



NEWS from the USWA



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FOR RELEASE AFTER 5:00 P.M. E.D.T.
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NEW CONCEPTS IN COLLECTIVE BARGAINING

TEXT OF ADDRESS BY I. W. ABEL
PRESIDENT, UNITED STEELWORKERS OF AMERICA
AT INDUSTRIAL RELATIONS CONFERENCE SPONSORED BY
UNIVERSITY OF CALIFORNIA, BERKELEY INSTITUTE OF INDUSTRIAL RELATIONS
SHERATON-PALACE HOTEL - SAN FRANCISCO, CALIF.

It was with a great deal of pleasure that I accepted Lloyd Ulman's invitation to be with you this afternoon. This is because the subject under discussion is not only most important but also one that should stimulate the imagination. While each of us may have individual ideas about the development of new concepts in collective bargaining, we seldom have the opportunity to examine or test our respective viewpoints ... especially in such distinguished company. I am eagerly looking forward to an interesting discussion and profitable afternoon.

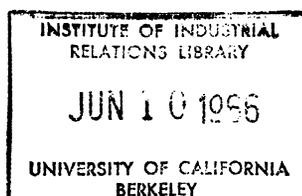
We of the United Steelworkers of America now have a great many years of collective bargaining experience behind us. We are this year observing our 30th Anniversary as a union in the steel industry. The traditional symbol of the 30th anniversary is a "pearl". Perhaps this year we will discover some pearls of wisdom about the topic under discussion. I should point out that we are constantly looking for such pearls; and as you may know, they are not always easy to come by.

Our collective bargaining experience has been both bitter and sweet. It has been marked by much sacrifice--both human and financial. There has been some sweat and tears...and some blood. On Labor Day of last year we completed the most prolonged, not to say exasperating, negotiations with the Basic Steel Industry in the history of our union. This nine-month bargaining effort was climaxed in the shadow of the White House and under the watchful eye of the President. I might say that President Johnson is a most persuasive gentleman and a perfect host. I was impressed with his technique. After we were ushered into the Executive Offices Building next to the White House and urged to come to an agreement, we were served excellent meals at first. As time passed without a settlement, however, the food fare gradually was reduced to hamburger sandwiches and coffee. I imagine if we hadn't arrived at an agreement when we did, the menus to follow probably would have consisted of K rations. I'm not sure whether this can be considered a new "concept" in collective bargaining or not. I leave that to the historians and directors of institutes of industrial relations.

To approach the subject at hand, I think it is necessary at the outset to describe briefly the principles that underlie our union's collective bargaining methods. They are not very complex, but simplicity itself. Our main purpose was to establish a democratic government within the steel industry to provide workers with a voice over the wages, hours and conditions under which they labored. We did this by pooling the collective strength of several hundred thousand employees who singly and alone were once completely at the mercy of an indifferent and often ruthless employer. We attempted, as all unions do, to remove wages, benefits and working conditions from the arena of cut-throat competition which pre-dated our union. We challenged the right of industry to trade in human misery, to exploit people through cheap wages and to otherwise degrade human living standards. We tried to make a reality of the theory that man's labor is not a commodity for sale

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For background info about the USWA, see reverse side of this sheet

Background Information

United Steelworkers of America, AFL-CIO-CLC

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STRUCTURE:

The USWA has more than 1,000,000 members in over 3,000 affiliated local unions throughout the United States, Puerto Rico and Canada. It has three top International Officers, a national director of Canada and 29 district directors who comprise a 33-man International Executive Board elected by referendum every four years. This group determines policy between conventions. The supreme legislative body is the biennial International Constitutional Convention held in September of even numbered years.

Membership in local unions is open to all without discrimination. Local union officers, elected by the members, serve for three years.

JURISDICTION:

Generally, union membership is employed in the basic steel and allied ferrous and non-ferrous metals producing and fabricating industries. This includes production and maintenance workers as well as clerical, technical and plant protection employees in ore mining, quarrying, smelting & refining, Great Lakes shipping, rail transport, cement, refractory brick & tile making, primary metal production, foundries, coating & plating operations, the manufacture of structural steel, forgings, extrusions, rolled sheets, pipes, tubes, molds, wires, nails, screws, nuts, bolts, ordnance materials, barrels, cans and other containers, etc.

The union also represents workers in a wide range of other manufacturing industries such as engines, valves, fittings, heating & plumbing equipment, compressors, home appliances, plastics, musical instruments, sporting goods, toys, hardware, machinery, transportation equipment, cutlery, etc.

LABOR CONTRACTS:

Approximately 3,000 contracts are currently in force with about 2,000 employers. Most contracts cover only one plant or one operating unit of the employer, although in some cases several operations may be covered by one basic contract.

In addition to wage rate structures and grievance machinery, contracts negotiated by the USWA have featured liberal pension plans, sick and accident insurance coverage, vacations, Supplementary Unemployment Benefits, three-month paid holidays every five years, and many other fringe benefits. Prior to formation of the union, the basic steel labor rate was 47¢ an hour; fringe benefits were non-existent.

USWA collective bargaining policy is established by a 163-man International Wage Policy Committee comprised of the 33-man Executive Board and 130 elected members who must be actively employed in industry.

Although most agreements expire close to the termination date of those in basic steel, the USWA is engaged in contract bargaining the year around.

OFFICERS:

I. W. Abel, president. Began first four-year term June 1, 1965. Born in 1908 in Magnolia, O. Began labor career as mill hand in Canton, O., at the American Sheet and Tin Mill Works, now a division of the U. S. Steel Corp. Appointed staff representative of the Steel Workers Organizing Committee (SWOC), predecessor of the USWA, in 1937 by Philip Murray, founder of SWOC and later USWA president. Appointed Director of District 27, Canton area, in February 1942, and elected District 27 director at 1st Constitutional convention of USWA in same year. Elected international secretary-treasurer in 1952 and served in that post until elected president.

Walter J. Burke, secretary-treasurer. Installed in first four-year term on June 1, 1965. Born Sept. 14, 1911 in Antioch, Ill. After serving as assistant instructor of printing at Waukegan, Ill., Township high school, was employed as inspector in the Metal Finishing division of Sanitary Refrigeration Co. in Fond-du-lac, Wis., from 1932-37. Appointed to staff of SWOC in 1937 by Philip Murray. Elected secretary-treasurer of Wis-

consin State Union Council (CIO) during service as staff representative. Became director of District 32 (Milwaukee, Wis. area) in 1948. Re-elected as District 32 director until elected international secretary-treasurer.

Joseph P. Molony, vice president. Installed in first four-year term on June 1, 1965. Born on Nov. 6, 1906 in Ireland. One of original founders of SWOC. Worked on the New York, New Haven and Hartford railroad and ore docks at Republic Steel's Buffalo, N. Y., plant. Appointed as SWOC organizer in 1937 by Philip Murray. Spearheaded drive to organize seamen on Great Lakes ore boats. Elected director of USWA District 4 (New York state) at union's 1st Constitutional convention in 1942 and re-elected without opposition to head the district until 1965 when elected international vice president.

HISTORY OF UNION:

The USWA originally grew out of the mass production organizing efforts initiated in 1935 by United Mine Workers' President John L. Lewis and a group of other AFL leaders. They formed the Committee for Industrial Organizations, later the Congress of Industrial Organizations (CIO).

Under an agreement with the Amalgamated Association of Iron, Steel, Sheet & Tin workers (organized in 1874), Philip Murray established the Steel Workers Organizing Committee (SWOC) and launched a massive organizing drive throughout the industry in June, 1936 with the assistance of the CIO. The organizing drive was almost an immediate success, surviving many desperate efforts of giant steel companies to thwart unionization of their industry.

Within six years, membership growth and collective bargaining progress led to the formation of an autonomous international union at a constitutional convention held in Cleveland, O. At that time, SWOC was disbanded and the union became the United Steelworkers of America, CIO, on May 19, 1942.

The founding president, Philip Murray, died in November, 1952. He was succeeded by David J. McDonald, originally the secretary-treasurer of the organization.

Upon the merger of the CIO with the AFL in 1955, the USWA became an AFL-CIO affiliate. In Canada, the union is affiliated with the Canadian Labour Congress (CLC).

I. W. Abel became the third president of the USWA by challenging McDonald's leadership in a referendum election held Feb. 9, 1965.

DIRECTORS

William Mahoney, National Director of Canada, Toronto, Ontario, Canada

- Dist. 1—Roy H. Stevens, Worcester, Massachusetts
- Dist. 2—James C. Nicholson, Sydney, N. S., Canada
- Dist. 4—Matthew Armstrong, Buffalo, New York
- Dist. 5—Jean Gerin-Lajoie, Montreal, Que., Canada
- Dist. 6—Lawrence F. Sefton, Toronto, Ont., Canada
- Dist. 7—Hugh P. Carcella, Philadelphia, Pa.
- Dist. 8—Albert Atallah, Baltimore, Maryland
- Dist. 9—William Moran, Bethlehem, Pa.
- Dist. 13—Eugene Maurice, Donora, Pa.
- Dist. 15—Paul M. Hilbert, McKeesport, Pa.
- Dist. 16—Paul Normile, Pittsburgh, Pa.
- Dist. 19—William J. Hart, Tarentum, Pa.
- Dist. 20—Kay Kluz, Ambridge, Pa.
- Dist. 21—William Nicholson, Sharon, Pa.
- Dist. 23—Paul Rusen, Wheeling, W. Va.
- Dist. 25—James P. Gallagher, Cincinnati, Ohio
- Dist. 26—James P. Griffin, Youngstown, Ohio
- Dist. 27—John S. Johns, Canton, Ohio
- Dist. 28—Paul E. Schremp, Cleveland, Ohio
- Dist. 29—Charles Younglove, Detroit, Michigan
- Dist. 30—Harry O. Dougherty, Indianapolis, Ind.
- Dist. 31—Joseph Germano, East Chicago, Indiana
- Dist. 32—Bertram McNamara, Milwaukee, Wis.
- Dist. 33—Glenn Peterson, Duluth, Minn.
- Dist. 34—Lloyd McBride, St. Louis, Mo.
- Dist. 35—M. C. Weston, Atlanta, Georgia
- Dist. 36—Howard Strevel, Birmingham, Ala.
- Dist. 37—James E. Ward, Houston, Texas
- Dist. 38—Charles J. Smith, Los Angeles, Calif.

like other goods in the market. We believe our motivation for these goals is rooted in the fundamental democracy under which we live.

Our collective bargaining experience started in 1937 when we negotiated our first major agreement with the giant U. S. Steel Corporation--then known as the Carnegie-Illinois Steel Company.

Out of our experiences since that time we have evolved what is known as our Wage Policy Committee. The Wage Policy Committee is comprised of 130 rank-and-file representatives elected from the union's districts, the members of our International Executive Board, plus the three International Union officers, making a total of 163. The Committee is empowered by our Constitution to draft collective bargaining proposals and attempt to reach the best possible agreements with the industries with which we negotiate.

Our major negotiations are usually centered in the basic steel industry. It is here we attempt to establish a pattern for bargaining with the other companies and the other industries where we have membership, but this is not a hard and fast rule.

In the early days, while we were engaged in negotiations with U. S. Steel, it was common procedure to bargain simultaneously with the other large steel companies such as Bethlehem, Republic, Inland Steel and so forth. We soon learned, however, that in the main these other companies would drag their feet until agreement was reached with U. S. Steel. Once a settlement was reached with this major company, the others generally concluded their contract discussions promptly. This procedure led to the practice of trying to resolve so-called local plant issues with the various companies while settlement terms for an "economic" package of general wages and benefits was being negotiated with U. S. Steel.

In 1956, the union reached another important milestone in its bargaining approach with the steel industry. Inasmuch as it was obvious that none of the other basic steel companies would move until a settlement pattern was evolved with U. S. Steel, it was decided to bring together all major basic steel companies into a single set of negotiations. The industry-wide bargaining approach was aimed particularly at reaching understandings with respect to the economic aspects of a contract settlement. This approach was readily adopted by the major companies and the 14 largest steel corporations were thus represented in joint negotiations with our union for the first time in 1956. In its refined state, the union attempted to negotiate economic benefits that would be extended to employees of all companies in discussions conducted by a top-level committee while other union and company representatives tried to hammer out contractual language concerning individual company and local plant issues.

I shall discuss later the end results of these various bargaining procedures used by our union. Meanwhile, some general observations about the changing pattern of our collective bargaining approach should be set forth.

It is a fact that we as a Union are still searching for a better, more effective method of bargaining with employers. We have continuously reviewed our bargaining procedure and revised it from time to time. We have tried new approaches and new policies. Some have been found wanting, and none is a complete answer. We still face a series of critical decisions in devising a collective bargaining framework which will be adequate to the needs of our members, in terms of their participation, and effective enough to accomplish our goals.

We are cognizant of the fact that collective bargaining concepts change constantly; that they are never static. In our search for a better way, we have experimented with approaches that many students of labor-management affairs considered to be revolutionary. The best known of these new concepts which we have tried are the United Steelworkers - Kaiser Steel Long Range Sharing Plan and the Basic Steel Human Relations Committee approach. Permit me to describe them briefly:

The Kaiser plan was designed to measure cost savings at the Fontana, California plant of Kaiser Steel and distribute the resulting gains among the employees and the company. Since the plan was negotiated in 1963, participating employees have received an average of about \$1,600 in cash bonuses, in addition to standard wages and benefits. A rather complex formula has been used to compute the basis for calculating cost savings and the resulting payments to workers. Recently, it became obvious that the plan was falling short of its expectations and so several modifications were agreed upon just this past March. Even with these modifications, we have yet to learn whether the jobs of workers can be protected adequately against technological changes through a system of cost reductions, as was originally intended. We are continuing our study of the Kaiser plan in the hope that a complete evaluation can be made at the end of the five-year period of experimentation which has been provided. At the present time, however, we regard the plan as one that was created to meet a special situation and a special set of problems and no effort is being made to extend its principles to other bargaining situations.

The Human Relations Committee approach in the basic steel industry was yet another departure from normal collective bargaining which we have tried. The object here was to prevent a crisis atmosphere in these major negotiations through a constant exchange of views on current problems facing the union and the steel industry. The approach missed its mark for a number of reasons. Among the main reasons why the Human Relations Committee concept failed was the tendency to convert informal discussion into commitments, without benefit of participation by those who had the final responsibility of doing the negotiating. The HRC concept of exploration and fact-finding, instead of providing us with the facts on which problem-solving bargaining must rest, gradually developed into a method of by-passing duly constituted representatives of the workers. Naturally, this was openly and vigorously resented by elected representatives at all levels of the union and we abandoned the Human Relations Committee approach in our steel negotiations last year. In addition to obscuring the line between exploration and the actual resolution of issues, it should be pointed out that the Human Relations Committee approach had other failings. The two collective bargaining settlements reached under the HRC concept were also the two least satisfying contract packages we have ever negotiated in recent times.

I should like to make clear that our union is not opposed to the basic principle of leisurely examining and studying mutual labor-management problems. We have, for example, provided in our current basic steel contracts provision for such studies on several issues. The difference is, however, that these studies will be purely advisory and in no way commit the official bargaining representatives whose job it is to negotiate actual settlements. We are reasonably confident that fact-finding conducted in this way will be of continued value on both sides of the bargaining table.

It is appropriate to mention here that our union is now in the process of reviewing completely our entire collective bargaining procedure. This review was prompted by the long and exasperating negotiations with the basic steel industry last year. A month after those contract talks were finally concluded, our International Executive Board decided we should take another long, fresh look at our bargaining policies. The Board named a committee headed by Vice President Joseph Molony for this purpose. The committee has been busy complying with its mandate from the Board and, after more deliberation and study, is expected to prepare a report and some recommendations. This report will be analyzed and discussed first by the entire Board and then the entire matter will be placed before delegates to our International Convention this September in Atlantic City. It is that convention which will decide to what extent, if any, our existing collective bargaining procedures should be modified.

It would, of course, be inappropriate for me at this time to indicate in the slightest way what our collective bargaining committee might suggest or what the convention might ultimately decide. I feel sure, however, that we shall do whatever is required to make our bargaining procedure serve the needs of our members and to guarantee their voice in basic decisions which attend contract negotiations.

I am sure that all of us realize that one of the great frustrations in our complex society is the feeling of remoteness from decision-making. Another is a feeling of helplessness in controlling or influencing events. Still another is the feeling that no one cares, or is listening to what we say. One of the reasons we are reviewing our bargaining procedure is to eliminate such frustrations that exist among Steelworkers. The Steelworkers will therefore adopt the procedures they believe will best serve their needs. What comes out of our convention in September will be decided by the representatives of our rank-and-file members. It will be a decision arrived at democratically after all the alternatives are considered.

While our bargaining procedures may or may not change, our fundamental goals will remain the same: We will still be devoted to the task of safeguarding the interests of those who are employed in a rapidly changing industrial world. We will attempt to meet new and pressing challenges faced by wage earners who too often are the victims and not the beneficiaries of technological progress. We will have to adapt our concept of collective bargaining to fit the evolution and transition that is taking place in our society.

I foresee a definite broadening in the future scope of collective bargaining. Changing circumstances will compel organized labor to lift its sights and expand its contractual relationship with industry. This will become necessary, in my opinion, because we find more and more of our mutual problems extend beyond the sphere of our present collective bargaining arrangement. A good example is automation, the impact of which not only affects the worker on the job and his family, but also his community, his area, his state and, in fact, the nation as a whole. Under today's rules, we can and have negotiated a variety of job-saving and income protecting provisions. These serve their purpose but they are not enough. We cannot and have not provided for the side-effects of automation insofar as home-ownership is concerned, or the disaster that overtakes an entire community and its various components when technological progress strikes. That is why labor will be forced to broaden the future scope of collective bargaining.

It is my judgment that the day is not too distant when organized labor will be negotiating with management in a great many new areas. The agenda on the bargaining table of tomorrow may well include the positive right of unions to undertake negotiations on such matters as:

1. A comprehensive solution to all problems affecting a worker, his family, and his community when technological progress threatens to disrupt existing, established patterns of living.
2. Compensation for the time spent by a worker travelling between his home and his job -- an extension of the so-called "portal-to-portal" pay principle.
3. Continuous, year-around bargaining at the local plant level.
4. Full implementation of the guaranteed annual wage, including conversion of hourly wage rates to monthly salaries, followed by lifetime job security for qualified employees.
5. The right of workers to participate in stock option plans and other fringe benefits now available only to top management.

These are just a few among many possible new areas which the unions of the future might well insist are within the proper scope of collective bargaining. It's true, these will be regarded by some people as visionary or even impractical. And management may well view them with scorn and contempt, or as improper subjects for the bargaining table. I should remind you, however, that organized labor's initial effort to negotiate pension and insurance programs were also deemed by industry to be improper and not bargainable subjects. In fact, in both cases, it was our union which carried a suit establishing our right to bargain on such matters all the way to the U. S. Supreme Court. Industry resistance was so ingrained that even after we had established the legal right to negotiate on these matters, it took a bitter strike to resolve the issue once and for all. No one

today questions the propriety of labor to negotiate pensions or insurance plans. I am willing to predict that some of the innovations in bargaining which I am suggesting now will eventually be accepted in the same way. And there are good reasons for this. Let's examine them a little more thoroughly.

As most of you know, automation is today a highly profitable process for all but the man on the job. For the average worker it represents a genuine threat since it shrinks job opportunities and generates competition for the fewer jobs remaining. It is difficult to measure the precise amount of unemployment caused by automation in the steel industry primarily because it is a continuing development and its after-effects are not easily identified. But we do know that tremendous technological advances are being made in the making of steel; that a great deal of employee dislocation is taking place; that older, less profitable plants are being abandoned and production is being moved constantly to new, more modern facilities; that entire communities, particularly those that have one industry, are being drastically affected by plant shutdowns; that fewer and fewer workers are now needed by the industry to produce the same quantity of steel; and that the productivity of Steelworkers has been rising steadily and to a far greater extent than have employee wages and benefits.

We, of course, do not quarrel with technological progress. We merely want a just share of the benefits derived from it and feel that workers deserve more than the negative residue of such industrial progress. Beyond that, we believe industry has an obligation to the people and the communities which once served it so well but who are suddenly regarded as dispensable in the name of progress. Trying to cope with these broad consequences of automation, under the existing bargaining ground rules, is like trying to tattoo a soap bubble. It can't be done. The alternative for labor, then, is to widen the scope of the bargaining area and to include in its contractual relationship the right to discuss management's responsibility toward all the victims of automation.

In this connection, one might well point out that our government does not hesitate to attempt to control the rate of investment for new, automated production facilities to curb an over-heated economy. If we can apply the brakes to automation for the purpose of helping control inflation, why can't we exercise similar concern about the effects of automation on the stability of communities?

I might also add that industry, in some instances, has already assumed a wider obligation to workers adversely affected by automation. U. S. Steel, which recently shut down a plant in Donora, Pennsylvania, is offering to buy the homes of skilled workers who want to relocate. This is a healthy indication that industry may be willing to undertake a greater share of the hardship that is inflicted on workers when technological progress takes place.

Industry has similar obligations, in my view, with respect to the transportation problem that is choking large urban areas. Inadequate transit facilities in our cities impose an undue hardship on workers and on the community. Yet, to meet the needs of industry, a company's work force must find a means of travelling to and from plants quickly and efficiently. I have the strong suspicion that much of this problem would be alleviated in the cities if industry were compelled to assume the responsibility for getting its workers to and from the job quickly and as inexpensively as possible. The incentive for this would come if the collective bargaining contract called for the payment of wages from the time a worker leaves his home until he returns.

At the local plant level, in order to relieve the mounting mass of unresolved plant problems, organized labor might well develop new and radical concepts in collective bargaining. One of these might well be a procedure under which collective bargaining would be a continuous process at the job site. Open-end agreements, or very flexible "living" documents, might better serve the purpose of both management and labor at the local level where the day-to-day relationship is in a state of constant flux. This is where a new, more imaginative concept of bargaining desperately needs to be developed. Within a fixed set of ground rules and procedures established by a master contract, the parties locally might develop a more effective procedure through which all problems can be adjudicated promptly and efficiently.

We are convinced that the existing grievance machinery and provisions for arbitration are not adequately suited to cope with the ever-increasing problems that keep recurring at the local plant level. The pressure for finding a better way to deal with these complex local issues is growing and has appeared as a major stumbling block in many of the national negotiations conducted in recent years. It showed up in the auto contract talks two years ago; it was evident in our own steel negotiations last year; the United Mine Workers encountered the problem this year and the electrical workers anticipate this will also be a vital issue in their upcoming negotiations.

It is obvious to me that much time and effort must be devoted to finding a more satisfactory way to deal with the friction developing at the local plant level as a result of the ever-changing and complex needs of both management and labor. Unless a better way is found, we can anticipate the growth of a potentially dangerous situation which might very well jeopardize the entire process of free collective bargaining.

The basic principles of the guaranteed annual wage are well known and no one has taken issue with labor's right to negotiate a variety of plans that seek to provide such security. We can, however, expect management to oppose implementation of the guaranteed annual wage to its fullest extent. This means employing a man not by the hour but by the year, and assuring him a fixed income and the entire package of fringe benefits for at least that length of time. A basic step in this direction would, of course, be to abandon the notion that workers should be paid by the hour and put them, instead, on salaries. This has already been proposed by UAW President Walter Reuther and I'm sure he intends to pursue it. But what is wrong with extending this a bit further and insisting that a qualified worker should be provided with lifetime job security? This is not so wild a dream as some would imagine. In fact, it is already a reality in some countries--notably Japan--and many European countries provide the equivalent of lifetime job security. This long-range objective is sure to be included among the future bargaining goals of labor in the United States.

The fifth item I said might be included on labor's bargaining agenda in the future is probably one that will arouse the most controversy. Management is extremely sensitive about its prerogatives, we have learned, and it will probably be most jealous when it comes to sharing such plums as lucrative stock option rights which are now the exclusive province of a few, select management people. Nevertheless, the day may come when labor will put up a fight for this and other like fringe benefits which are commonly used to lure and keep top executives. After all, it wasn't too long ago that paid vacations were given only to plant managers and a few other white collar employees. We changed that and labor might very well obtain some of the other special privileges now reserved for the exclusive few.

What I have just outlined to you should not be misconstrued as the 1968 collective bargaining program of the United Steelworkers. I do not alone determine the course we take in negotiations. We have a procedure under our union government that establishes policy in this area. What I have tried to do is set forth some of the new possible concepts that might well be developed by organized labor in the future in order to meet the needs of workers in a changing society. My imagination was stimulated by the topic before us.

Before concluding, I would like to emphasize that we are not unhappy with the overall progress we have made in collective bargaining so far, despite our desire to improve the procedures under which we negotiate. I don't think anyone will disagree that we have made significant progress--particularly since we developed the industry-wide bargaining technique.

We have had no choice but to try to match the growth of big industry. Corporation mergers, company consolidations and the interlocking of industries are becoming more and more common. New giants of industry are being created in our nation almost every day, as happened recently, for example, when the Pennsylvania and New York Central railroads were merged.

Despite the highly-publicized anti-trust activities of our government, we are witnessing a type of industrial development that is becoming a nightmare to organized labor. There is a widespread swapping of shares, bankers and stockholders engage in corporate manipulations, companies buy out other companies as easily as you and I might purchase a pair of socks. This is known, politely, as "diversification."

Although diversification may be an inevitable development in our economy, the resulting giant combines represent fresh challenges to labor. Potentially, these new business combines have the power to dilute and weaken one union after another in each group of companies and in each plant of each company.

National agreements, therefore, will not only remain a vital necessity in future collective bargaining but may well have to be broadened out in the manner I have suggested.

Bigness in industry, the elimination of geographical boundaries for any one company, and the diverse companies controlled by one super-company, will have to be countered by labor through more company-wide and industry-wide bargaining. There will have to be increasing cooperation between unions which represent segments of workers in various interlocked corporations.

The House Small Business Committee, not too long ago, disclosed that since 1950 the 500 largest industrial firms have swallowed up 3,404 other companies. In merchandising alone, this same source reported that 50 firms have taken over 332 competitors.

As this merger process continues, unions in self defense will have to strengthen their international unions as a fundamental means of coping with this increased concentration of industrial power. Labor's only salvation is to meet industry-wide cartels with its own combination of strength through unified bargaining arrangements.

In consolidating our bargaining positions to deal more effectively with new corporate combines, organized labor has the practical problem of finding more efficient ways to give our members and their plant representatives a fuller voice in contract negotiations. The principle of democratic participation in collective bargaining must and will be retained. We, in the United Steelworkers, are working on this problem now. Other unions, too, will have to provide for such participation.

I am convinced that labor-management relations will improve when workers, through their elected representatives, have a greater role in contract negotiations. One of the most common mistakes made during collective bargaining is to miscalculate the needs, the interests and the spirit of the workers on whose behalf the parties are privileged to act. Greater involvement of the membership, through carefully worked out representation methods, avoids this common error. Both the union leadership and management should gauge accurately the temperament of the people who are directly concerned. There then are fewer chances for a stalemate or a crisis, and more genuine progress can be made.

I enjoyed this opportunity to be with you and to discuss my views on the vast changes that are taking place in the area of collective bargaining. There is, of course, never enough time to deal adequately with all aspects of such an involved subject. It will be a pleasure to participate later in the general discussion. I want to thank Director Ulman again for inviting me to address this conference and to say that I have enjoyed it very much.

Thank you.

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