, when I was in the USAB-X, that was improved and I think it was during your period there, Morris. But, more efforts were made by the OECD to make sure that the study groups had enough union representation to be more _____.

*Q: That's true, except that I will be reporting on the unwillingness of the trade unions to assign people who are really interested in the issues involved. But they have their own political problems. But I have _____.*

ROSOW: _____ lower-level people up there.

*Q: Very much lower level.*

ROSOW: Research assistants and research staff. And nobody's the decision-making, officer levels.

*Q: Right.*

ROSOW: Whereas business, see business had a different perception. They saw the OECD as very significant at that time, on energy policy in the seventies, with the oil crisis. They saw it as very significant, any kind of forecasting and having an effect on international monetary policy and so forth. The labor issues were secondary to the BIAC that I worked with. But I was very interested in them and I felt that the OECD research staff was very superior. The problem was that their work, just like my work in the

institute, was usually five to ten years ahead of what the nations were willing to do. And, in their whole approach to manpower planning, and from looking at the macro side of the human equation, it was really too advanced for most of the member states, nations, to really engage as a high priority for public policy. It was much more attractive to the economic side of the equation and to the question of economic growth and the question of inflation, unemployment as an effect on the economy, rather than the question of utilization and the resources.

But, I learned a lot at the OECD and I was loyal to it until I formed the institute. And then, some people at Exxon, who followed me, wanted more—they just wanted trips to Europe—they weren't really interested in the OECD. So, after I had been Chair of this committee for a number of years, maybe, I'm trying to when—by the early eighties, the Chairman called me and asked if I would be willing to pass the Chairmanship over to Joy McCullough who was then the Vice-President of Employee Relations for Exxon. And I was busy with the institute and didn't want to, Pet had left his chair on that. So I said, "Sure." And so there was a transition. And I lost contact with the _____.

*Q: But, in your work with the government, you would occasionally see a New Vistas Report, and it wasn't called to your attention by the international office, but rather out of your previous interest, note something that required an official representation from the non-ILO, non-trade union issue point of view.*

ROSOW: Right. Right.

*Q: Then come over, as I recall very well, on specific issues or for consultation.*

ROSOW: Well, most of the work that I did with you was when I was back in Exxon and I had a pretty free hand. See, in that position, in Exxon, I could just write my own travel orders and go to Europe or anywhere in the world. In the Labor Department, even though I was a high official and the confidante of the Secretary, I was inhibited from doing that, because he didn't want me to travel, except on U.S. business. And, I had a meeting once in the OECD, I think it was, after I'd been there—we were in the middle of a big problem. And I just, the pressure of the eighteen-hour days and seven-day weeks got to me and I took this meeting to get a little relief from Washington.

*Q: I have to interfere and tell you, interrupt and tell you that that's precisely what Bill Hudson told me. The reason he came, an added reason to why he came to the Committee—and this was the Labor Driving Committee—which he was heading, was because he was away from the damn telephone and the availability of the President to call him up and say, "I got this telephone call. You've got to take care of it."*

ROSOW: So, I did go once, then, and then I got so involved with government business, I couldn't go until I went to Exxon and got on the BIAC. And then, Pete wanted me to go because he was chairing a committee and felt the stronger ties. I had learned it would be easier for _____.

*Q: Now this would be about '72 when you first met?*

ROSOW: I went back to Exxon in the Fall of '71, right after Nixon _____.

*Q: Right.*

ROSOW: And took us off the gold standard. And, from then until '75, I was going to the OECD regularly. At least once a year, maybe more.

My contact with the ILO is more personal. The fellow, I can't think of his name, oh he's head of the Industrial Relations Department. We met at a conference in Canada, when I was back in Exxon already. He knew of my labor background and we had _____ worked in a law firm in New York with Kay Schuller, as a young attorney. And he started inviting me to ILO affairs.

*Q: Yeah, that was, I know him so well, but I can't think of his name.*

ROSOW: He retired about three years ago. Still lives in Geneva.

*Q: Yes. Yes.*

ROSOW: Wonderful guy.

*Q: Speed, Speedy.*

ROSOW: Right. Right.

*Q: Alan Gladstone.*

ROSOW: After Alan. So, Alan and I became personal friends. And, as a result of that, he invited me to Russia for the first seminar on work that we had within Russia which they hosted in Moscow around 1977. And then he invited me to two conferences in Israel to present papers at the University of Tel Aviv. And I would see him, occasionally, in Geneva and in New York. So, we kept some ties through the _____ there. In truth, I was already running the work of the American Institute, in those roles.

*Q: I want to get something from you on the work of the American Institute. But, before that, the specific issues within BIAC that you were concerned with, the Business and Industry Advisory Committee. Did they relate to manpower issues, industrial relation issues, the whole gamut?*

ROSOW: Well, education was a big part of _____.

*Q: Education. Right.*

ROSOW: And, you know, many of the things going on there hadn't even been

transmitted over here, more effectively, through the government when it had a better effect on our policy. I mean, there was no awareness of, real awareness of the German Apprenticeship Program to the extent that there is today. And yet, it was in pace at that time. There was a certain, you know, arrogance or self-sufficiency about the U.S. in the seventies. We still were oblivious to the fact that we were really beginning to lag in productivity and we really were no longer an island or continent surrounded by water that could resist global competition. And, we were still running groups in the United States. And, one of the big things in The Marshall Plan, coming back to that, was the fact that they did a productivity theme. So, they had to come to the United States to learn how to change their technology and their training and so forth. The kind of thing that we should be having now with Russia and the Eastern countries, to come in and see what's going on—not to just get it by somebody going over there. In terms of the AID program, that's where a lot of the money should be going, going to which are, essentially, third-world countries, except for their military competence. And third-world countries in terms of their industrial system. And, we're a great learning laboratory for that, as we were in The Marshall Plan period. And that's the type of thing that I do in the institute for American companies. But, we don't do it for foreign countries. So, I'd call them, "Work in America Institutes," to spread the word across American corporations and unions on the most advanced methods of achieving and improve quality of life and improve productivity. And that's what I was just talking about for the last couple of hours with Tom Donahue, who's on my board. Because we host five of our union _____ including Jay, was down at Saturn last week for two days to see the state-of-the-art and the labor management cooperation and high productivity and high teamwork and the zero defect quality in making an automobile. So, that's what we did.

Now, you want me to tell one important anecdote?

*Q: Yes.*

ROSOW: It was post my labor experience. In 1984, I began to feel, from the work we were doing at the Institute, that there was a growing investment of Japanese into the United States. I got very conscious of it when GM was negotiating with Toyota to reopen the plant in Van Nuys, California. And, I knew from my—

*Q: And Izor or the _____.*

ROSOW: Neuman.

*Q: Neuman, yes. That's in Richmond.*

ROSOW: Well, okay. You said it's Richmond? Well, I thought it was Van Nuys.

*Q: It's right south of San Francisco. I took a Philippine group over there and learned a whole lot about it.*

ROSOW: Well, that's what Izor—he was the mediator between the parties. Anyway,

Howard Samuels is on my board and he arranged a dinner meeting of the IED in '84, here in Washington, one of the evenings that they have an Executive Council Meeting. And there were about ten union presidents there; about six of whom were on my board. And I asked them if they would like to increase commerce and communications between Japan and the United States Labor Movement. And they all said to me, "What do you mean?" And then I said, "Well, there's a lot of hostility to Jeff _____ Japan had declined in recent years. And they were absolutely terrified of American labor unions. And I just think we should open up a dialogue. So they said, "Well, we're not interested in a dialogue with labor leaders. We know them all. We've been exchanging the _____ for fourteen years. But, if you want to introduce us to Japanese business leaders, we're interested. And, we have no entree to Japanese business and maybe you do from your business background."

Well, Howard and I, Samuels, went over—our first approach was to see the Japanese Ambassador to the United States. So, we went over and he got an invitation. The two of us went over. The Ambassador—whose name I forget—was very fluent in English. He listened to my idea. I wanted to take a group of labor leaders to Tokyo to meet business leaders. My first idea was, would he host a dinner or luncheon for a dozen Japanese presidents, in the United States, with a dozen union leaders. Just have a social. And he said, "I'd be happy to do that. But, I don't think it would be useful." And, I said, "Why not?" And he said, "Because they have no power. All the power is in Tokyo." And I could have kicked my own ass because I knew in Exxon all the power was in New York. We didn't have any real power in London, unless New York said okay.

So, he said, "If you can get to those people in the Keidanren, which is the equivalent of the NAM, the Chamber of Commerce and the Business Roundtable all rolled in one, then you'd have some influence." So, he said, "That's what you must do." And I said, "You know, Mr. Ambassador, you're absolutely right. I should have known that from my multinational experience in Exxon. I'll correct course and we'll go that way. What would you suggest?" And he said, "Well, there's an exchange the economic policy meets one, six months in Hawaii and then six months in Tokyo. And Ed Spencer, the Chairman of Honeywell, is the Chairman of that group. Do you know him?" And, I said, "Yes, I do know him, slightly, but I can get to see him." He said, "Well, if Ed Spencer will tell the Japanese. He meets with the Keidanren officials, the Chairman of Japan Airlines, Mitsubishi, you name it, I think something would happen."

So, I flew out to Minneapolis, had lunch with Spencer. And he wanted to be persuaded. Why would the Japanese be interested in talking to American labor? Then I'll tell you how this labor attaché played an important role. And this was ex my Labor Department experience. So I said, "Well, let's take, for example, the issue of the foreign tax on, the U.S. tax on foreign earnings. That's a big debate and Japan is having a big problem _____ in California. And, right now, the law provides, you know, they're going to put through a law that all of Japanese earnings, worldwide, will be taxed in California.

But the labor movement and the AFL-CIO in the state of California had tremendous lobbying power at the state level. And, if they were in touch with these Japanese leaders

and understood what this would mean in terms of American jobs and so forth, they might change their position on this tax." So Spencer said, "You've got a deal. That's all I need. I needed one fact to tell the Japanese." So, he started that and we started a dialogue. So I then called the State Department and they gave me the name of the Labor Attaché, who I don't remember, but surely he was a really dedicated guy.

*Q: John Warnock?*

ROSOW: Right. Exactly. I got on the phone, introduced myself. And he said, "This is a fantastic idea. Tell me exactly what you want to do." So I said, "I want to bring this dinner meeting, the labor presidents, if they'll go with me, if I can arrange a meeting with Keidanren." I tell him that's what we want to do. He said, "Oh, I don't think that's going to be too easy. I mean, the embassy has been trying to get a group of Keidanren and they don't want to talk to him, if they can avoid it."

So, what we got to work on it, you know. Spencer's going to do it from his angle. You do it from your angle. And, we have no agenda. We're not coming over to proposition them on anything. He and I must have talked and corresponded for at least three months, maybe more. Meanwhile, I sent over an agenda, with his help. We wanted a day with the Ambassador and the staff of the embassy, to get an orientation. We wanted a day with the Keidanren. We wanted a day with Meedy. We wanted a day with the Minister of Labor. And I had a separate day that Clarker had set up at Safene University to teach these guys the history of labor trends in Japan. These union guys used to go back and forth all the time. They never did anything _____ other union people. And it was, you know, like a source of light.

*Q: Who was the guy, Sophia, this father.*

ROSOW: There was a Jesuit priest there, who was a European, I think, fluent in English. He taught a labor course. And Clarker and I had been over there in '82, and spent two days there with a group of people from the Institute. And they said it was the highlight of the visit. So, we said, with Varnick's help, and a lot of negotiation back and forth, we finally got a date for a week to be there. And, I got Lynn Williams, Donny Flynn who was Vice President of UAW General Motors, Jack Chazlin, Chick Jaken—now deceased, of the ILGWU, and two or three other labor presidents, Clarker and myself. And we spent that week there.

When I got there, we had a meeting. And one of the directors of the Keidanren came to see me and he said, "All we can give you is a half a day, through lunch. And, we have to lay out some ground rules. No press before we go. No press after we go. No television. And, no press releases by the visiting team." The union guy said to me, "Jerry, we have dinner at the Ocre Hotel the night before. What do you want us to do?" I said, "All I want you to do is be friendly. Don't go there and accuse them of taking our jobs away, _____ steal or importing automobiles in the United States. Just let them see you don't have any horns on your hair. Let them see that they can talk to American labor leaders."

In order to get the invitation—I've got to back up—I wrote a series of a principle and circulated it to the team that was going, to get them to sign-off on it. And the first statement was, because this was sent to the Keidanren, "These delegates from the American Labor Movement believe in the following principles:

1. Japanese investments in the United States is desirable, in and of itself because it means more jobs for Americans. No holds barred. That's the first principle.

Second principle:

2. That if Japan buys or builds plants in the United States, they should be open to the right of workers to organize. But, if workers choose not to organize, that's the workers' rights."

And, we have our four others. I circulated through all these guys, Owen Deaver, who had _____. He had a conflict, couldn't go. And he was kind of really pissed off that he didn't go, but it was his choice. And Wynn Williams and who else, I had a couple of others.

*Q: You said Jankman.*

ROSOW: Yes. And Jack Jankman who also—

*Q: Winn of the Communication Workers?*

ROSOW: No. No. The rubber workers came. He was then president of _____, now retired. Because they had a bridge stone thing going. And we want to tell that story.

*Q: Yeah.*

ROSOW: But the Japanese never realized that the purchase here had increased productivity with American workers. So, when we finished the morning, because of the willingness of these guys to take a low profile, and the Japanese became very aggressive meeting and we couldn't bring anybody else. The State Department wouldn't let us. And Jack Vernick, unfortunately, couldn't come along.

After lunch, we broke for lunch and cocktails, a guy came over to me _____ he said, "The board would like to continue this afternoon. And they would like to introduce these people to the Kalon, which is the labor relations body under the Keidanren, so that there could be an exchange of visits between the U.S. and Japan on an annual basis—which is what I had hoped. We had that meeting. We had a very lively luncheon. The old guy who was Chairman of this Committee was about eighty, was telling all these political secrets about how they buy these diets. And, it was really quite a day.

That night, Clarker had an invitational dinner with the President of Tokyo University. And being very formal and polite, he called a week before and asked if he could bring me. So, it turned out that the only other person was this young director of the Keidanren, who was at the meeting all day. And we go to this very traditional Japanese restaurant,

the four of us, and there was a lot of sake and fine meal. And the young man, who was probably what, younger than we were, had a little too much to drink and finally he says, starting to giggle, "Dr. Kerr, I have to tell you something. This was the most amazing day that I've ever attended in Keidanren with Americans."

And Clark said, "Well, why do you say that?" He said, "Because the Japanese behave like Americans and the Americans behave like Japanese."

*Q: You were so polite.*

ROSOW: But there was a case in my—

*Q: The guy's name, Shamato, there any chance?*

ROSOW: It might be. It might be. How do you know all these Japanese names?

*Q: I don't know. I _____ about them. You're not interviewing me. Yeah, well I've been in _____.*

ROSOW: O.K. So, Warnock was very valuable. And, this is a role that the Labor Attaché can play if business or if American interests have enough intelligence to go that route. They usually go through the political attaché or, you know, a different channel. Usually the ambassador of a DCM [Deputy Chief of Mission], you know, high level. They don't go down to the people that are really wired into the scene. When I used to travel in the Labor Department, I would always make it a business to stop at the embassy. When I would go to London, because I had an affection for the country and I wanted to see the American embassy from the inside, I called Annenberg's office and asked, said I was coming on a government visit and I wanted to pay my courtesy call. And he said, "Come to lunch." And I had lunch in _____. When Elliot Richardson was ambassador—we're close friends—I went over there and I took him to lunch. Just a _____. And I wanted to see the embassy but they were still refurnishing it. So, I mean it's rather _____. Never did get the _____. About a year later I was there, private citizen, and they had some kind of party and I was invited.

When I went to Paris, I would call up the embassy and offer to give a talk to the staff and the labor attaché or somebody in there would arrange it. When I went to Israel on business, I did the same thing. But, for me it was a privilege to be invited to talk. But, I had to take the initiative. There was no mechanism through the department to inform the embassy that I was coming. Or, if there was a labor attaché, to be informed through the international divisions; if somebody from the Labor Department was traveling, because they were hungry for news from Washington—both political and programmatic and legislative and we were anxious to have them tell us what's going on in the country. Because they always have a different slant than we do.

So, it really didn't, you know, if you want my impressions of where things could be improved, that's one place. Another is, that I don't think that American business abroad

generally—and that is professionals like myself who represent the employment side of the enterprise—are encouraged to visit with and learn from the labor attaché. They tend to work the president of the company or his.

*Q: Commercial attaché?*

ROSOW: Right. And, also with the Ambassador. They socialize. We have ready access to the Ambassador. The Ambassador doesn't usually, you know, suggest that they wire in to some of the staff. Because, it would be a two-way flow.

*Q: Or again, however, I see it from the other side. So many of the labor attachés are a little squeamish about going out into the non-trade union area. For instance, when I came to Paris for the second time, I was there during The Marshall Plan, two nights after I arrived, there was John Condon, our labor attaché, and you may have known him.*

ROSOW: Yeah, I heard of him.

*Q: _____ really _____ everything in place. Several of his friends after the time.*

ROSOW: Right.

*Q: He says there's one guy you've got to meet. I was there in another capacity, not for the embassy. But, you've got to meet this guy because he's a man of the future. And I have a private dinner with our wives, at his home, at Condon's home, and I meet, for the first time, Jacques Delors. Now, this is in the early seventies. He had made a point to locate within the French government, a person who he identified.*

ROSOW: Right.

*Q: As a person who become very important. And that is the function of a labor attaché beyond just trade union relations.*

ROSOW: Yes. Well, I think–

*Q: This guy had no trade union. So, there's a little bit on both sides. Jerry, I want you to cover two things. One, you can cover briefly. One is, in your work, you have already indicated the interest in covering labor attachés or seeing to it that they were involved, from both sides something has to be done. But, in your work in Paris, the OECD or elsewhere, maybe in the ILO, the question of the multinational enterprises, the labor aspects of that. Did you have anything to do with that? For instance, the Section 7 of that thing, there.*

ROSOW: Not while I was in the Labor Department. _____.

*Q: Or after?*

ROSOW: No, not.

*Q: When you were there.*

ROSOW: No, not.

*Q: For instance, when you were there in the seventies, there was a whole lot of work going on, on multi-national, that I was involved in. But I don't remember.*

ROSOW: No, by that time, I was in public affairs, in the corporation, working on different issues. Totally out of the labor field.

*Q: And, the second thing I want to ask you about has nothing to do with this oral history. And that is this, yesterday, in one of his public appearances, the Secretary of Labor Rights said something that sounded like something you would agree with. And, certainly, he may have been right, but it's the sort of thing that a non-person, who isn't in the trade union field, can say without understanding it's impact, just like his views on apprenticeship. Your views and mine, the German model and all that, didn't take into account, originally, the fact that the AFL-CIO would be turned off by that because it didn't fill in appreciation of the trade union views on apprenticeship, which need not have been as disagreements. But, yesterday's statement was the need to be involved. And you're saying this, I heard it on TV, you need to be involved.*

ROSOW: _____ interview with Jim Lehrer?

*Q: Yeah.*

ROSOW: Last night? I heard it.

*Q: You heard it, then. Well, you remember his references? Whether it's union or not, you've got to get down.*

ROSOW: They missed the question, you see, because Lehrer said, Lehrer put the question backward. Because, basically, I got into that theme. It was like he was reading out of my annual report. I mean, that's what I've been doing for eighteen years.

*Q: Yes. This is why I asked you to comment on it.*

ROSOW: And, I haven't even met with him or been invited to meet with him, nor was I invited to participate in the Dunlop Commission, which is supposed to be looking at the old issue of labor and management cooperation, teamwork, improving productivity, which we've been advancing for eighteen years. However—

*Q: By the way, I'm interviewing Usrey and Marshall. And, I'm going to get that, fill it in there.*

ROSOW: Well, Marshall's on my board.

*Q: Oh, really?*

ROSOW: I just appointed him two years ago. I'm very high on him. I knew him when he was in the Carter Administration, and he was very friendly. I never asked him for any money. Oh, yes I did. He gave the institute $100,000 to help support for one year and renewed it for a second year, but they didn't get re-elected and Reagan canceled the grants. Even though it was in writing. So, Marshall was always very much _____. He's written books in the field, too. Although, he hasn't had anyone near the hands-on experience that I get. Most because from my work and industry, and because I've been full time on this for eighteen years, developing leads and contacts and writing up of reports and case studies. And, we have a small think tank. We publish seventy-five books in this field, since we've been in business. So, we're really at the state-of-the-art, the leading edge in this whole field.

I don't feel that my participating in a commission would make that much difference. But, I think in any agency in that import should be wired in to the non-profit sector and the academic sector. Now, they are wired into Harvard and MIT, because he comes from there, from that review and from that culture. But, in terms of a contact with the private sector, non-profit, impartial and I've got fourteen labor presidents on my board, union presidents, as well as businessmen, as well as public figures. And, we've never been accused by business being biased or labor, or by labor being biased on business and yet, we act as a bridge between big business and industry and the American labor movement, in the progressive areas where they can work together.

*Q: Well, how do you deal with this problem, I don't care whether it's union or non-union, when the unions are saying, "If you're dealing with the employees, it should be through the union."*

ROSOW: Well, if you're going to have any breakthrough in productivity, and there's a union present, you'll never get to first base unless you not only deal with the unit, which is really the wrong verb, but make the unions co-participants in the process from day one. If the management, we've got, the place is strewn with history of families, because the management is classic authoritarian.

*Q: To impose.*

ROSOW: Develop the plan, a good plan and then bring in the intelligent, knowledgeable people to develop the plan. And then they invite the union in and say, "Here's our plan. Stamp it and approve it and be a partner. Sign on the dotted line." And the union says, "First of all, we didn't develop it. Secondly, we don't understand it. Thirdly, if we sign it on membership, they'll think we're a bunch of patsies that's just been called in there to sign something.

*Q: Incidentally, which happened at Neuman for a while. They threw out a—*

ROSOW: Sure, absolutely. You see, we've got case after case of it. I mean, even when they start together, if the manager becomes impatient and races off without prior union clearance, without involving the other partner, the social partner, they lose face. The union loses face. And they already have egg on their face. The minute they start talking to management because the adversarial history is so bitter. And there's so much of a lack of trust. But, why do we have this close vote in Saturn three weeks ago?

*Q: Yeah.*

ROSOW: Because there's always a hard corps of suspicion. But there's got to be something under current, if you're getting along with the management.

So, when the Secretary of Labor got that question, yesterday, he unintentionally revealed his naiveté when he said, instead of turning the question around, because what Jim Lehrer said was, "Can this work with Unions?" Because 85% of the people aren't unionized. I thought he was going to say, "Why is it only working with unions and not with non-unions?"

Instead he turned the question around, assuming that the best practice companies were non-union. Because, if you look at the books that were published, they're not talking about productivity. They're talking about flexible working hours, women on the board, generous, the child care policies, they're not really talking the guts of production. So, what the secretary should have said or what he should know is, Tom and I were talking about one. We have evidence, and there have been academic studies to support it, but we have evidence from the plant level that when there's a union there, you're going to get about a thirty percent improvement in productivity over, and you have a partnership, over a same plant, a parallel plant in the same industry with the same product, without a joy program. And, when we look at non-union companies that have these programs, we're hard pressed to find some that are equally as good _____ knows where there is a union partnership.

One of the two exceptions is Kodak. I mean Hewlett Packard. I mean you've got to really pull your hair out to find clear examples of _____. D has a few, of teamwork without unions. And to get teamwork with unions, you've got to overcome the problem that the American labor leadership and many local union presidents have no history of understanding or trust between themselves and management, on both sides. So, the problem goes off on a tangent to appeal to the broad sector of non-unionized workers. It raises a real basic philosophical question of, is the Labor Department serving a constituency or is the Labor Department a non-constituency department? When we were in the Nixon Administration, that came up because he wanted to merge commerce and labor into one department. And we opposed it, as did Commerce, not on the basis of one serves business and one serves labor, but they had different agendas. And to co-mingle those.

*Q: That's its function, yes.*

ROSOW: And for Ron Brown, who I've known for thirty years, to belatedly have his name added to Co-Chair of this Commission, to co-invite it. And now they're talking about Presidential Conference on _____ chaired by Commerce and Labor, is throwing, you know, an olive branch to the business section to say, "Look, we're not forgetting you. And we're not going to let Rice run off, off into left field, with the labor movement with unions. So, this is going to be a very interesting development.

I, myself, do not believe that the Clinton Administration is that dedicated to a Labor agenda, despite all the noise that they're making up front, right now.

*Q: To mean to a trade union theme?*

ROSOW: I mean to Labor Law Reform.

*Q: Oh, really?*

ROSOW: That's what I mean.

*Q: Well, how do you feel about that? New decision of the NLRB which makes that cooperation in a non-union _____.*

ROSOW: I'm thinking for _____ partner. It doesn't mean anything. If you read it carefully and read it and re-read it, _____. It just says, be damn careful that if you're organizing teams and there's no union present, it doesn't have policy-making decisions that affect the workforce.

That decision was very narrowly constructed and showed that the NLRB was an anti-labor _____ and that it really has to be shaken up. But that tape will not inhibit these kinds of programs. Since they really apply more, interestingly enough, to non-union programs, which go off and appoint committees and things. And then tell them what they want them to come up with policy. I'm a worker in a plant. A new plant Committee and say, you know, I can't speak in the workplace. I'm going to say, who chose them? You know, where do they come from? I may not go join a union because I'm not going to feel threat _____. And that case has been carefully studied and most scholars, and I can say from my pragmatic experience—in eighteen that it's not going to inhibit those changes.

What's going to inhibit the changes and why we don't have more of them in this country, even though the evidence is overwhelming on how progressive it is, is that people on both sides of the fence find it very hard to change. And managers, despite all our lip service about employee involvement, employee participation, and a democratic workplace—

*Q: They want to run it.*

ROSOW: Yeah, they'll _____.

*Q: But also, it's a threat to middle management. Middle managing is really—*

ROSOW: They fight it. They fight it. Well, we've done books on that. And, we play it out why and I've been to GM and seen thirty-percent of the middle managers, _____ supervisors wiped out. But the smart companies, take these people and move them into other jobs. And wipe out those jobs. They put them in consulting, advisory, teaching, jobs that are even more powerful and day-to-day supervision.

*Q: What we used to call red circle.*

ROSOW: Yeah, right. Right. Just to make sure they're not a disemployed government, too. Right. I have to run, Morrie.

*Q: I know you have to run. I want to call to your attention how close this is to the experience you had in Japan. You said you only had a nub, right?*

*Thank you very, very much, Jerry. I appreciate it.*

ROSOW: The afternoon was really interesting.

*Q: Thank you.*

*End of interview*