Mining industry

[Copper Strike Information Bureau.]

COALITION BARGAINING:

WHAT IT IS - AND HOW

UNIONS ARE USING IT

IN THE COPPER STRIKE

The technique of imposing company-wide negotiations through the device of "coalition bargaining" is new. It began to be advanced as a bargaining weapon in 1961 by the Industrial Union Department (IUD) of the AFL-CIO -- the division of the federation which was created by, and still is headed by, Walter Reuther of the United Auto Workers. Despite the oft-reported dissension between Reuther and George Meany, president of the AFL-CIO, the IUD is a vigorous planning and organizing force which Meany has adopted and often furthered.

The term coalition bargaining describes what takes place when various unions representing frequently unrelated groups of employees in different parts of a company or industry pool their demands and act in concert to prevent individual agreements until a total, centrally directed settlement has been achieved.

This is far different from the voluntary joint bargaining which has been going on in reasonably homogenous parts of the nonferrous industry and others for some years. In these, unions and the companies have dealt with related problems of several bargaining units together.

This year in the nonferrous industry negotiations 26 unions that man totally different establishments such as copper mines, lead and zinc mines, copper refining plants at seaboard points, fabricating plants at industrial centers, mine-side smelters and even scrap conversion plants have all joined together in a coalition and presented themselves in one committee to each company.

[New York, 1967?]

HOW COALITION BARGAINING IS NEW

The National Labor Relations Act of 1935 protected the right of workers to bargain as a group with their employer through representatives of their own choosing. Elections were provided to establish which union, if any, a "bargaining unit" wanted. The bargaining unit for such an election was defined by the National Labor Relations Board (NLRB) prior to the election. In many cases the units were established on the basis of work performed, i.e., machinist, electrician, etc. Various unions vied for the right to represent the workers involved. Where work and conditions varied from plant to plant, local bargaining was usually the rule. An accepted point of law is that the bargaining unit could not be changed except by the consent of both parties or by a decision of the NLRB. In that part of the copper industry where there has been similarity of operations or geography, bargaining with several unions simultaneously has taken place, but the separate identity of each bargaining unit has been scrupulously maintained. There has been <u>no</u> company-wide bargaining!

To promote company-wide bargaining the AFL-CIO's IUD developed the concept of and blueprints for coalition bargaining in 1960-1961, and first promoted it in two attempts outside the copper industry where efforts were made to coordinate bargaining over a single issue, namely securing a master insurance plan. Eight unions that had bargaining rights in eight different plants of the Minnesota Mining Company were successful. Five unions with contracts at five different potash producers were unsuccessful.

IS THE METHOD UNLAWFUL?

The NLRB has long held that it is an unfair labor practice for a union to insist, over an employer's clear-cut objection, upon an expansion of the established unit. To circumvent these clear NLRB rulings, the coordinating unions hide behind another series of NLRB rulings which give the unions the right to select bargaining representatives of their own choosing. Under the guise of choosing such representatives the unions have conducted a charade of bringing representatives of all their coalition unions into the bargaining sessions and calling these outsiders additional bargaining representatives.

Moreover precedent setting NLRB rulings have held that it is an unfair labor practice to coerce a company by refusing to work in any bargaining unit once an agreement has been reached in that unit, until all other bargaining units have reached agreement. The unions have attempted to circumvent these rulings by alleging that all they are doing is <u>consulting together</u> and that they are <u>NOT</u> combining for coordinated action. In most cases the NLRB has accepted the word of the union leaders and has allowed the maneuver to be carried out.

In the present copper industry negotiations there are no NLRB-designated company-wide bargaining units in multi-plant companies. All of the principal companies have insisted that the recognized bargaining patterns of long standing be maintained. Yet the coalition of 26 unions led by the United Steelworkers of America (USWA) replied to one company's (Kennecott) stand on the matter on October 13, 1967, at Salt Lake City, "No employee will return to work anywhere until a satisfactory agreement is concluded for all (Kennecott) workers." The same statement in different words was made to other companies immediately thereafter. Joseph P. Molony, Vice President of the USWA, let himself be quoted in the November 16 issue of Iron Age magazine as saying, "We continue to seek company-wide bargaining and uniform expiration dates."

Can this be represented as merely "consulting together" and as not insisting on expansion of existing company units?

APPLICATION TO NONFERROUS INDUSTRIES

Guy Farmer, Chairman of the NLRB from 1953 to 1955, in a monograph, "Coalition Bargaining and Union Power," published earlier this year, asserted that "the major target of industry-wide coordinated bargaining in 1967 is the copper and brass industry, where the Steelworkers (USWA), Mine, Mill and Smelter Workers (recently merged with USWA), Auto Workers (UAW), Machinists (IAM), Electrical Workers (both IBEW and IUE), Locomotive Firemen, Railway Carmen, Oil & Chemical Workers (OCAW), Operating Engineers, and Teamsters are involved."

The monograph was published in June. Principal nonferrous contracts began to expire July 1 and were extended by the union to July 15, when a nearly total shutdown of the nonferrous industry got underway.

Mr. Farmer's statement appears to be mostly correct: The USWA, leading the coalition, although denying that it seeks industry-wide bargaining, does state that what it wants this year is company-wide agreements, concurrently negotiated and with the same economic benefits and expiration dates being sought in each company -- all of which, once achieved, will at subsequent negotiations eventually yield an industry-wide result.

In all, there are 26 parent unions involved and an uncounted number of local unions. Significantly, they represent establishments in which the work performed, the materials processed, and the market competition met are totally different. The nonferrous metals industry is singularly lacking in uniformity of makeup. Besides copper mining, the companies are involved in many related and unrelated activities such as, lead and zinc mining, secondary metals plants (including aluminum), smelting, refining, and manufacturing.

WHY COALITION BARGAINING?

Examination of the conduct of the union coalition involved furnishes some answers as to why the unions are forcing this tactic.

-- To make future contract expiration dates simultaneous, whether the operation is mining, smelting, refining, or manufacturing. No interest in negotiations was shown by the unions until substantially all of the many separate union contracts of the principal companies had expired, so that the shutdown of operations of each major company could be almost 100 percent.

-- To force an entire company, despite the variety of businesses in which it may be engaged, to pay a uniform wage and benefits scale without regard to geographic location and competitive conditions.

Obviously, the only way to sell so many unions on a common cause involves adopting the highest common denominator of wages and benefits in each negotiation, causing sudden fantastic inflation of wage costs and benefits through disproportionate increases in many establishments. The latter objective ("Heaven in '67") is being pursued by the coalition even though economic reality makes it plain that, under such circumstances, the days of the higher cost company operations are being numbered and the workers in them must eventually become unemployed.

How tight the coordination imposed by the Steelworkers-led coalition actually is may be seen from the examples of: (1)a small copper mining company in Michigan (Copper Range of White Pine, Michigan) which offered to continue working during negotiations when its contract with the union expired August 31, making settlement terms retroactive. The company was told by the local union leader that he was not allowed by Pittsburgh headquarters to settle until a settlement was arrived at in the West; (2)an American Smelting and Refining Company plant in Newark, New Jersey was struck by the UAW after only two meetings on the grounds that the local must support the national IUD coordinated bargaining emanating from Washington.

WHO STANDS TO LOSE FROM COALITION BARGAINING?

It is notable that in industries where company-wide settlements prevail, the disposition of local issues more and more is becoming a major problem which sometimes prevents resumption of production for more than a month after the basic national settlement is agreed to. Two years ago an example of this form of strike extension was seen at General Motors and this year Ford production was deferred long after company-wide settlement.

This lack of proper attention to local issues points out the increasing tendency among unions towards the concentration of authority to higher and higher decision-making offices, causing rank and file dissatisfaction because of bureaucratic treatment. In some cases it has even caused rank and file defections.

Equally important, elimination of competition in wages overlooks cost margins that cannot be corrected by increased productivity. For the first 9 months of 1967 key labor settlements are producing wage and benefit median cost increases of 4.9 percent, while productivity per man hour is rising at less than approximately half of this ratio per year. The squeeze thus produced on profit margins tends to cause cost increases that export jobs, put plants out of business, place the United States at a distinct disadvantage in balance of trade, and leads to inflation.

WHAT IS TO BE GAINED?

Pressure. The objective of coalition bargaining is to maximize pressure on the employers. In spite of the risks, applying massive pressure on the employers is too intriguing to both union leaders and the rank and file to be ignored.

In the case of the automobile companies which sell to the ultimate consumer, the unions do this by letting most of the companies in the industry sell their products while striking one company which, along with its dealers, does without income and loses customers who will not wait.

In the case of a prime material industry such as copper, sufficient pressure to accompany extraordinary demands can only be applied by drying up the supply and forcing copper users to suffer until they demand that the Government step in. Since United States defense is an important consumer, along with essential industries, almost total shutdown was the logical objective. However, large stocks and available world supplies of copper have made Government action unnecessary, while the high availability of alternate employment for many strikers has kept down the pressure from the rank and file.

In 1967, the pressure has been applied gradually because expiration dates of contracts have been spread over a long period. However, if common expiration dates are achieved by the unions, pressure thereafter can be applied simultaneously at the whim of the unions, shutting down entire companies or the total industry.

Unions have confidence in "crisis settlements" because public agencies generally throw their weight onto the scales so as to favor the union's case whether the issue is a New York subway strike or a strike throughout a national corporation like General Electric.

CONCLUSION

The American Mining Congress, which includes companies interested in all phases of every type of mining, came to the following conclusion in a "Declaration of Policy 1967-1968 of the American Mining Congress" issued in Denver during September of this year:

> "The growth, concentration, and militant use of union power is rapidly resulting in the destruction of the collective bargaining process in the United States. The centralized authority which labor's leadership has created dictates conditions of employment in almost every major industry through the almost unfettered ability to enforce their mandates by the withdrawal of goods or services essential for the public welfare.
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> "No longer do employees and employers possess the freedom to bargain and reach mutually acceptable contracts. Instead, the terms and conditions of those agreements are determined by a relatively few officials or policy committees of national labor organizations and implemented through government intervention or massive industry-wide work stoppages.

"While effective functioning of labor-management relations involves a broad spectrum of considerations, the need for public protection as well as restoration of orderly collective bargaining is apparent and <u>necessitates the earliest possible legislative action</u>." (emphasis added).

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