There is a paucity of conceptual approaches to and systematic case studies of presidential decision making, especially in the area of domestic policy. The three models advanced by Graham T. Allison in *Essence of Decision* are applied to the 1952 steel seizure to explain why President Truman decided to seize the mills. In the first model analysis, the steel seizure is explained as the action that maximized Truman’s goal of maintaining steel production. In the second, it is interpreted in part as the result of the actions of governmental organizations that dealt with the dispute. In the third, it is explained as a makeshift compromise concocted under the pressure of an approaching strike deadline. The Allison approach has some weaknesses, but is found to be useful for explaining presidential decisions. The limitations of presidential power in domestic decision making are noted.¹

The president of the United States has been called the most powerful person in the world. An individual in that position can destroy life on earth at the touch of a button. The president’s decisions often affect all parts of the globe. As Harry Truman once said, “The Presidency of the United States of America has become the greatest and most important office in the history of the world” (Koenig, 1964:7). There is, however, a lack of systematic studies explaining presidential decisions. Most studies of the president have been idiosyncratic biographies or, on occasion, indepth personality portraits, such as Burns’s (1956) *Roosevelt: The Lion and the Fox* or the Georges’ (1956) *Woodrow Wilson and Colonel House: A Personality Study*. A more recent attempt to provide a psychoanalytical framework for analyzing presidents was Barber’s (1972) *The Presidential Character: Predicting Performance in the White House*.² Legalistic treatises on the powers and duties of the president have also been common, Corwin’s (1957) *The President: Office and Power* perhaps being the most notable. Neustadt’s (1960) *Presidential Power: The Politics of Leadership* remains, of course, the classic work on the nature of presidential power.

The only attempt to formulate a coherent framework for analyzing presidential decisions alone was Sorensen’s (1963) *Decision Making in the White House*. Sorensen delineated a number of limitations that restrict presidential options and specified the major forces affecting the context in which presidential decisions are made. In addition, he described an ideal eight-step process of presidential decision making.

The only existing case studies of presidential decisions, such as Paige’s (1968) *The Korean Decision* or Allison’s (1971) *Essence of Decision: Explaining the Cuban Missile Crisis*, dealt solely with foreign policy decisions. There are no detailed, systematic explanations of presidential decisions in domestic affairs. This study fills that gap by analyzing Truman’s decision to seize the steel mills, answering the question why, not how. The framework of analysis used is the series of conceptual models developed by Allison in *Essence of Decision*, namely, Model I, Model II, and Model III.³ Allison, however, did not claim that his models are models in the strict sense of the term, but only loose conceptual frameworks.

1. The authors are grateful to Lawrence University for financial support in preparation of this study
2. See also Mazlish (1972), In Search of Nixon
3. See Allison (1971) for a more complete exposition of the models, especially for how they were derived
THE MODELS

Allison's Model I takes as its basic unit of analysis governmental action as rational choice. The government becomes a single analytic entity with its own set of goals, values, and objectives. Governmental action is merely their maximization. The process of explanation involves the following inference pattern: given a governmental action, there must have been a national goal or objective which the action was intended to achieve. The method of explanation is a form of vicarious problem solving in which analysts put themselves in the place of the government and derive the correct goals, alternatives, and consequences. Why did the United States impose a blockade on Cuba during the Cuban Missile Crisis? Because it was the most rational way of getting the Russians to remove the missiles. In *Essence of Decision*, the unitary actor is the government. In this study, the rational unitary actor is the president.

In Model II the focus is on the inputs and outputs of government organizations, with the basic unit of analysis being governmental action as organizational output. Leaders may decide, but the information upon which they make their decisions is generated by, and their decisions are implemented through, a set of governmental organizations. To explain governmental action at a certain time (t), the analyst should examine the organizations comprising the government and their routines, programs, repertoires, and standard operating procedures (SOPs) at time (t−1). The best prediction of the action of governmental organizations at time (t+1) becomes their routines, programs, repertoires, and SOPs at (t). The Model II explanation of the United States blockade of Cuba in 1962, for example, focuses on the routines and processes of such American government organizations as the Central Intelligence Agency and the navy.

In Model III government decisions are not rational choices but the result of the struggle between different actors in the government who have various preferences and values and varying degrees of power and competence. The basic unit of analysis is governmental action as political resultant. To explain a decision, the Model III analyst recounts the game between the decision-making actors that resulted in the action in question; such a game consists of the action channel—a programmed means of governmental action on a specific issue—the players and their positions and preferences, and the bargaining. Thus, in Model III terms, the decision to impose a blockade upon Cuba in 1962 is explained as the result of bargaining among members of the White House Executive Committee (ExCom).

STEEL SEIZURE BACKGROUND

The 1952 steel seizure was a significant event in the history of the presidency. It was one of the strongest assertions of the preeminence of presidential authority and the decision of the Supreme Court invalidating the seizure was, as Rexford Tugwell put, "perhaps the most serious setback the Presidency has ever suffered" (Bernstein, 1967: 273).

McConnell (1960) provided a comprehensive documentary account of many of the events leading up to the seizure in his
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The Steel Seizure of 1952. Enarson (1955), a White House staff member at the time of the dispute, recounted the politics of the steel seizure in his "The Politics of an Emergency Dispute." Neustadt (1960), also a White House aide during those months, summarized the events in Presidential Power, analyzing them in terms of his conception of the nature of presidential power. Stebbins (1971), in "Truman and the Seizure of Steel: A Failure in Communication," analyzed Truman’s failure to win public opinion to his side during the dispute. The legal implications of the steel seizure case and of the various battles in the district court, appeals court, and Supreme Court have been adequately handled by Westin (1958) in The Anatomy of a Constitutional Law Case, Bradford (1967) in The Steel Seizure Case, and countless articles in law journals. This study synthesizes elements of all these works to explain systematically the seizure decision.

The 1952 steel dispute had its roots in Truman’s partial mobilization for the Korean War. After the North Korean attack on June 25, 1950, Truman instituted a program of partial rearmament. Draft calls were increased, several reserve divisions were activated, and the defense budget was nearly doubled, rising from 8 percent of the GNP to 14 percent. In the Defense Production Act of July 1950, Truman received authority to set military priorities on the production of certain items essential to the war effort and control wages and prices. On September 8, he issued Executive Order 10161, establishing the Economic Stabilization Agency (ESA) with statutory authority to administer wage and price controls. Actual control over wages and prices, however, was given to a subordinate Wage Stabilization Board (WSB), composed of a nine-member executive with equal representation from labor, management, and the public. Though the ESA theoretically had to approve requests for wage hikes, in actuality it only rubber-stamped WSB recommendations. To help strengthen the price stabilization program, the administration created a separate agency in November 1950, the Office of Price Stabilization (OPS), to administer price ceilings.

The Chinese surprise attack on November 28, 1950 led to an intensification of the mobilization program. Truman declared a state of emergency on December 15, 1950, and the next day established the Office of Defense Mobilization (ODM), which had authority over production controls and the economic stabilization machinery. Its first head, Charles E. Wilson, was made chief of the whole mobilization effort, the most sweeping delegation of presidential authority up to that time.

The Korean War touched off a consumer spending spree that was only intensified by the Chinese intervention in November. By January 1951, the consumer price index had risen 10.3 points from the period just before the Korean outbreak. In an attempt to bring a halt to the runaway inflation, Truman ordered a general wage-price freeze on January 26, 1951.

The economic stabilization machinery administering wage and price controls functioned effectively throughout 1951. A potential source of trouble arose, however, when the United Steelworkers of America passed resolutions demanding large wage increases. The cost of living had risen significantly since
the last settlement and the union felt that its wage rates were lagging behind those that had been awarded to other big unions. The steelworkers union and the steel companies began holding contract talks on November 26, 1951, but the talks ground to a halt two weeks later. The industry stalled on presenting its wage offer to the union because it first wanted assurances of a compensatory price increase from the government, assurances it was not receiving. In spite of the efforts of federal mediators, the union and company negotiations were not nearing a settlement and a strike on December 31, 1951 appeared inevitable. Truman thereupon certified the steel dispute to the Wage Stabilization Board, on December 24, 1951, which was to study the dispute and recommend terms for settlement. The union agreed to postpone its strike.

On March 20, 1952, the WSB announced its recommendations, calling for a 12 3/4 cents raise effective January 1, 1952 and the introduction of the union shop. The union accepted the terms, but the companies declared that the recommended wage increase could be financed only by a large increase in prices, on the order of $7.00 a ton. The OPS refused to grant such an increase and the industry then refused to come to terms with the union. The union’s strike deadline was set for April 8.

THE RATIONAL ACTOR APPROACH

The impending strike posed the problem to Truman of how to maintain steel production. Not only was he vitally interested in the maintenance of steel production, he was keenly aware of the critical demand for steel due to the Korean conflict in particular and the need to increase the United States’s military capability and industrial-economic strength in general. Controls had been placed on the production and allocation of steel since the fall of 1950. Even so, the American army in Korea had suffered shortages of ammunition. In June 1951, General Van Fleet, the American commander, had to impose rationing of ammunition, thus slowing American advances in some areas. As Truman observed in December of that year:

It is of the utmost importance to prevent an interruption in the production of steel. Steel is a key material in our entire defense effort. Each day of steel production lost is a day lost forever in the achievement of our production schedule. Continuous production of this industry is essential in order to meet urgent demands for steel—steel for weapons, for factories, for highways, and hospitals and schools (1965: 651).

Under Truman’s direction, the United States had embarked on a vigorous global foreign policy for the first time in its history. During his term in office, he had had to cope with a series of Soviet-generated crises over such places as Turkey, Czechoslovakia, and Berlin. His concern over Soviet designs for world domination was heightened by the Korean War. As Brown (1968) noted, the “overriding fear in the White House was not simply that the loss of the Korean peninsula would encourage the Soviets to embark on further aggressions. Rather, it was that the Soviets were embarked, now, on some pattern of military aggression...” and that “a number of small territorial grabs could add up to a critical alteration of the global balance” of power. To increase American power, Truman had instituted a general rearmament program of re-
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plenishing the military strength that had declined since World War II and had increased supplies of military goods to America's allies. Thus, a loss of steel production would weaken the basis of power upon which America's foreign policy rested.

As McConnell (1960: 32) pointed out, Truman had four options to prevent a stoppage of steel: (1) seize the mills under Section 18 of the Universal Military Training and Service Act of 1948, which authorized the president to place orders with any plant capable of producing materials for the armed forces and to seize them if those orders were not filled; (2) seize the mills under the inherent powers of the president; (3) send a bill to Congress requesting seizure powers; or (4) invoke the procedures provided for by the Taft-Hartley Act.

Seizure under Section 18 required an elaborate series of steps in which production orders were drawn up and served to selected companies, a process estimated to take weeks. Hence, with the strike deadline only a few days away, that option had to be ruled out. Sending a seizure bill to Congress could also take weeks and there was no guarantee that the conservative 82nd Congress would pass the bill. Relying on the Taft-Hartley Act would mean that the union, which had already voluntarily postponed its strike for three months, would be enjoined from striking for 80 days more. Truman felt that its use would be unfair to the union and, more practically, he feared that the union might ignore the injunction, going out on strike and stopping production. Philip Murray (McConnell, 1960: 49), the steelworker union's boss, was to boast to his members during the dispute that "Taft-Hartley doesn't manufacture steel." The appointment of a fact-finding board, required by the Taft-Hartley Act, would also tend to discredit the wage board (1960: 33).

The only option that would guarantee continued steel production was seizure under the inherent powers of the president. Accordingly, on the evening of April 8, with the strike only hours away, Harry Truman went on the air to announce that he was seizing the nation's steel mills "by virtue of authority vested in me by the Constitution and laws of the United States, and as President of the United States and Commander-in-Chief of the armed forces of the United States" (United States Senate, 1952: 4). Secretary of Commerce Charles Sawyer was placed in charge of the seized mills.

It is not necessary to recount the famous six-to-three decision of the Supreme Court on June 2 holding Truman's seizure of the steel mills unconstitutional. But it is relevant that upon learning of the Court's decision, the steelworkers immediately went out on strike. Truman once more considered, but rejected, using the Taft-Hartley procedure, again for the same reasons as before. He directed his assistant, John Steelman, to continue the attempt to mediate the dispute. Negotiations came to a stalemate, however, and the strike dragged on for weeks. On July 20, Secretary of Defense Robert Lovett announced that defense stockpiles of steel were running critically low. As he later recalled the situation that July, "We were running down our reserve. We were living on our seed corn. If the hostilities had broken out again or war in the Far East had spread, the United States would be..."

On July 24, Truman called union and industry representatives to the White House and urged them to settle. Later that afternoon, they reached agreement. The wage package essentially called for the same terms as the earlier wage board recommendations. At the same time, the companies were granted an increase in prices. The 53-day strike, a prospect unthinkable to Truman only a few months earlier, had ended.

Thus, the reason why Truman seized the steel mills on April 8 was because it was his most rational course of action, given his objective of maintaining steel production. The other options could not guarantee continued output. Even Taft-Hartley would not have guaranteed production and, furthermore, its use would have violated Truman’s sense of fair play for the unions.

Truman, admirer of the strong leadership of Polk, Lincoln, Wilson, and the Roosevelts, believed that the president should be an aggressive and forceful leader who did not shirk from taking whatever action necessary to preserve the security of the United States. Hence, on the night of April 8, he did not hesitate to take the almost unprecedented step of seizing an entire industry. The Supreme Court decision invalidating his seizure was beyond his control; forceful leadership could not affect that outcome. That the president should continue to be vigorous and innovative in the exercise of his powers during an emergency in spite of the Supreme Court decision, Truman made clear in his Memoirs:

Whatever the six justices of the Supreme Court meant by their differing opinions about the constitutional powers of the President, he must always act in a national emergency. It is not very realistic for the justices to say that comprehensive powers shall be available to the President only when a war has been declared or when the country has been invaded. We live in an age when hostilities begin without polite exchanges of diplomatic notes . . . Nor can we separate the economic facts from the problems of defense and security . . . . The President, who is Commander-in-Chief and who represents the interest of all the people, must be able to act at all times to meet any sudden threat to the nation’s security. A wise President will always work with Congress, but when Congress fails to act or is unable to act in a crisis, the President, under the Constitution, must use his powers to safeguard the nation (1956: 478).

To a number of observers in 1952, the steel seizure was the action of Harry Truman, the domestic politician par excellence. Many newspapers, business organizations, and Republican congressmen claimed that the seizure was a high-handed attempt to intervene in an industrial dispute, the paying of a “political debt to labor,” one steel executive described it (McConnell, 1960: 37). Though the steel dispute itself was bound up in the domestic politics of Big Labor versus Big Business and Democrats versus Republicans, and though Truman would not have been displeased if the union had been granted a generous wage increase, the seizure must be seen as an action taken primarily in response to international considerations.

THE ORGANIZATIONAL PROCESSES APPROACH

The machinery for economic stabilization during the Korean War was a classic example of an elaborate bureaucratic

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hierarchy. The Wage Stabilization Board (WSB) and the Office of Price Stabilization (OPS) were, in theory, responsible to the Economic Stabilization Agency, which in turn was subordinate to the Office of Defense Mobilization. The actions of all the economic stabilization agencies, in turn, were subject to review by the president.

To handle the flood of wage petitions, the board devised a number of guidelines, so many that when the board was dissolved in the summer of 1952, there were 21 general wage regulations on the books (Brown, 1952: 11). Among the more important were WSB Regulation 6, which authorized employers to raise wages to 10 percent above the base period of January 1950, and Regulation 8, which permitted cost-of-living adjustments (1952: 11). Regulation 13 controlled fringe-benefit policies (U.S. News and World Report, 1952: 22). By virtue of its tripartite arrangement, the board took on a quasi-judicial form in which a sort of case law for the handling of disputes was created by the accretion of precedents (Brown, 1952: 11). Consequently, in recommending a settlement for the steel dispute, the WSB acted according to its previous guidelines. The recommended wage increases were based for the most part on Regulation 8, allowing cost-of-living adjustments (U.S. News and World Report, 1952: 24).

The OPS, like the WSB, devised a set of guidelines for deciding on requests for price increases. Under its Industry Earnings Standard, the OPS allowed price increases for an industry only if that industry’s earnings fell below 85 percent of its returns on net worth in the best years of 1946 to 1949 (Council of Economic Advisers, 1953: 43). Therefore, when the companies claimed that they were in line for a $7.00 a ton price increase if they accepted the WSB recommendations, the OPS acted on the request according to its guidelines. Following the calculations of the OPS, the companies, under the Industry Earnings Standard, could not qualify for a price increase at all. During the 1947 to 1949 base period, which was the most profitable years the industry had experienced since World War I, they achieved an average return of 18.5 percent on net worth in 1952—evidence of the prosperity brought about by the Korean War. This was returns before taxes, the OPS normal method of accounting in acting on price requests, but even allowing for the higher taxes in 1952, the returns would still greatly exceed the base period returns (Arnall, 1952: 136). In an attempt to be flexible, the Office of Price Stabilization decided to grant the industry relief under the provisions of the so-called Capehart Amendment. Under this guideline, sellers were allowed to raise prices to recover cost increases incurred from the beginning of the Korean War through July 26, 1951 (Enarson, 1955: 58). The OPS first offered the industry about a $2.50 increase in March; its final offer on April 3, five days before the strike, was for $4.50, an increase of $2.75 under the Capehart Amendment, plus an additional $1.75.

Though nominally subordinate to the Economic Stabilization Agency and the Office of Defense Mobilization, the wage board was in effect quite independent of them. The process of regulating wages requires the cooperation and participation of both labor and industry. Through its tripartite form, the
WSB fulfilled that requirement. Therefore, the decision of a single official such as the ESA or ODM chief, or even the president, reversing a WSB decision would surely antagonize the board members who had labored so hard to reach a compromise. In December 1952, for example, Truman was to reject the WSB recommendations for the coal workers dispute, causing the resignation of 10 members and the collapse of the board (Council of Economic Advisers, 1953: 45). As ESA director Eric Johnston observed, a wage board composed only of public members “would not last long,” and a single administrator “wouldn’t last thirty days” (McConnell, 1960: 8). In sum, WSB policies were irreversible; its superiors did not amend them.

The Office of Price Stabilization, on the other hand, was not a board in the sense of the WSB, but only a regular administrative agency. Hence, its decisions were not as inviolable as those of the wage board. The energetic leadership of its chiefs, Michael DiSalle and later Ellis Arnall, however, won the bureaucratic in-fighting and thus the OPS gained virtual independence from its nominal superiors (Neustadt, 1960: 14).

There was virtually no cooperation or coordination between the two stabilization agencies. In part this was due to design. It was thought that the regulation of wages was best achieved through a special tripartite board. Furthermore, the board was to decide on wage requests according to its guidelines, without reference to the company’s ability to pay. There were to be no consultations with the OPS about possible price relief for the company. To allow consultation and coordination, administration officials felt, would invite collusion by industry and labor to get simultaneously substantial wage and price increases (Enarson, 1955: 56). If a company felt that a recent wage hike required raising prices, it could present its case and petition for a raise only after the additional costs of the wage increase had been incurred. The OPS would then act on the request by determining whether its profit margin had fallen below the OPS minimum.

The lack of cooperation between the two agencies was also due to the leadership of their chiefs. They vigorously asserted the independence of their agencies from superiors and each other and jealously guarded their respective prerogatives. As Neustadt described interagency relations, “One thing . . . wage and price controllers had in common: they mistrusted those above them and were cool to one another (Neustadt, 1960: 14).

For the White House to negotiate a settlement of the dispute, however, would have required coordination of both the price and wage aspects of the issue. But it was OPS and WSB policy not to cooperate on wage and price stabilization. Thus, the White House was hindered in its attempts to negotiate a settlement, making the resulting impasse with the companies almost inevitable.

Furthermore, for the White House to have made any long-range plans for handling the dispute would have necessitated communication between itself and the WSB. The board, however, made it a point not to divulge the probable outcome of its deliberations before the final recommendations were

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announced. In order to have some information with which to plan for future contingencies, several junior White House staff members approached wage board members to learn the probable terms of the forthcoming recommendations. They were rebuffed indignantly. Chairman Nathan Feinsinger of the WSB also failed to keep his superiors, Roger Putnam (ESA) and Wilson (ODM), informed of the direction of the board’s thinking on the dispute (McConnell, 1960: 21). The WSB felt that its deliberations, like those of a judicial body, were almost sacrosanct; their content could not be divulged, even to representatives of the president himself.

The White House staff did not formulate a coherent plan for dealing with the dispute until early April. In other words, there was no set of routines or procedures for dealing with various contingencies, should they arise. In fact, seizure had been discussed as an option in the papers weeks before the White House had ever seriously considered it.

The two chief figures on the White House staff dealing with the steel crisis were John Steelman, who alone held the title of assistant to the president, and Charles S. Murphy, special counsel to the president. Harold Enarson was an assistant to Steelman, while Richard Neustadt was Murphy’s aide. The actual operation of the White House staff during the steel crisis was quite informal, with no regular assignments of task or responsibilities. The group of men who dealt with the crisis numbered only about 8 or 10 and they were burdened by the pressure of other tasks, ranging from Korea and the Mutual Security Program to the St. Lawrence Seaway project and emergency immigration measures. No one could be released to work exclusively with the steel question; such specialization was considered a luxury, given the small staff size (McConnell, 1960: 31).

On April 3, only five days before the strike, the White House staff, in conjunction with the Departments of Defense and Justice and the Atomic Energy Commission, finally began an intensive review of the options should negotiations break down. Lack of advance planning by the White House staff helped close out a number of options available to the president. Time had run out to send a seizure bill to Congress. Since it now was too late to undertake the necessary long, involved procedure of preparing and serving mandatory production orders, the Justice Department argued against seizure based on Section 18 of the Selective Service Act. Before the April 3 meeting, the Justice Department had not been consulted on a possible course of action (Stebbins, 1971: 13). There was little discussion of seizure on the basis of Title II of the Defense Production Act of 1950, providing for the requisition of property through condemnation proceedings, which many observers felt would have been a more sound legal basis for such an action (McConnell, 1960: 32). Why there was not is not clear.

Given the constraints of time—time had almost run out even for the use of the Taft-Hartley procedure—the Justice Department advised seizure based on the inherent powers of the president. Based on its files, which included opinions of former attorney generals now serving on the Supreme Court, it felt it to be a legitimate course of action that would be

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upheld by the courts. Presidents from Lincoln to Franklin D. Roosevelt had seized property in emergencies, claiming inherent powers, and none of their actions had been invalidated by the courts. F.D.R. had even seized three defense plants before Pearl Harbor (Bradford, 1967: 59).

Though it was up to Truman to decide to seize the mills, the context in which he made the decision and, especially, the options that were available to him were partly the result of the routines or lack of routines and policies of organizations. The White House never checked the brief the Justice Department prepared for the ensuing court battles. Consequently, in late April Assistant Attorney General Holmes Baldridge, arguing for the government in district court, laid claim to unlimited presidential power, thus severely discrediting the administration’s case before the public. Furthermore, the companies offered to rescind their request for an injunction against the seizure in district court if the government promised not to raise wages during its operation of the mills. Baldridge, however, was strangely unable to contact anyone in the White House willing to discuss the matter and hence he had to decline the companies’ offer (1967: 148, 158–160).

THE GOVERNMENTAL POLITICS APPROACH

In a Model III analysis, the decision to seize the steel mills is not the result of the detached, dispassionate analysis of a single problem—the Model I perspective—but a makeshift compromise among competing viewpoints within the administration concocted under the pressures of an approaching strike deadline. The decision to seize was only one among many in a dynamic stream of decisions that all affected the outcome of the crisis.

A crucial factor influencing the final decision to seize the mills was the decision to resist the industry’s demand for a price increase. On March 21, one day after the WSB had announced its recommendations for the steel dispute, Office of Defense Mobilization Director Wilson flew to New York from Washington to confer with steel industry leaders about terms for settlement. The next day he returned to Washington and talked with Economic Stabilization Agency Director Roger Putnam and the new chief of the Office of Price Stabilization, Ellis Arnall, about the possibility of relaxing the OPS Industry Earnings Standard, so that at least part of the industry’s price demand could be met. After the meeting, however, unidentified spokesmen at the OPS hinted at the resignation of Arnall and other OPS officials if the standard were revised (McConnell, 1960: 25).

On Sunday, March 23, the day after his talks with Putnam and Arnall, Wilson flew to Key West to confer with the president at his vacation retreat. Wilson expressed his feeling that the WSB recommendations were too high. Truman, however, insisted that the wage board not be repudiated (1960: 26). He did, however, authorize Wilson to get the companies to settle by offering them some price relief (Neustadt, 1960: 24–25).

On arriving back in Washington on Monday, March 24, Wilson made an offhand remark to newsmen concerning the recent WSB recommendations: “If the wage increases con-
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templated under the USB’s recommendations are put into effect, it would be a serious threat to our year-old effort to stabilize the economy” (McConnell, 1960: 26). This statement infuriated Wage Stabilization Board Chairman Feinsinger, who claimed that Wilson must have been misquoted. Wilson, on the other hand, had felt betrayed by the WSB recommendations because Feinsinger had assured him a few weeks earlier that they would not be high (Enarson, 1955: 57–58). Labor leaders were similarly outraged. Influential CIO officials immediately phoned Key West expressing their anger at Wilson, labor members of the WSB began making plans for resigning, and United Steelworkers of America President Philip Murray cancelled a planned meeting with Wilson to discuss settlement terms (McConnell, 1960: 26).

Wilson, under fire from labor and the WSB, attempted to rally his stabilization officials around him. Claiming that he was acting under a mandate from the president, Wilson told Putnam and Arnall that he was going to give the steel companies a price rise of $5.50 a ton in order to get them to settle. Putnam equivocated, but Arnall was adamant. Such an increase would make a mockery of OPS regulations, discrediting the whole stabilization machinery. He told Wilson that he would have to hear such instructions from the president himself before he would cooperate in granting such a price rise (Enarson, 1955: 59). Accordingly, a meeting with Truman was scheduled for the next afternoon. That night Putnam decided that Wilson’s plan was too generous to the companies and put himself in support of Arnall.

In the ensuing conference with the president, Wilson defended his plan, claiming that Truman had given him express authorization to grant whatever price increase was necessary to arrive at a settlement. Wilson, however, had already lost favor in the White House because of his earlier statement about the WSB proposals. Labor, a friend of Truman’s which had loyally supported him in his 1948 campaign, had always mistrusted Wilson, considering him thoroughly probusiness in outlook. Furthermore, the day before the meeting, the industry had reneged on its offer to Wilson and was pressuring for an even higher price increase while at the same time making no promise to settle with the union (Neustadt, 1960: 15). The position of Wilson, the czar of the whole mobilization program, was in effect being undercut from all sides.

Arnall advanced the argument before Truman that giving into the companies would both discredit the whole price stabilization program and lead to a recurrence of inflation, steel being such a basic industry in the economy. Implicit in Arnall’s argument was his threat of resignation. It was no empty threat; in July, after settling with the union, the companies were allowed a price rise well above OPS standards. As a result, OPS policies became discredited and Arnall quit a few weeks later (Newsweek, 1952: 65).

Truman now had to choose between Wilson and Arnall. To support Wilson meant antagonizing labor and the WSB further, Arnall’s resignation and the possible breakup of price control, and no guarantee of settlement with the companies (Enarson, 1955: 60). Truman therefore supported Arnall and Putnam. He told Wilson that he had never given him a man-

4 This change of mind was apparently the direct result of a telephone call with his son, who was a businessman in Massachusetts. See Wilson (1952).

5 In the fall of 1950, Truman had asked him to appoint a labor official as his deputy at the ODM but he had refused. See McConnell (1960: 6).
date to settle at any cost and criticized him for giving into the industry’s demands for higher prices. Wilson, rebuked in front of two of his subordinates, felt that his usefulness to the administration had come to an end and resigned the next day, March 29. Thus, the decision to resist the industry’s demands for a price increase was not so much an exercise in rational counterinflationary strategy by the president—the final settlement with the industry in July never produced the inflationary spiral they thought it would—as it was a reflection of the relative standing of Arnall and Putnam.

On April 3 Arnall surprisingly raised his price offer to the companies, suggesting an increase of $4.50 a ton. To the White House staff, this offer was close to the earlier Wilson proposal and it revealed to them at last what Arnall’s game plan had been. Apparently, he had felt that Wilson had been a poor negotiator, making his initial offer to the companies much too high. Arnall was playing the role of rigid administrator, it seemed to them, to get better terms for settlement (McConnell, 1960: 6). Thus, the administration’s price offer, which in the Model II analysis appeared as an application of the OPS Industry Earnings Standard, becomes, under the Model III perspective, part of a bargaining strategy.

Immediately upon the resignation of Wilson, Truman appointed Steelman as head of the ODM. Steelman, from his extensive experience in labor mediation—he served with the United States Mediation Service in the early 1940s—believed in the axiom of industrial relations that last minute settlements are always the rule and he felt that the steel dispute would be no different. He was optimistic all the way up to the day of seizure. Not all the White House staff members shared his optimism, but he was now both ODM chief and the assistant to the president and was devoting all his attention to the steel crisis (1960: 27–28).

Truman delegated much of the coordination of White House policy during the dispute to Steelman. Ever since his appointment as assistant to the president he had had an informal mandate from Truman to act for the president in coordinating domestic operations of the government. Only he and Special Counsel Charles S. Murphy, whose duties centered on the drafting of the administration’s legislative proposals and the preparation of executive orders, could call a meeting in the president’s name. It was Steelman to whom Truman invariably turned for advice on major labor disputes. Most participants in the steel dispute regarded him as the person who was advising and informing the president on the matter (1960: 22–23). By virtue of his sway with Truman, business and labor leaders always attempted to deal directly with him on industrial relations matters, bypassing Secretary of Labor Maurice Tobin. Secretary Tobin, whose office traditionally represented the White House in industrial disputes, thus was not to play an important role in the steel crisis (1960: 27). The influence of the Council of Economic Advisers, under Leon Keyserling, had also been on the wane since its dispute with Truman over fiscal policy in the fall of 1951 (Bernstein, 1967: 121). Its only apparent contribution in the dispute was a report in November 1951 to the president advising him that the steel industry could absorb “any remotely reasonable

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6 The White House had always thought of him as a touchy and egocentric man (McConnell, 1960: 6)
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wage increase” and urging him to resist any policy of simultaneous wage and price increases (McConnell, 1960: 15).

Due to Steelman’s optimistic prognosis, no plans were made until early April for alternative courses of action in case negotiations broke down. Truman was receptive to such optimism, being harried by the pressure of events in his last year at the White House, from the stalemate in Korea and the attacks of Joseph McCarthy to corruption in his own administration. The last thing he wanted was a steel strike.

On April 3, however, the impending strike deadline, only five days away, forced the White House to act; representatives of the Justice and Defense Departments and the Atomic Energy Commission were summoned to make an intensive review of the options.

The option of sending a seizure bill to Congress was ruled out because of lack of time and also because there was no guarantee that Congress would pass it. Seizure under Section 18 of the Selective Service Act was eliminated because the Justice Department said it did not have enough time to prepare the necessary orders. Taft-Hartley was also rejected because of the constraints of time and because it would antagonize labor. Enarson, Steelman’s assistant, was the only prominent figure to advocate Taft-Hartley use during the dispute (Stebbins, 1971: 16).

The option of permitting the strike to continue was never seriously considered. It was Secretary of Defense Lovett’s opinion that a loss of steel production could endanger America’s fighting capabilities and his warnings were apparently taken at face value. In order to keep the budget levels down, the administration had taken the risk of slowing down or stretching out the mobilization program. Lovett felt that a stoppage of steel production would only increase the risk they had taken with the stretch-out program. He did not, however, make a strong public statement on the danger until July 20, well into the actual strike. As he later explained, he felt any public statement by him would have little force until he could actually document the shortage. When he spoke on July 20, the supply of essential materials had dropped below the critical 90-day line, the point where there was less than a 90-day supply of certain items. His warning shocked the public and helped prompt the companies and the union into settling four days later (McConnell, 1960: 51).

Seizure under the inherent powers of the president appeared to be the only option remaining. Truman himself believed that such an action was of questionable legality (Stebbins, 1971: 13). In fact, Truman has been criticized for having too cavalier an attitude toward Constitutional niceties (1971: 13).

Steelman, still optimistic and believing that negotiations would become serious just before the deadline, counseled delay and thus Truman took no action on April 3 (Enarson, 1955: 55). Steelman and Feinsinger continued their talks with the industry in New York, but the companies refused to budge from their demands.

By Saturday, April 5, time had run out even to use the Taft-Hartley injunction to stop the strike; it would take four or five days to convene the necessary board of inquiry. The White
House staff thus was forced to begin making plans for seizure. It was decided that the president would make a speech on Sunday night to explain how the steel companies were demanding unreasonable price increases, in light of the reasonable recommendations of the WSB, and then threaten extraordinary action if the parties did not settle their dispute through negotiation. It was hoped that this speech would inform the public of the industry’s intransigence and prepare it for the more drastic step of seizure on Tuesday, if it should occur. The seizure speech itself would be one of a more neutral and magisterial character (McConnell, 1960: 33).

On Sunday morning, April 6, Steelman got the president’s speech postponed until Monday. Bargaining with the companies, about which he was still optimistic, would commence on Monday and he felt that the speech, with its partisan attack on the industry’s position on prices, would only hinder the talks. Furthermore, United States Steel Company President Benjamin Fairless had already scheduled a speech for Sunday evening and Steelman thought that a presidential speech on the same night would give the appearance of a debate, to the detriment of the president (1960: 34).

On Monday, Feinsinger called from New York to ask for a further delay of the president’s speech. He detected what he thought was a conciliatory attitude on the part of the industry negotiators that justified continued optimism (1960: 34). By postponing his Monday speech, however, Truman in effect relinquished his opportunity to make two speeches on the crisis, for there was no time left.

By Tuesday morning, with the strike scheduled for twelve o’clock that evening, it was clear to the White House that action could not be postponed any longer. White House staff members began rewriting the president’s seizure speech, having to combine elements of both the original partisan speech with the announcement of the seizure itself. When finally delivered that evening, the speech reflected the difficulties in trying to patch together two different speeches. The president spoke briefly at the beginning of the danger to the troops in Korea resulting from a loss of steel, but then, for the bulk of the speech, concentrated on attacking the steel companies. Instead of being lofty and majestral, the speech was argumentative and contentious. The international implications of the crisis facing the nation were lost to the public; they only seemed to regard it as a case of a president meddling in an industrial dispute (Stebbins, 1971: 7).

At 3 P.M. on Tuesday, April 8, Truman convened a meeting of his Defense Mobilization Board, consisting of his major advisers concerned with the defense production effort. In his Memoirs, Truman dwells on how important this meeting was in leading him to decide to seize the mills. He recalled that his principal advisers, such as Secretary of Defense Lovett, Secretary of Commerce Sawyer, and Secretary of State Dean Acheson, briefed him on the domestic and international dangers of a steel strike. These warnings, Truman notes, “presented a very serious picture. . . . I had to act to prevent the stoppage of steel production which would imperil the nation” (1956: 470).
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His meeting, however, only ratified what Truman and the White House staff had decided on earlier. Lovett and a few others brought up the question of invoking Taft-Hartley but, as McConnell reported, “since they gained the impression that this matter had already been decided, they did not press the point” (McConnell, 1960: 35). Given that the strike was only nine hours away, there was little that the members of the Defense Mobilization Board could do but endorse the seizure decision.

Truman was plagued by lack of influence over the participants in the dispute right up until the actual seizure announcement itself. It had been planned that the president in his speech that evening was to both announce the seizure and the implementation of only the first step of the Taft-Hartley procedure, the appointment of a board of inquiry. It was hoped that this would assuage those who were clamoring for use of the Taft-Hartley Act. Through the board of inquiry, the refusal of the industry to compromise on prices and the union’s voluntary delay of its strike could be brought to the public’s attention. With the public thus informed about the facts of the dispute, the injunction under the Taft-Hartley Act would not have to be implemented. At 7 P.M. a White House staff member telephoned an official of the steelworkers to ask about possible reaction to the convening of a Taft-Hartley board. He was told a wildcat strike would certainly result and the White House then dropped the plan (1960: 35).

Even after the seizure decision, Truman was plagued by disension over steel dispute policy among members of his administration. Secretary of Commerce Sawyer, who spoke for business in the cabinet, had never been enthusiastic either about the seizure or his role as administrator of the mills. Consequently, when Truman asked him to grant a partial wage increase to the steelworkers as part of a White House plan to induce the companies and the union to settle, Sawyer refused to act, threatening to resign if forced to implement the plan. After three weeks of White House pressure, Sawyer finally agreed to act, but only on the condition that the public record would show that his department acted on the orders of others (Neustadt, 1960: 23).

CONCLUSION

This study has revealed not merely the strengths but also the weaknesses of the Allison approach. While the seizure decision was examined from three different perspectives, three distinct explanations do not appear to have been generated. In many respects the explanation of Model II seems indistinguishable from that of Model III. Organizational routines explain only a part of the organization’s impact on a decisional outcome. Aggressive politicking by an agency, especially the forcefulness of its chiefs in their dealings with other organizations, Model III variables, play an equally important explanatory role in Model II by determining the degree of influence the organization’s routines will have on the decision. For example, the importance of the OPS Industry Earnings Standard in forcing a strike and eventual seizure decision seems due, to a significant extent, to the OPS’s independence from its superior agencies, the ESA, the ODM, and the White House—an independence won through the bureaucratic in-

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fighting of its chiefs. Possibly a more aggressive White House staff (à la Nixon’s White House staff of Haldeman, Erlichman, and others), or a more aggressive ESA or ODM, could have essentially neutralized the effect of the OPS or any of its Industry Earnings Standards—again, a Model III explanation. To cite another example, the OPS’s use of the Capehart Amendment loophole to circumvent the application of its Industry Earnings Standard was an act of compromise on the part of a player in a bargaining game—again, Model III—rather than that of an organizational monolith constrained by its past behavior. Hence, the explanation of the decision with Model II seems similar to that with Model III, only that Model II talks about bureaucratic actors whose routines are a good predictor of their behavior in the bargaining game. There is a distinct difference between explaining behavior as the result of a bargaining game and as the product of previous organizational routines. Allison’s Model II explanation, however, involves more than just organizational routines.

In his own Model II case study in Essence of Decision, Allison had problems in differentiating the Model II from the Model III explanation. For instance, he emphasized the importance of the 10-day delay between the decision by Washington to approve U-2 reconnaissance over-flights of Cuba and the first U-2 mission. Is this crucial delay the result of previous organizational routines? No, according to Allison (1971: 123), it is the result of interfighting between the State Department, the Air Force, and the CIA over strategy and agency jurisdictions. When, in conjunction with the blockade of Cuba, the navy initiated a massive antisubmarine warfare (ASW) exercise in the Atlantic, Allison (1971: 138) explained it as naval standard operating procedure, but as an attempt by the navy to garner more money for ASW by impressing civilian Defense Department officials with the program’s performance. The work on which Allison bases his Model II, A Behavioral Theory of the Firm by Cyert and March (1963), rests on a conception of an organization as a coalition of members who bargain over organizational decisions.

The perspective of Model I, however, produced an explanation decidedly different from that of Model II or III. Model I focused on the stoppage of steel production as a single, discrete problem and investigated the options available and their consequences, to yield an explanation of the seizure as the most rational course of action, given Truman’s goal of maintaining steel production. In sum, Allison’s three perspectives generate only two conceptually distinct explanations—Model I versus Models II and III—or at best, two-and-a-half. Thus, it seems there are situations in which Models II and III can be blended (as Allison himself suggested) but, in which they are best blended.

The differences in the resulting explanations are due not only to units of analysis but to differences in level of analysis. As Allison pointed out, Models II and III deal with aggregates, while Model I focuses on only a single actor. Consequently, the explanations of the organizational processes and governmental politics paradigms must be by nature more involved and complex, with less rigor and consistency. For deductive explanation, Model I, with its assumption of rationality, can not be matched in terms of rigor and elegance.

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7 The authors are indebted to Professor Arnold Kantor for this point.

8 The authors are grateful to Professor Michael Cohen for this observation.

9 For comprehensive discussions of rationality in human behavior, see Simon (1957a, 1957b). Simon stressed the limited usefulness of rationalistic models. The present authors generally agree with Simon’s critique, but add that the development of positive political theory involves, among other things, a commitment to the explicit use of rationalistic approaches. For a creative, elegant study in political science employing a rationalistic model, see Riker (1962).
Moreover, the explanations of Models II and III are at a comparatively lower level. Model II achieves a measure of precision with its explanation in terms of organizational routines at period t−1, but, as this study suggests, an organization’s routines account for only a portion of its effect on a result. The explanation of Model III is the weakest of the three; its method of explanation is in essence only a recounting of the bargaining game. It is not clear what causes a player to have more influence than another. Further, such a method of explanation could easily become idiosyncratic, making the construction of generally applicable models difficult. Its treatment of the decisional process is a more realistic one but, as in most realistic theories of social processes, it is at the expense of scientific rigor.

As Allison emphasized, these three models should not be considered the only approaches; there are other possible models, especially those of a more psychological character. The group dynamics approach developed by Janis (1972) in his *Victims of Groupthink* could be yet another insightful method of analyzing the seizures.

Another conceptual approach to the steel seizure would be the one developed by Snyder, Bruck, and Sapin (1962) in “Decision-Making as an Approach to the Study of International Affairs.” This framework, however, is designed only to answer the question of how the decision was made. The question why is more significant to ask. In addition, answering the question why necessarily involves answering the question how.

In spite of its weaknesses, the Allison approach is provocative in that it is still useful in explaining political decisions. Reality is many-faced; to explain it, it is necessary to break it down into its component parts. The Allison approach makes the necessary first step in this process by focusing on three different actors—the rational unitary actor, the organization, and the bureaucratic game player—and by asking three systematic sets of questions about them.

The Allison approach can thus be used to explain a wide array of presidential decisions, as, for example, Nixon’s decision to impose wage-price controls in August 1971. From a Model I perspective, it is an action maximizing Nixon’s objective of preventing continued inflation and its damaging effects politically. A Model II analysis might deal with the economic forecasts of the Labor and Commerce Departments. A Model III explanation might focus on the relative influence of John Connally, George Schultz, John Erlichman, and others. Such an approach might not be applicable to all presidential decisions, however. For example, President Kennedy’s decision to resist United States Steel’s price increase was made instantaneously upon learning of the price hike. Much of the government’s activity during the crisis consisted of presidential and cabinet officials’ harangues against United States Steel. The only governmental agency to get significantly involved in the crisis was the Justice Department. The whole incident was over in 72 hours. Consequently, studying various organizational processes or bureaucratic politics during the crisis might be a trivial exercise, yielding little of interest.
One of the most striking aspects of the 1952 steel dispute was how little Truman was able to influence events. Though nominally their superior, Truman was for the most part unable to direct the actions of the stabilization agencies. After Truman ordered Secretary Sawyer to implement the wage-price plan, Sawyer simply sat on his hands. Though the President asked Congress for legislative assistance in the crisis, it did nothing. In spite of Truman’s pleas that their strike would endanger the lives of the troops, the companies and the steelworkers failed to come to terms.

The limitations of the president’s power over domestic policy, as compared with his influence over foreign policy, has been the object of some study by political scientists. There is something in the nature of foreign policy leadership that makes Congress, various agencies, and even the public more amenable to carrying out the president’s wishes. For one thing, the general public is less informed on foreign issues than on domestic ones. People seem more familiar with tax hikes, school integration policies, or wage and price controls and thus are more inclined to resist presidential policies in such areas. Presidential decisions in foreign affairs, furthermore, often involve the very existence of the nation and hence, the public, various agencies, and Congress feel compelled to follow his leadership.10 Mueller (1973), for example, in War, Presidents, and Public Opinion, reported a positive correlation between dramatic presidential actions in international affairs and his popularity in the polls. Furthermore, in foreign affairs, the president acts often as commander-in-chief, certainly a more majestic role than chief price controller or chief wage regulator.

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