

August 13, 1959

Mr. Richard Eells
General Electric Company
570 Lexington Avenue
New York, N.Y.

Dear Dick,

The accompanying memorandum contains a request for support from the General Electric Company Foundation for a research program, entitled "Poligaming Business-Government Relations".

We believe that the program will eventually prove to be of practical application in important areas of business operations.

Meanwhile, it represents a significant area of innovation in social research and appears to us to be worthy of support on grounds of the advancement of theoretical knowledge of human behavior.

Sincerely yours,

Alfred de Grazia
Director

AdG:sn

eue.

A REQUEST FOR RESEARCH SUPPORT

TO THE GENERAL ELECTRIC COMPANY FOUNDATION

FROM THE CENTER FOR APPLIED SOCIAL RESEARCH

"POLIGAMING BUSINESS-GOVERNMENT RELATIONS"

The middle and large-sized business enterprise in America is faced with an ever-increasing number of contacts and communications with the larger society of which it forms a part. In the course of a year thousands of particular contacts are made between the corporate structure and the hundreds of agencies of government. Mapping these, planning tactics for the contacts, and controlling them rationally are problems of great importance to the corporation -- policy-wise, production-wise and dollar-wise. Yet the science behind the art of corporate-government relations is not well-developed.

Poligaming is a new method of mapping: planning, training in, and practice of business-government relations. The root word is the Greek for "having to do with public affairs", as in "policy" and "polity". Gaming refers to recent developments in the theory of games in economics and decision-making study. The most famous offshoot of these theories in recent years is wargaming. Wargaming sets up models of two armies facing one another in a warlike situation, with given resources, and then works out the different responses of one army to the expected tactics of the other army and the offensive of the one in the face of the expected defenses of the other. Wargaming has lately been expanded to embrace logistical problems, and problems of economic warfare. It has proved to be a way of reducing costs of training, of testing new ideas and equipment, and of ensuring a greater chance of success under the ultimate test of military operations.

Poligaming the corporation would consist of a three-stage

program of creative and systematic rehearsing and planning of the governmental relations of a corporation.

First Stage: Select an actual corporate entity or a paper corporate structure typical of a given industry. List all points of contact, and communications, direct or indirect, between this entity and government. Governmental relations includes public relations, community relations, regulatory relations, legislative relations, and political party relations.

Second Stage: For each of the many dozens of points of contact between government and the corporate entity, describe the character and variety of the contacts. This in many ways is a type of time-and-motion study. This description would be based on a set of criteria of a) subject (for example, tax assessment, tax payment, tax ruling, tax court case); b) the personnel who make contact (for instance, elected politician with plant manager, city manager with community relations representative, party precinct captain with female clerk-typist; and c) dimensions of contact (duration, people affected, impact of contact, as examples). At some phase of the work, these data should be coded and punched onto IBM cards. Ultimately, electronic computing machinery will probably have to be adapted to the tasks of poligaming.

Third Stage: The actual poligaming action occurs. Stimuli that initiate action come from: new internal goals of the company; execution of previous policy (goals); internal means-actions, taken to expedite goal-achievement; external actions affecting the particular corporate system. These forces put the ball into play. Then several patterns of play are alternatively enacted (in theory) by a panel of players and their results (also in theory) studied. The following questions are asked of each alternative strategy or

tactic: Is the corporation prepared for the action? Is the right personnel geared to respond? Is the response premeditated? Are its results likely to be adequate? Will the commitment of resources result in any imbalance of resources? What commitments should be preferred? How is disengagement to be handled? How are the allied and opposing strengths to be calculated? What is likely to be the net corporate gain or loss over the total engagement period?

Now the theoretical game and its effects can be compared with the actual play going on in one or more corporations in order to evaluate the actual play and improve it.

The benefits ultimately to be derived from perfecting this instrument of advanced social research appear to be four in number:

1. It will help provide criteria of accountability. Men who are preoccupied with an immediate problem can have a way of checking on all operations of this character throughout the firm. A man can emerge from the stress of a particular problem, do a quick scanning of the governmental relations system as functioning, and get back into the problem again.
2. It will relieve the tendency towards solely negative and defensive activity in the government relations area. Complications will be reduced. Intricacies will be simplified. Therefore greater control will ensue, and with it, greater rationality and foresight. The concept of governmental relations will be broadened beyond the legislative aspects of those relations and beyond advising stands on issues to grass roots supporters. New possibilities of effective policy and action may have a better chance to reveal themselves.
3. Greater efficiency should result from poligaming business-government relations because alternatives of several kinds of policy and resource allocations to many types of relations can

be compared, some reduced and others emphasized. The time of valuable managers and other executives can be saved and used to best advantage.

4. Training in governmental-relations can be advanced. This is a new field. It has nothing in common with the old notion of the "man with the black bag" or the corrupt lobbyist. Therefore new rules have to be set up. New ideas and a different education in governmental relations have to be imparted to several classes of persons:

- a. Specific representatives of the Company on legislative matters.
- b. Legal staff with problems related to governmental relations.
- c. Plant managers who have responsibility for governmental relations.
- d. Company voices in the affairs of trade associations and Chambers of Commerce.
- e. Representatives of the Company before administrative bodies in the executive branch of government, such as commercial or sales vice-presidents in charge of public relations or Washington offices.
- f. Others to be defined in the course of development of the poligaming concept.

For the initial phases of the described program, the sum of fifteen thousand dollars (\$15,000) is requested of the General Electric Company Foundation. The Center for Applied Social Research of New York University would set up a program of "Poligaming Business-Government Relations". A highly qualified civic advisory committee would lend advice and counsel on the program. Although beginning on a modest scale, it is expected that the theoretical and practical benefits of the program may become manifest after two or three years of experimentation and development, so that

5.

the program can become somewhat larger, more practical and of service to the corporate community, and permanent.
