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IS BRUTE FORCE LABOR'S NEW POLICY?

**Current Declarations and Actions
Suggest Broad Reassessment Needed**

President Johnson, speaking to the AFL-CIO at Bal Harbour, Florida, on December 12, 1967, asserted that labor and industry are "partners in prosperity" and "are two fingers on one hand."

For all the conflicts that recur in American life, despite the wastage of millions of man days lost in strikes over the years, until now it has been basic to hold that industry and labor do have joint objectives, that together they tend to advance the nation, community and individuals.

Industry speaks that way often.

Labor union leaders also regularly profess the objective of fostering productive enterprise for the good of all, including their members.

We believe 99 out of 100 union members have no other thought or aim. We ourselves believe that working people, owners and managers of private business differ only on small aspects of their total objectives for themselves and the general economy.

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But in the first week of December, 1967, a change that casts the position of union labor leadership in a new light was made public in an important document.

The document referred to is that section of the AFL-CIO Executive Council Report to its Annual Convention which summarizes the activities of the Industrial Union Department. A reproduction of it is attached.

In it, we believe you will find declarations cast in terms of doing harm to productive enterprises that dare resist IUD plans for them. "Economic sanctions by a simple unit or union are often no threat to the well-being of a conglomerate" is how the report introduces the subject of coalition bargaining.

You will find open boasts of severe injury deliberately inflicted upon corporations to whom tens of thousands of workers must look for their future. "A coordinated strike by the unions reduced the company's profits by tens of millions of dollars....Several competitors doubled and tripled their business during the strike period."⁽¹⁾ You will find boasts of intimidation of other companies and of victories exceeding results that unions would gladly have accepted: "....In most cases (settlements) were significantly higher than the unions involved had been willing to settle for before the strikes began...."⁽²⁾ and "....the significance of the strike was not lost on other large corporations. The mere suggestion of multiplant coordination has been enough to convince many that better settlements are in order."⁽³⁾

(1), (2), (3) Section of AFL-CIO Executive Council Report to AFL-CIO Convention Summarizing Activities of Industrial Union Department as published in the Daily Labor Report, December 6, 1967, Bureau of National Affairs, Inc., Washington, D.C.

You will find affirmation of intent to foster "social revolution," to make organized labor "an instrument for social change," moving directly "into the arena of social action."

You will find presented a line of policy and action which is founded on the use of sheer force, but which depends on tolerance and support from Government for its execution.

In effect, the IUD speaks blandly and openly of applying economic torture to enterprises and to the community so as to force these to surrender. The process is parallel to forcing an unwilling prisoner to do his captors' bidding by applying "third degree" brutality.

You will find described a method by which power to wage warfare on enterprise is concentrated and assigned for action to a centralized dictatorial unit. "It has been shown that if coordinated bargaining is to achieve its greatest gains, the international unions' top leadership must make key policy, planning and strategy decisions."⁽⁴⁾

If this document were taken alone, reasonable men would want to discount it as bombast uttered for political effect on the union membership.

But it is not bombast. Witness the present copper strike now entering its sixth month. This strike that has paralyzed our industry and bled white its small army of 60,000 employees, as well as the economies of several Western mining states, is merely one developing part of this new design.

There is a solid and growing documentation from other industries

(4) *ibid*

that have been objects of this all-out, war-patterned onslaught by IUD.

We specially commend to your attention the reports of executives from two corporations, B. F. Goodrich and Union Carbide, and we attach these. They confirm exactly what IUD says it is doing.

From Goodrich, read Chairman Ward Keener's analysis:

"The newest approach is the determination by the unions that there must be a strike before making any real effort in good faith to reach a settlement...."

"The effect of the unions' 'strike first and talk later' approach goes much farther than the obvious economic hardships....almost always leads to inflationary settlements that decrease the workers' economic security, our nation's economic growth and our ability to compete throughout the world...."

Describing the campaign methods of the coalitionists, he concludes:

"This is not free. It is not bargaining. It is collective in the sense that it reveals the almost unlimited power of the union leadership over its members...."(5)

Mr. E. L. Engle of Union Carbide illuminates the final sentence quoted above:

"....At Sheffield (Alabama)....an agreement was reached and ratified by the membership. The local union officers signed the agreement but the International Union representative, despite his frequently made commitment to do so, did not sign. On November 9, the Pittsburgh Steelworkers Headquarters directed that Sheffield go on strike."

and again:

"On November 1 the company agreed to a proposal made by the local union committee to settle the strike at the Marietta, Ohio, plant....when the local committee arrived at the auditorium where the ratification meeting was being held, they found that the dais had been taken over by a

large group of 'visitors'....(representatives of the International Unions and the IUD)....We understand he (the president of the Oil, Chemical and Atomic Workers) told the membership....that if a vote was taken he would 'lift their local union charter.' "(6)

Persons acquainted with many leaders of the labor movement will want to reject the idea that some of these men would be party to either the tactics or objectives described.

Yet the Federation's National Convention gave full assent and unqualified moral support to the program, specifically treating the present copper strike as a symbolic struggle which it cannot afford to lose. (Your attention is invited to the attached columns of A. H. Raskin and Victor Riesel).

The apparent reason for these extreme stands is fairly clear. The IUD and its ideology were launched in 1955 as the creations of Walter Reuther and his select UAW brain trust when they joined the AFL. With Mr. Reuther apparently alienated, the Federation now has chosen to embrace the powerful IUD machine as its own. It regards President I. W. Abel and his 1,100,000 Steelworkers as the vehicle for accomplishing its 1968 aims, and badly wants Mr. Abel's settlements on the calendar for 1968 -- copper, can, aluminum and steel -- to be as big as Mr. Reuther's.

It is to be noted that the Convention disregarded President Johnson's appeal that they exercise responsible restraint in contract demands, so that they might help protect labor union members themselves from further

(6) Excerpts from speech delivered October 25, 1967 before the American Pension Conference, New York City, as published in the Daily Labor Report October 26, 1967, Bureau of National Affairs, Inc., Washington, D.C.

inflationary devaluation of the dollar.

Possibly the AFL-CIO leaders believe that the extreme declared objectives are temporary, and that eventually these will be reduced to reasonable proportions. If so, they ignore the fact that through use of modern technique, trained brains, computerized data and broad influence over labor-related Government institutions, the IUD represents a mechanism for concentrating power and revenue that will be difficult for this nation to curb if it once becomes firmly established.

Therefore, one may well ask whether the organized labor movement has not become the captive of its own creation.

As you doubtless know, the nonferrous industry is rejecting company-wide coalition bargaining for all the diverse establishments within it.

A few major industries, with different situations from ours, have gone to company-wide and industry-wide bargaining. In addition, some have sought out coalition action by their unions in the hope this would simplify the relationship and more effectively concentrate the decisions that have to be made. Some are taking a second look at the IUD objective of merging unions into a steadily smaller handful of effective units, with pushbutton ability to achieve any form of stoppage they desire to bring about.

Again, Mr. Engle reports:

"Mr. Conway (IUD's executive director) has also stated that the more than 100 International Unions which exist are far too many -- there should not be more than 20-odd such unions -- and that as the older union leadership dies or retires it will be necessary and possible to effect this reduction."(7)

Persons whose interests lie outside industrial relations may be equally concerned about the marriage of such antitrust-law-exempt power with general social objectives which are outside the direct concern of employee unions. There is no reason, once started, why such an instrument could not be used for the takeover of decisions in public affairs. These would be dictated by leaders chosen by no more than one, two, or a few million people, voting through delegates chosen by local units of unions, themselves under increasingly stringent control from the 100 coalitions.

Company-wide bargaining does not seem to be a device that works for the true objectives and best interests of wage earners, but it is effective for concentrating power in the international officers. We suspect, looking at other industries which have had company-wide labor settlements for years, that the supposed efficiency of these is being rapidly eroded. The employers and employees now face consecutive work stoppages; first the national, then the local opposition to the settlement made by the national leadership because of inattention to resolution of "local issues."

Some of the fact-finding, newly brought out by no less an authority than William E. Simkin, Chief of the Federal Mediation and Conciliation Service, testifies to the remoteness of international union leadership from the affairs of the rank-and-file. In connection with the modern phenomenon of growing rank-and-file rejection of negotiated agreements, he has observed:

"Except for the sophisticated, there is inadequate recognition of the fact that most unions, industrial unions in particular, do not represent a homogeneous group on many subjects....it would appear that many unions and companies

have not adequately 'read' these strong and diverse interests of the work force...." (8)

These facts are presented because there has been little national concern so far over the issues presented in the nonferrous industry strike. We believe it may be time for all responsible elements of our national community to consider the moral, political and economic implications of allowing such power to be concentrated, beyond the reach of the law, in the hands of individuals not elected by any significant fragment of the country's electorate.

When involved in such a situation as we now find ourselves, it may be advisable to follow an earlier example, and submit the case "to the opinions of mankind."

We seek to make a beginning in this document.

SECTION OF AFL-CIO EXECUTIVE COUNCIL REPORT TO AFL-CIO CONVENTION
SUMMARIZING ACTIVITIES OF INDUSTRIAL UNION DEPARTMENT
(OFFICIAL TEXT)

Industrial Union Department

The decade of the 1960s, which opened with the zest of soaring expectations, has fallen in its closing years into a period of social unrest and flux, in the midst of which a concerned nation gropes for a sense of direction.

The Industrial Union Department believes that as an integral part of our democratic society, organized labor must be an instrument for social change and assist the nation toward positive, liberal goals.

The IUD has continued its activities during the past two years with positive and progressive social change as a fundamental consideration in the development of programs.

Thus, the coordinated collective bargaining program and the IUD Data Center cope with problems flowing from swift changes in the nation's economic structure, the coordinated organizing program meets problems of shifting workforces in a changing economy, and the legislative program calls for boldly innovative measures for basic solutions to profound social and economic problems.

The social revolution our nation is now involved in will not halt before the flimsy fences of inadequate measures. We need full commitment of national resources, in both the private and public sectors, in order to exert constructive direction on inevitable change.

We need a frontal attack on hard-core unemployment through programs that create meaningful jobs; we need income maintenance for those unable to work; we need quality education for all children; we need massive, long-term aid for our beleaguered cities, and much more.

We cannot pause in the comfort of past accomplishments; there is no security behind the walls of affluence.

We must move directly into the arena of social action with the boldness and courage necessary to channel the forces of change into democratic social progress.

Within the Industrial Union Department we constantly strive toward this objective. A summary of our activities follows.

Collective Bargaining Services

Formed in April 1964, the IUD's Collective Bargaining Services Section has devoted the greater part of its time since the last convention developing bargaining approaches to deal with the emerging business pattern in North America—the "conglomerate" corporation. A single conglomerate may do business simultaneously in as many as 15 to 20 traditionally distinct industries.

A conglomerate corporation may find itself dealing with up to 20 to 25 international unions, with individual contracts numbering many times that figure. Centrally directed by managements that rarely have any feeling for the problems of workers in the various segments of their operations, the conglomerate presents organized labor with one of its biggest challenges in recent history.

The answer lies in coordinated collective bargaining. Recognizing that economic sanctions by a single unit or union are often no threat to the well-being of a conglomerate, affiliates and non-affiliates alike have, in self-defense, been forced to band together to deal with these new giants. Abandoning whatever historic rivalries may have existed, the unions join together through the Collective Bargaining Services Section's basic mechanism, the company committee, to further their goals. These committees are composed of representatives of each international involved. With the assistance of IUD-prepared contract, pension, insurance and organizational surveys, and with the aid of an IUD "coordinator," these committees assess the prospects for collective action, formulate bargaining policy, and exchange pertinent information.

When the time for bargaining coordination draws near, a president's committee is convened so that each president or his representative may be aware of, and in agreement with, the overall approach. This last step was adopted by the IUD's Executive Board Dec. 15, 1966, in an effort to avoid mistakes that had sometimes allowed promising situations to wither away. It has been shown that if coordinated bargaining is to achieve its greatest gains, the international unions' top leadership must make key policy, planning and strategy decisions.

The last two years have also shown that the corporate giants are not unaware of the unions' efforts to deal effectively with

them. The best known campaign by a company to thwart coordination was mounted by the Union Carbide Corporation.

A coordinated strike by the unions reduced the company's profits by tens of millions of dollars. In addition, the settlements at the 11 plants involved ran substantially greater than had the coordinated effort not been made. In most cases they were significantly higher than the unions involved had been willing to settle for before the strikes began in August 1966. With all of its U.S. alloy production struck, the company could supply its customers' needs only with imports and purchases from competitors. Several competitors doubled and tripled their business during the strike period.

Despite the enormous costs to the company, the unions could not claim total victory. The unions failed to achieve the goals they had sought most tenaciously—common expiration dates and an effective voice in changes in the company's pension plan.

At the same time, the significance of the strike was not lost on other large corporations. The mere suggestion of multiplant coordination has been enough to convince many that better settlements are in order. In a few cases, corporate giants have made concessions sought by their employees for years rather than face a coalition of the unions with which they deal.

Most coordination concentrates on items that are not (despite the protestations of the companies) really negotiable on the local level. Almost universally, pensions, vacations, insurance plans and the like are decided by the companies' home offices and cannot be changed by "local" bargaining.

The American Home Products Committee was established in 1962 and included five international unions. Before that, the company had maintained company-wide benefit plans and its representatives would declare that since the plans were uniform for all employees, they had no authority to negotiate changes for a single location. Generally, to assuage a local union's demand for pension and insurance changes, the company agreed to higher wage increases than would normally have been granted.

In the fall of 1962, the company agreed to negotiate changes in the two plans through national negotiations involving all five international unions and their 12 local unions. Preliminary technical studies and actual negotiations took nearly one year. The unions successfully negotiated a basic 365-day service hospitalization plan plus a comprehensive major medical program. In addition, substantial improvements were made in the pension plan, providing, for the first time, a minimum benefit for all company service. The new pension and insurance contract runs for five years.

In the meantime, American Home has taken the position with its local unions that national policies may not be negotiated locally by company representatives. This means that once a local reaches the standard for these benefits previously established by the company in New York, only wages remain a subject for meaningful local bargaining, at least until the company's policy changes.

Since the initial coordinated approach, American Home Products has become even more a conglomerate. As the result of the merger of Ecco Products into American Home, at least four more unions will join the coordinated bargaining when pension and insurance agreements come up in 1969.

Another example of coordinated bargaining developed when workers at a number of U.S. plants of the Harbison-Walker Refractories Company decided that the vast wage differential between their plants and a plant operated by the company's Canadian subsidiary was not in the best interest of either group. Displaying profound understanding of a complex problem, they insisted on a higher settlement at the Canadian plant than they themselves received. While parity is still a long way off, the gap was noticeably narrowed—which would not have happened without coordination.

To assist affiliates in their dealings with small and medium-size employers, the Collective Bargaining Services Section, in cooperation with experts from its affiliates, developed the National Industrial Group Pension Plan. The program operates nationally and offers individualized contribution and benefit levels for small and medium-size employment groups under contract with IUD-affiliated unions.

The plan provides efficiency of administration and pooling of risks without which almost any pension plan, let alone one with the NIGPP's liberal provisions, would be out of reach for all but

the largest groups. Underwritten by 11 of the largest insurance companies in the country, the plan has been enthusiastically received by unions and employers alike. So far, some 55 employment units, averaging over 60 members each, have joined the plan. Similar plans, providing pooled health, life and accident insurance coverage for small groups, have also been made available to our affiliates.

In response to the request of affiliates, the Collective Bargaining Services Section is continuing to develop new approaches to bargaining problems. Currently, in conjunction with IUD member unions, it is developing a progressive approach to the largely regressive "co-insurance" clauses that most carriers include in today's health insurance plans and is also working toward a national prepaid drug plan.

Research

During the last two years the Research Section has devoted most of its activities to the development of the IUD Data Center.

The work of the center involves handling organizing, collective bargaining, and corporation information with the aid of electronic data processing equipment.

From IUD affiliated unions, government agencies, and various private financial reporting services, the IUD Data Center has collected a vast amount of material on NLRB-conducted elections, on collective bargaining contract provisions, plant locations and products, and other related corporate material.

Facts on more than 50,000 elections held under NLRB auspices since mid-1961 have been filed on magnetic tape. Numerous reports have been prepared quickly and conveniently in answer to a broad range of requests.

In the contract area, 208 major union agreements in manufacturing and non-manufacturing industries have been analyzed, coded and stored in the computer memory. These contracts cover close to 3.5 million organized workers employed in an estimated 4,000 plants throughout the nation.

From the "library" of contract and related data, national surveys, as well as special surveys by area, industry, union and company, have been developed.

Work has proceeded on the creation of additional contract provisions surveys and the development of new comprehensive tabulations and compilations of corporate financial operations and changes in their industry characteristics and structure.

A second major activity of the section revolves around manpower training programs which a number of IUD-affiliated unions have undertaken. The section provided assistance in the formulation and presentation of union proposals to the Labor Department and, once the contracts were awarded, continued in a supportive, consultative role upon request.

Some of the early contracts were promotional and developmental in nature—that is, were limited to identifying potential training opportunities. Later contracts encompass the full range of manpower training activities. These include the hiring of staff which, jointly with employers, set up programs to upgrade current employees, thereby aiding in creating vacancies which unemployed workers might fill, establishing basic and remedial educational programs to teach workers, formerly unable to compete successfully in the job market, new skills to qualify for entry level jobs.

Within the health field, a number of unions, including the Retail, Wholesale and Department Store Union, the Building Service Employees, the Laborers' International Union, and the State, County and Municipal Employees, have sponsored and been actively engaged in training close to 6,000 workers in various hospital occupations. These unions' efforts are coordinated through the Social Development Corporation, a private nonprofit group heavily involved in significant social and economic programs.

The basic concept behind this training effort is two-fold: First, to aid in training people for the entry skill jobs, such as nurse's aides and ward clerks. Second, where possible in a cooperative effort with hospital and medical personnel, to develop training that will encourage promotion through a health career ladder to a more technical, skilled occupation.

The aim of this endeavor is to make inroads into the severe manpower shortages which beset our health facilities and at the same time improve stability of hospital employment by widening job horizons.

As part of the section's concern and interest in manpower and training generally, the director has worked closely with key Labor Department and other government agency officials in a series of advisory roles. He has also worked closely with union and legislative officials on a broad range of problems affecting jobs, employment and training.

One of the most significant reports issued in recent years was that of the Commission on Technology, Automation, and Eco-

nomic Progress, a blue-ribbon, 14-member committee appointed by the President, better known as the Automation Commission. The Research Section provided technical assistance during the life of the commission (more than a year) to its three labor members: Walter P. Reuther of the UAW, Albert J. Hayes of the International Association of Machinists, and Joseph A. Beirne of the Communications Workers of America.

The commission's final report made a series of far-reaching recommendations:

- A broad program of public service employment in which the government would provide jobs for those unable to find them in the private sector.

- Expansion of education opportunities so that free public education would be extended through at least two years beyond high school.

- Assurance that no student would be deprived of education at whatever level because of lack of financial resources within his family. This would cover university education for all qualified students.

- An overhaul of various programs of income maintenance, with serious study being urged for the principle of a minimum income allowance for all.

- Development of a system of social accounts and the establishment of a mechanism through which the discussion of national goals would be encouraged.

The Research Section assisted in giving wide publicity to the work of the commission through such publications as a 13-page summary of its major recommendations and a special issue of IUD Agenda devoted to the Automation Commission Report.

A second report of national significance, covering the nation's social and economic needs, was issued by the A. Philip Randolph Institute. Under the title "A 'Freedom Budget' For All Americans," the report presents a broad blueprint of action to overcome America's social and economic deficits. At many stages in the preparation, publication and distribution of the report, the Research Section participated actively.

Organizing

The IUD Executive Board and its affiliates, in order to make their maximum contribution to organizational efforts, launched a number of coordinated organizing campaigns in 1963.

In launching these drives, the IUD felt that more interest in organizing must be generated within the labor movement itself. The entire character of our workforce has been changing rapidly because of our expanding economy and automation. The labor movement has succeeded in organizing America's basic industries, but mechanization has displaced many thousands. New industries have created occupations that require higher skills, and there are thousands of union workers who have been shifted to new jobs in unorganized establishments. As a result of this shift, the professional, technical, and white collar workforce has been increasing while the blue collar workforce has been shrinking.

The IUD set up organizing projects in 1963 on a cooperative, coordinated basis. This program was designed to permit maximum participation by all affiliates in all matters pertaining to organizing. IUD affiliates supply the manpower and a just share of the finances. The IUD contributes a director and coordinators to implement the program, which, with the teamwork between organizers of the various unions, substitutes cooperation and coordination for competition and conflict, providing a constructive approach with great promise. It has served as a training ground for new organizing staff.

Each organizing drive is the responsibility of one person, and each IUD affiliate in the program is represented on the coordinating committee.

The IUD participated in over 825 NLRB elections which involved approximately 150,000 employees. Our assistance to other unions not covered by the National Labor Relations Act has far surpassed this figure. More important, this program has spurred interest among professional and white collar workers. The American Federation of Teachers, for example, achieved dramatic victories in many of the principal cities of the United States, including New York, Boston, Philadelphia, Chicago, Detroit, Cleveland, Washington, D.C., and Baltimore, and has more than doubled its membership.

The American Federation of Government Employees has more than tripled its membership, and the American Federation of State, County and Municipal Employees has made outstanding progress. The desire of nurses and hospital workers for organization has been a real inspiration. Organizing activity seems to have a chain reaction, exemplified by the continued volume of requests from unorganized workers in all types of industry.

The IUD has played one of its most vital roles in organizing farm workers, for years the most downtrodden in the country.

Progress has been made in the textile industry in the Southeast, where the IUD established a joint coordinated campaign

with the Textile Workers Union. In the Carolinas, textile is the backbone of the economy. Once we succeed in organizing this industry in the South, other victories there will follow rapidly.

The IUD has tackled the job of organizing the J. P. Stevens Company, second largest textile complex in the world. While meeting with a degree of success, we have also met with vicious anti-unionism, with hundreds of workers being fired. In processing unfair labor practice cases against this company before the NLRB, the union had to switch its campaign from the plant gates to the courtrooms. In four rounds of decisions, the NLRB ruled against the company on hundreds of separate charges of labor law violations, and the company has been ordered to rehire 105 illegally discharged employees and pay them for all lost wages at six percent interest. One appeal has been heard in the Second Circuit Court which upheld the decision of the NLRB. The company continues to appeal every decision, but has almost reached the end of its legal ropes, for it is fast running out of appeals. The IUD is expanding its organizing campaign at this giant textile chain, for despite the obstacles, these workers strongly desire unionization and we are certain that one day collective bargaining will be established.

The IUD has compiled extensive documentation of complaints to the NLRB and has invited the board to meet with the organizing staff in our various projects to discuss the anti-union activities of the employers and the business communities. We are grateful to the House Committee on Education and Labor for the hearings that they have held and for their continued efforts to improve the labor law to better protect the workers' rights to organize and bargain collectively.

The IUD continues its programs in the areas of Great Boston, Greater Chicago, the Carolinas, Greater Philadelphia, and Texas and urges its affiliates to broaden their participation.

Legislation

Judged by congressional achievement, the two years since the last convention may be the most contrasting in the nation's history. During 1966, a Congress which had earlier made historic advances in health care for the aged and aid to education went on to adopt a dramatic new model cities program aimed at showing new ways to improve the quality of urban life, to adopt the most sweeping improvements in minimum wage legislation since the law's enactment, to inject massive amounts of federal funds in a clean water program, to fund the new rent supplement program, and to deal a second, and probably final, blow to a proposed constitutional amendment aimed at destroying the one-man, one-vote principle in state legislatures.

These achievements brought justified praise of the 89th Congress as the most productive and efficient Congress ever in meeting and solving the problems of the nation and its people.

Despite this considerable record, however, the problems of the nation and its people were still not solved. Dramatic advances in industrial technology, continuing concentration of the population in urban complexes, growing deprivation of those who live in the inner cities and in rural slums, and the general failure of man to plan for his environment and to act vigorously to improve his environment left the 90th Congress with important challenges.

These challenges Congress has failed to meet. The elections of 1966 left it with a substantially reduced number of liberals. The demands of conducting an overseas war diverted the attention of congressional and Administration leaders, and permitted conservatives in both Houses to ignore new approaches to older goals the 89th Congress had approved.

Thus the 90th began by changing its rules to weaken the liberal leadership's ability to bring legislation to the floor. It made major cuts in the model cities and rent supplement programs. It moved to reduce the effectiveness of school legislation. It gave general notice that for its two years, at least, the powerful forces of the federal government would not be unleashed to meet the people's needs.

It is the unmet present and future needs of the people to which the IUD has addressed itself in the last two years. Efforts have been made to have legislation introduced and considered in a number of areas:

Income Maintenance: Proposed legislation has been prepared that would establish a federal responsibility for assuring minimum income standards for those unable to work because of illness, age, disability, unemployment, whose family responsibilities prevent their leaving the home, and for those whose jobs provide too little income to meet a decent standard of living.

Jobs: To meet the problems of those who want to work, who seek work, but who cannot find work, the IUD has advocated proposed legislation which would make the federal government responsible for creating useful and productive jobs. Such jobs, in public and in private, nonprofit employment, would be combined with training opportunities that would provide basic com-

munications skills and upgrade job skills. Participants in the program would be assured of wages equivalent to those paid for comparable work in private employment, but in no case less than the federal minimum wage.

Urban Affairs: The problems of the nation's cities can be met only by long-term financing which permits the cities to make plans for a period of years. Funding for the model cities and rent supplement programs must be provided in ways other than the annual appropriations process. Regional planning must be expanded. Mass transit development must be rapidly expanded, and new research must be financed to update housing technology. These principles were urged before several congressional committees by IUD spokesmen.

Education: The educational needs of our people and of our national community require far greater effort than we now expend on our schools and colleges. The magic cutoff period of 12 years of free public education must be abandoned. Every American should be guaranteed as much education as he is capable of absorbing, whether oriented toward college or vocational training. As a first step, 16 years of free public education should be provided. But to utilize this program fully, the quality of elementary and secondary education must be dramatically improved in order to prepare the nation's children for advanced training. The IUD has urged Congress to set in motion a program which will apply an initial \$10 billion annually and eventually \$30 billion annually to meet our educational goals.

Planning: The IUD also urged upon Congress vastly expanded planning groups at the national, regional, state and local levels to define our environmental needs and to plan for their satisfaction. Included in the federal role in expanding planning resources would be major cooperation with educational institutions to overcome our national shortage of skilled planning personnel.

While seeking these new goals, the IUD has continued its strong commitments in the areas of civil rights legislation, farm labor legislation, and making secure the Supreme Court's "one-man, one-vote" decisions. We have continued to supply the services of a full-time legislative representative to serve as director of the Washington office of the Leadership Conference on Civil Rights, a coalition of religious, labor and liberal organizations whose successful efforts to persuade Congress to pass civil rights legislation in recent years is well recognized.

We have also participated in the National Campaign for Agricultural Democracy, a similar coalition devoted to bringing the protections of the National Labor Relations Act to farm workers. And the IUD was instrumental in frustrating, for the third time, Senator Dirksen's efforts to block court-ordered reapportionment of state legislatures.

IUD Information Center

Since its formation in 1964, the IUD Information Center has concentrated on coordinating communications programs with the basic service functions of the Industrial Union Department.

The major instrument of communication has been IUD Agenda, official monthly publication of the organization. The first issue of the magazine appeared in February 1965.

The first two calendar years of Agenda's life have been a time of establishment of its effectiveness both as an organ of communication between the IUD and its member unions and between the IUD and the liberal community. Press run is approximately 45,000, divided about half and half between organized labor leadership and community leaders.

A continuing effort is made to bring Agenda to the attention of affiliated unions and to ensure that they receive it promptly. Copies are sent without charge to the international officers and board members of affiliated unions and, through mailing lists furnished by the internationals, one copy to each of their local unions.

Since the beginning of Agenda's second year, efforts have been concentrated on conversion to a computerized mailing system. This conversion is now completed. Computerized mailing has greatly increased the efficiency and speed of mailing and has lowered costs.

In addition to regular circulation lists, extra distribution of each issue is made to persons and groups especially interested in the contents of a particular issue. This is done by an analysis of the specialized readership a specific issue may interest and then bringing the issue to the attention of appropriate organizations or individuals. This method of contact has proved effective in ensuring the widest possible specialized distribution of each issue and in pinpointing the impact of the magazine.

In some instances, we have been able to anticipate the needs of a group and time the publication and content of an issue accordingly. For example, the April 1966 issue was timed to coincide with and aid the program of a conference of consumers,

and the October 1966 issue was timed to support the A. Philip Randolph Institute's release of their "Freedom Budget."

The Information Center also has continued the Agenda News Service, a monthly editors' packet containing photographs, cartoons and clips of news items of special interest which can be used by editors for background information. The News Service is circulated to about 500 labor editors, as well as to editors of other publications who have requested it.

The Information Center continued its public relations activities, maintaining good relationships with the working press, particularly the Washington press corps, and issued press releases and statements when necessary. The Information Center also continued coordination of public relations, publications and labor press activities with the AFL-CIO Department of Publications, the AFL-CIO Department of Public Relations, and the AFL-CIO International Labor Press Association.

(End of Official Text)

(End of Section D)

Why We're Having

Strikes

"The sorry state of the bargaining process underscores the urgency for a major revision of our national labor laws."

DUN'S REVIEW

DECEMBER 1967

J. WARD KEENER

During the 21 years I have been closely associated with labor-management relations, union power has grown from a rambunctious teen-ager to a powerful heavyweight, capable of bringing our entire economy to its knees—and more and more willing to do so.

The technique of collective bargaining has evolved through the years, becoming more sophisticated and more complex as the unions have matured and their demands have broadened. The newest approach—emphasized this year in the rubber, copper and automotive industries—is the determination by the unions that there must be a strike before making any real effort in good faith to reach a settlement.

Prior to the start of negotiations, the union members are conditioned to this approach by the union leadership through militant statements and lists of broad, unspecific demands. The package has something for everybody: more money for young workers, more job and retirement security for older workers, increased pensions for retirees, wage rates for skilled workers that completely disregard industry employment stability and benefits. Rights and "dignity" and vacation and benefits are all romanced to the union membership before the negotiations start, in order to make sure that any and every dissident group is promised more than any settlement could possibly include.

During the formal negotiations, the union "bargains" from the moon. It avoids revealing—and may deliberately obscure—its specific demands in major areas right up through the strike deadline. In some cases, the union leadership

passes the word indirectly to management not to make or publicize any offers that might be attractive to the union membership. The implication is that such offers will not be accepted and that there will be a strike in any event. A sound offer made in good faith during the negotiations would merely set a higher base when the union finally does decide to bargain and therefore cost the company more to settle.

* When the strike has run for some—or many—weeks and the union leadership decides it is time to negotiate, its team works on both struck and non-struck companies throughout the industry. The idea is to get one company to make a high offer on one demand, another company to make a high offer on another demand, and so on down the line.

The settlement comes when, in the union leader's judgment, enough time has passed to further his own political ambitions, both internally and on the national scene. He puts the highest individual company offers together into one package and goes to work on a "target" company to get the highest possible settlement across the board.

This is not free collective bargaining. It is not free. It is not bargaining. It is collective in the sense that it reveals the almost unlimited power of the union leadership over its members. During one recent strike, a picket was overheard saying, "We used to be under the thumb of the company. Now we're under the thumb of the union."

The effect of the unions' "strike first and talk later" approach goes much farther than the obvious economic hardships sustained by union members, by the communities in which they work and by the struck companies. Such an approach almost always leads to inflationary settlements that decrease the workers' economic security, our nation's economic growth and our ability to compete throughout the world.

Bargaining has been further complicated by a strongly pro-union National Labor Relations Board, exemplified by the present Board's all-time high for pro-labor bias. The NLRB has consistently chipped away at management's prerogatives and made it possible for unions and union leaders to gain more and more power, while increasingly subjecting workers' interests to the whims and ambitions of union officials.

In recent years the Board has endorsed coordinated bargaining in which numerous unions have "ganged up" on a company, allowed unions to fine members for crossing picket lines and for exceeding production quotas, made it necessary for management to negotiate decisions to close down or relocate a plant for any reason, and even certified unions as bargaining agents without a vote by employees.

The sorry state of the bargaining process underscores the urgency for a major revision of our national labor laws tailored to today's conditions. Further deterioration of the process of free collective bargaining is inevitable as long as labor unions enjoy legal immunities and privileges that are denied all other sectors of our economy.

Collective bargaining is not yet dead. It has been badly undermined by ambitious union leaders, with the strong backing of the NLRB. The therapy that will again make collective bargaining responsible, peaceful and free—and restore to the workers the personal rights they have lost to the union hierarchy—is action that brings the labor laws and their administration into balance with the needs of our times. —END

J. Ward Keener is the chairman of B.F. Goodrich Co. The editors of DUN'S REVIEW felt his opinions, adapted from a guest editorial in Rubber World, were so vital and germane that they deserved a wider audience.

10-26-67

No. 209: D - 1

**REMARKS OF E.L. ENGLE, UNION CARBIDE CORPORATION,
ON COORDINATED BARGAINING
(OFFICIAL TEXT)**

(Note: The following talk was delivered October 25, 1967 at a New York City meeting of the American Pension Conference.)

COORDINATED BARGAINING
Monopoly Control for a Few or Equity for Many

It is a unique and welcome experience -- for a representative of Union Carbide to appear before an audience with your occupational interests and talk about labor relations philosophies, convictions, and experiences.

The Divisions of Union Carbide have traditionally bargained with unions locally -- for their individual plants -- and on the basis of a certification by the National Labor Relations Board for that plant.

We expect to continue that practice.

Bargaining of this nature has rarely involved a unit of more than 2,000 employees, and in most cases, considerably smaller units. Bargaining of this scope has not attracted national attention -- nor has it created problems of a national nature. It has been responsive to the needs and wishes of the employees in the local plant and community, and normally has not attracted attention much beyond the local plant community.

In 1966 things were different.

For the first time we found ourselves in the center ring of the national collective bargaining arena -- a position we never before had occupied.

We were not there by choice.

While we had hoped that this confrontation would not occur, we were not surprised when it did. There had been ample warning.

When the AFL and the CIO merged in 1955, Mr. Reuther had insisted on the establishment of the Industrial Union Department (IUD) -- as his quid pro quo for the internal and existing organizations of craft unions. The Industrial Union Department lay substantially dormant for a few years, but in the early 60's signs of activity began to appear. Among others, we believe that one of the reasons for this was Mr. Reuther's need for a better internal political base.

Again, in the early 60's we began to hear that Union Carbide was one of IUD's targets. For a number of years there had been a loosely-knit coalition of unions at Carbide plants -- called the Carbide Council. In 1963 we learned that this Council had agreed to let the IUD direct its activities. Employees -- and particularly those at the plants -- were told that the IUD hierarchy would act as staff and as counselors -- but that they would be acting in a manner consistent with the wishes of the members -- our employees.

We were convinced that this was not the intent.

We are still so convinced -- and believe that our experience -- some of which I will relate to you shortly -- fully supports these convictions. We believe also that pronouncements from IUD officials -- stated as succinctly as they dare openly state them -- also establish IUD's real intent.

The November 20, 1965, issue of Chemical Week quotes Jack Conway -- the IUD's executive director, and Mr. Reuther's right-hand-man -- as saying:

"The ultimate goal of coordinated bargaining is to force companies to negotiate major economic items on a national level."

I submit to you that if this were done, there's little left for meaningful and effective local bargaining -- the only arena in which the individual member's voice is persuasively heard.

In December of 1965 Mr. Conway delivered a paper at the annual meeting of the Industrial Relations Research Association in San Francisco in which he discussed the IUD's master plan. Among many interesting and informative remarks about their program are these:

Quote

"Since this represents a struggle on behalf of the entire labor movement -- and not just a particular segment of it -- industry will know that the entire resources and commitments of the labor movement will be involved." 1/ and further -- quote --

"and I may add that as we move towards coordinated bargaining we have found it vital for the top leadership of the International Unions involved to make the key policy planning and strategy decisions. Coordinated action is important not only for successfully applying pressure against the company, but also for maintaining and strengthening relationships within the committee." (emphasis added) 1/

Mr. Conway has also stated that the more than 100 International Unions which exist are far too many -- that there should not be more than 20-odd such unions -- and that as the older union leadership dies or retires it will be necessary and possible to effect this reduction.

What does this all add up to -- if it happens"

Does it mean that in time we will have the effect of one International Union -- dealing with all industry -- at one time?

In this event is anything short of a government controlled economy possible?

Isn't this, or even a fragmentation of it, Monopoly Control for a few?

We at Carbide are concerned about these possibilities.

As I mentioned earlier, our Divisions -- which have highly diversified businesses, and have plants located in widely separated geographic areas -- have traditionally bargained on a plant-by-plant basis. None of the unions are certified to represent employees for a "unit" larger than a single plant. We are firmly convinced that local bargaining is the most responsive bargaining possible in terms of the employees wishes. This is the purpose for which the union was selected -- the basis of its NLRB certification -- and the responsibility with which it is charged.

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1/ IRRR Annual Meeting Report

We believe that this type of bargaining is not only best for the employee, but that it is also best for the company--its management and its shareholders, its customers, and the community in which the plant is located.

Bargaining is on the basis of the employees' interests and wishes at that plant and in relationship to the conditions prevailing in that community, and the industry of which that plant is a part.

This provides the company the best possible opportunity to know -- and to satisfy to the extent that is reasonable and consistent with good business judgment--the interests of the employees at that location. This in turn provides the company with the best possible return on its expenditure for wages and benefits.

Such negotiations are not cluttered or disputed with issues that are foreign to that local plant, that may be of a crusading or philosophical nature or that may have their genesis in political considerations of top union leadership. Nor do the interests of the individual employee--otherwise frequently submerged by national issues -- get lost in the shuffle.

Further, local negotiations -- including strikes -- rarely have an impact on commerce of such a magnitude as to whet the appetite or create the need for "third party" -- and particularly federal government intervention. This should be of salutary value to ALL parties concerned.

The IUD's hue and cry is that local bargaining does not give the union sufficient strength to secure from the company those wages and benefits to which the employee is entitled. IUD told our employees that their wages and benefits ranked in the lowest quartile of American industry. According to the party line Carbide employees were second class industrial citizens and coalition multi-plant bargaining was necessary to elevate them to first class.

This is pure propaganda -- designed to persuade the local plant union member to surrender his right to make a personal decision to a few key union officers -- the aggrandizement of International unions' and IUD's bargaining power.

The facts simply do not support these contentions by the IUD.

It would be completely erroneous to conclude because of our high degree of labor peace that unions at Carbide plants were pushovers and that as a consequence employees had fared poorly. This has not been the case. We have been no more accustomed in labor negotiations to deal with Mr. Milk-toasts than we have been in commercial negotiations with suppliers and customers. As for our employees, they have done well in comparison with employees in manufacturing generally. Carbide is a large corporation, diversified both product-wise and geographically. There is considerable variation in wage rates between our plants operating in different industries, and some geographical differentials exist between our plants in the same industry. Such wage variations and differentials are the rule, not the exception, in the American economy. It is Carbide's policy, regardless of whether the people are union or non-union, to pay wages to employees which compare favorably with those paid for similar work in each plant's labor market and in the particular industry in which the plant is engaged. This policy is effectuated by local management through collective bargaining at an organized plant or by direct action at a non-union plant. Needless to say, this policy can continue only so long as Carbide continues to be a better than average performer with respect to productivity and profits.

Wages are only a part of employees' total compensation. The balance, a significant portion, consists of the so-called fringe benefits. Here, too, employees and unions have fared well at Carbide. The package of benefit plans available at both union and non-union plants is in the front rank of industry.

The IUD would have you believe that all decisions within Carbide are made at Corporate Headquarters -- that no local bargaining occurs, and that uniformly low benefits exist. Here again, this is a smoke screen, and a review of our more than 100 labor contracts negotiated locally with 25 International and one Independent Union will establish the facts. At the IUD's convention in Washington this past June they reviewed their recent multi-plant bargaining attempts with Union Carbide. Among other things they stated that the local negotiator could not make any change in the local agreement on any of six listed benefit plans. Yet a review of the local contracts will show variations in five of these six benefit plans.

Admittedly several of these benefit plans have a high degree of uniformity at all locations. We do not live in a vacuum --today communications are good -- and when a change is made the employee, as well as the union, understandably wants the best that has been given at any location. Actually the problem here is not one of coming "up to" a given level of benefits -- it's one of "ratcheting", or trying to best the other locations in level of benefits. We recognize our legal obligation to bargain on these benefits. In such negotiations we must decide what price we're willing to pay to maintain, or exceed a given level of benefit -- and the union must decide the same question.

At a recent Washington meeting the IUD told the assembled representatives that Pension and Group Insurance Plans were the best vehicles for introducing coordinated bargaining. It would be foolhardy for me to try to delineate for this group the many costly and other long-range implications of substantive changes in such plans. We do not make such changes often, and then only after extensive study. A study in anticipation of such change would encompass the viewpoints and interests of all levels of employees--from the least skilled to the Corporation President--and many outside consultants. At Carbide these plans cover all employees --both hourly and salaried--there's no discrimination -- and obviously everyone cannot have everything he would like. We must consider the current and long-range cost implications, and our competitive position in industry, as well as the diversified interests of the employees -- the 65 percent who are not represented by unions as well as the 35 percent who are. We strive for sound plans -- and plans which will get high employee acceptance. We think we accomplish this. The IUD will tell you that the employee, or the local union representing him has no voice in such changes. Many of the local union leaders -- and particularly in off-the-record conversations will tell you differently. They recognize in the changes made the accommodation of many proposals made by the local union leadership. For us to ignore such proposals would be gross foolishness and plain bad business management. For many years the Carbide Nation-wide Council --before it was taken over by the IUD --served as a source of information regarding local union interests, but the continuing best source of such information is the normal daily contact between local management and the employee or his local union representative.

Here again -- 1966 saw a serious breakdown of this relationship in eleven of our plants where the IUD had been successful in selling its multi-plant coordinated bargaining plan.

We hope that our traditional sound relationship can be re-established and we believe it can be.

This IUD program which resulted in prolonged strikes at eleven of our plants was no haphazard affair. It was carefully planned well in advance and effectively directed.

Time precludes my developing completely the details of this confrontation but a resume of some of the highlights may be of interest to you, and will serve to buttress some of our continuing convictions concerning this bargaining technique.

At a meeting in Washington, D.C., in December of 1963 under the aegis of Mr. Reuther's IUD, a committee was established to study the Carbide Pension Plan. Planning began, and continued.

Subsequently, a goal was set to bargain Pensions and Group Insurance with Union Carbide on a national basis in 1967. This was a year in which a number of our 5-year labor contracts covering these plans would expire. Incidentally, this goal was changed -- several times -- as the realities of bargaining developed.

On March 7, 1966, following a February "special emergency meeting" of this committee, the IUD issued a memorandum to -- all Union Carbide -- IUD Committee Delegates.

This memorandum reaffirmed IUD's goal of national bargaining on Pensions in 1967 and also enunciated a new agreement to bargain with us on a coordinated basis in 1966 -- spearheaded by bargaining in our Metals Division where the labor contracts at four of its five plants expired between July 2 and August 27. It enumerated 24 of our plants that would be involved in coordinated bargaining in 1966.

It also transmitted a Resolution which each Carbide Local Union was to vote on, execute and return to IUD.

Among other things this resolution pledged the local unions who would be bargaining in 1966 to participate in the coordinated bargaining program, and further to refuse to negotiate on Pensions until the 1967 negotiations.

It pledged them to consider the views and advice of the IUD committee before accepting any final company proposal for contract settlement.

It did not "per se" prohibit the local union from reaching an agreement -- (this would have raised some legal questions) -- but we were later to find that this document was to be construed as having transferred to the IUD committee the local committee's right to reach and execute an agreement.

Our traditional annual discussion was held with the Carbide Nation-wide Council on April 25, 1966, and the Council had expanded this meeting to include a number of new faces -- International Union and IUD representatives. During this meeting their plans for coordinated bargaining were emphatically and vigorously stated.

We pointed out that in 1957 the Oil, Chemical, and Atomic Workers had attempted multi-plant bargaining for five of our plants, and that after strikes lasting up to 108 days this effort had failed.

And that in 1959 the Steelworkers had attempted coordinated bargaining at three of our plants with similar results after strikes lasting for up to 134 days.

We told these union leaders that our convictions and our decision to oppose coordinated bargaining were just as firm today as they had been in 1957 and 1959, and that it was our hope that we were not on a collision course.

The union's convictions were just as firm as ours, and near the end of this meeting Mr. Harris of the IUD stated --

"You're in for trouble this year -- by August or September a bunch of plants will be down."

This turned out to be a completely factual statement.

The union's strategy provided no surprises for us.

The plan was simply to go through the motions of bargaining up to the contract termination date -- with no thought of reaching an agreement. No strike would occur -- the employees would continue to work until a sufficient number of contracts had expired to give the union the strength it felt it needed. Then the unions would have the ability to legally strike enough of our plants simultaneously -- and thus the bargaining strength -- to bring us to our knees.

At this point they felt they could demand and secure their goals -- contracts of uniform duration and common termination dates, and with a high degree of uniformity on most benefits and other provisions.

Up to the time the contract expired at the first of our Metals Division plants -- July 2 -- the IUD committee had not been successful in blocking a single settlement. Eight of their original list of 24 plants already had reached agreements with us, and three more plants were to join this group before the strikes began on August 28. Still an additional 3 of these 24 plants reached agreement before the final IUD strike occurred on November 9, and one plant, while prevented from reaching agreement, refused to go on strike.

Thus of the IUD's original list of 24 plants which were to participate in coordinated bargaining, they were successful in holding only 9 of these plants together for strike action. Two additional plants not in the original list later "joined up", bringing the total number of plants that were eventually on strike to 11. But I'm ahead of my story --

The "hard core" of the IUD's support was in our Metals Division. When we reached the July 2 contract termination date at the Alloy, West Virginia, plant, no good faith bargaining had occurred. The Company made three different proposals for settlement before this deadline, and the union did not make a single counter proposal. This plant was the first, time wise, of the "hard core" group of five plants, and the Company had a rough decision to make. After much thought, we decided, and advised the union, that if no agreement was reached by July 2, the employees would not be allowed to continue working without a contract -- otherwise the union could call a strike at a time of its choosing. No agreement was reached, and we shut down the plant on July 2nd -- locked out the employees. We hope that this lockout would demonstrate how firmly the company was opposed to coalition bargaining -- but the IUD chose to ignore this signal.

This action brought forth an unfair labor practice charge from the union -- an unsuccessful attempt by the Labor Board to secure an injunction in a Federal District Court which would have required us to reopen the plant -- then, on the same evidence that had been presented to the District Court, a finding by an NLRB Trial Examiner that we had committed an illegal practice and should pay about \$1,400,000 to employees for time lost during the lockout -- and later a ruling from the Board itself to the effect that the company's conduct throughout negotiations and the lockout were completely legal. This Board decision has now been appealed to the Circuit Court in the District of Columbia by the union.

Similarly, an absence of bargaining was experienced at the other plants as their deadlines approached, and by August 27 termination dates had been reached at the plants at Ashtabula, Ohio, Portland, Oregon, and Marietta, Ohio. On August 28 all these plants went on strike -- thus 4 of the Metals Division's 5 plants were shut down.

Let me backtrack again --

The contract deadline at the Ashtabula plant was reached on July 13, and later in July, with employees continuing to work, we were asked by the Steelworkers to meet -- in off-the-record meetings -- to see if some basis for agreement could be found. The Metals Division Industrial Relations Manager accepted this proposal and after several meetings an agreement was reached for the Ashtabula Plant with the Steelworkers District Director. This agreement was reached late in the evening -- there was a handshake on it, and an agreement to meet the following morning to reduce it to formal language. The agreement would then be taken to the membership for ratification.

Before the meeting occurred the following morning, a telephone call was received from the District Director. He advised us that the deal was off. He had called the Pittsburgh Headquarters of the Steelworkers and had informed them of the agreement. He was told that despite the authority which he had had in the past he now had authority to make recommendations only, and that no agreement could be reached at Ashtabula at this time since such action would pull-the-rug out from under the other unions and scuttle the program of coordinated bargaining. We had gone the last mile in trying to reach an agreement and were keenly disappointed in this development -- bad faith bargaining as we saw it.

Thus down the drain went an agreement which could have averted strikes at eleven plants -- strikes which were to be costly in terms of hardships and dollars for all concerned.

Much the same pattern of negotiations -- stalling -- was experienced at other plants and as termination dates occurred they too went on strike.

On November 1, when the deadline occurred at Sheffield, Alabama, ten plants were on strike. At only one of these ten locations had employees been given a chance to cast an uncoerced vote on the company's final offer, and at this one location we believe that the ballots were not counted. At Sheffield, however, an agreement was reached and ratified by the membership. The local union officers signed the agreement, but the International Union representative, despite his frequently made commitment to do so, did not sign. On November 9, the Pittsburgh Steelworkers Headquarters directed that Sheffield go on strike.

This brought the strikes to their high point -- eleven plants.

In the interim another disgraceful -- and discouraging situation had occurred. On November 1 the company agreed to a proposal made by the local union committee to settle the strike at the Marietta, Ohio, plant. Five of the seven members of the local union committee had said that they would recommend the settlement to the membership for ratification and the local union president had stated on both radio and television that he felt sure the membership would ratify the agreement. We concurred in this opinion.

On the night of November 5 when the local committee arrived at the auditorium where the ratification meeting was being held, they found that the dais had been taken over by a large group of "visitors" -- reported as about 50 representatives from the local unions or the three International Unions who were conducting the strikes -- and the IUD. The

president of the Oil, Chemical, and Atomic Workers took over the meeting. We understand he told the membership that the meeting was out of order -- that because they had signed the IUD resolution they were precluded from reaching an agreement locally, and that if a vote was taken, he would "lift their local union charter". The meeting was adjourned without a vote on the local union's own offer for settlement.

The company operated many of these eleven plants during the strikes -- principally with supervisors -- and some at more than 100 percent of their normal production level -- and with this production, our inventory, and our ability to purchase product on the open market, with one exception, we were continuously in a position to supply our customers. This is a story in itself -- but too involved to relate now. The one location from which we could not supply our customers was Kokomo, Indiana. Because of uncontrolled mass picketing, and insufficient numbers of supervisors, we could not meet the commitments of this plant. Much of their production was Defense Rated material and involved in the Viet Nam effort. On December 24 employees at this plant returned to work under a Taft-Hartley injunction secured by the federal government. The unions protested this injunction and appealed to the courts. The U.S. Supreme Court eventually confirmed its validity.

Well -- how did it all finally come out.

The duration of individual plant strikes ranged from 44 to 246 days.

The first settlement for these eleven struck plants occurred at the Sheffield plant on December 23, 1966, and the last at Portland, Oregon, on April 30, 1967. Contract durations were for periods of 12, 15, 24, 30, 31, 36 and 38 months. Termination dates for the new contracts ranged from November 1, 1967, through July 1, 1970, with no two contracts having the same termination date. Annualized costs ranged from about 3.8 percent to 5.8 percent and the traditional long-term Pension and Insurance agreements had been negotiated at all locations.

About 7,200 hourly employees were involved in these strikes. When the strikes were over, less than 200 failed to return to work and about 100 of these had less than one year of company service.

This confrontation with the IUD was expensive -- for all parties concerned. It cost the company about \$35 million before tax, and employees lost about \$20.5 million in wages. It was also costly in terms of interpersonal relationships.

We view the dollar loss as a sound long-term investment, and we hope that in time we can re-establish sound and amicable personal relationships where they have been strained.

We believe the several incidents related earlier establishes our conviction that under coalition bargaining the top union hierarchy can -- and will -- ruthlessly use its power to circumvent and thwart the wishes of the local union and its membership.

If you reach the conclusion -- as we did -- that coalition bargaining puts an unreasonable amount of power in the hands of a few top union officials who probably cannot, and who will not be responsive to the wishes of the employees -- much less the best interest of the company -- then you can ill afford to take a position different from the one which we took -- and not make the necessary investments for the future. We hope you agree. Thank you.

(End of Official Text)

(End of Section D.)

'Forgotten' Copper Strike Clue To Labor's Strength

By Victor Reisel

WASHINGTON, D.C.: — It would have been an extraordinary session under any circumstances. As the door to the first-floor conference room in the AFL-CIO national headquarters — across from the White House — swung open at 10 a.m. Monday, Nov. 21, it became obvious that never before had so much "labor fire power" been concentrated in one room by president George Meany for a strategy session on how to defeat a single industry.

The labor chiefs had come to dissect the forgotten strike — the marathon, 4½-month "copper" walkout.

What made the gathering even more extraordinary was the arrival of United Auto Workers secretary-treasurer Emil Mazey, sitting in for the bereaved Walter Reuther. Mazey's presence assured a total united front against the paralyzed nonferrous mining, smelting and fabricating industry which has been struck since July 15. Now some 50,000 men are out in at least 12 states.

Mazey said "Hello, George." Meany said "Hello, Emil." All formal. But significant. It meant that when it came to what will be one of the most momentous showdowns on the industrial front, intramural feuds inside labor stop at the strike's edge.

Why this concentration of labor leadership? After all, the striking union, the 1,100,000-member United Steelworkers is a powerful juggernaut itself. And it was taking on "only" the operators of copper, nickel, gold, silver, cadmium, zinc and other nonferrous mines and fabricating plants. This industry is not nearly as sprawling as the auto industry. Yet the United Auto Workers union is taking on the Big Three in Detroit all by itself.

Why did Meany ask the leaders of 22 AFL-CIO international unions to the joint session? Why bring in such powers as the Machinists' Roy Siemiller who has defied the White House itself to get what his airline and

railroad divisions wanted in wages and working conditions? Why bring in H.E. Gilbert of the Brotherhood of Locomotive Firemen and Enginemen; Gordon Freeman of the Electrical Brotherhood; Howard Coughlin of the ultramodern Office and Professional Employees; Hunter Wharton of the Operating Engineers, and Jack Conway, executive director of the AFL-CIO Industrial Union Dept.?

Also such "young" newcomers as John Lyons of the Iron Workers, etc., etc., as well as the steel leaders I.W. "Abe" Abel, Joe Molony and Walter Burke?

The answer is straight and clear cut: Meany and his high command believe this is the final conflict, the ultimate confrontation with most of American industry on the concept and future of latter-day bargaining.

First, of course, it must be reported that there always is an issue of money. But this is not the root of all strikes, all the way through, all the time.

Inside Labor

The steel union does want a big chunk, as big as that won by the Teamsters, the rubber workers and especially the auto workers at Ford and Chrysler. For "Abe," Joe and Walter, there can be no other way.

"Neither the companies nor the union can ignore the level of settlements of other major industries in recent months," said a Steelworkers confidential memo the other day. "... the Teamsters' national trucking settlement involved a three-year package of more than 87 cents (an hour). The rubber settlement exceeded 85 cents for three years. Major nonferrous settlements in Canada ... were in the 90 cent range for three years ... and even higher ..."

The auto settlement is considered to run a dollar and a penny and hour over three years. Thus the steel union wants more

"in copper" so the Pittsburgh-based union can get more next summer when it bargains with Big Steel.

That's one issue. But it's only money. And on this beat we say money is negotiable.

The showdown will come on the method of negotiation. The labor movement has moved into the space age with coordinated bargaining. It sets up a central high command — in this case it runs all the way from locomotive engineers to professional employees to rough and ready, traditionally tough mine, mill and smelter workers whose philosophy runs back to the old Wobblies.

This central team now wants to deal — not as in the past on a local and plant-by-plant basis — but on a company-by-company basis, on an industry-wide basis.

And the "copper" industry says: No! Positively no! This industry has replaced the steel industry, which once stood and made the fight for all industry. More recently steel's place was taken by General Electric, and then by the big Union Carbide company. Now it's "copper," made up of such corporations as American Smelting and Refining, Anaconda, Kennecott, and Phelps Dodge.

They're standing pat against the kind of company-by-company bargaining now under way in "auto" or the national bargaining in "steel."

So "copper" now is the iron front against labor's newest centralized high command assault technique. So vital to labor is this fight that Meany will make it a central theme of the AFL-CIO's upcoming national convention.

This will be a long fight. Before it's over the governors of many states, the Congress, the White House, the whole of labor, most of industry and of course the public will be in it.

The forgotten strike won't be forgotten for a long time.

Labor

THE NEW YORK TIMES, SUNDAY, DECEMBER 17, 1967

In Copper, 'The Moment of Truth' for Labor and Management

By A. H. RASTIN

BAL HARBOR, Fla.—The ghost of Joe Hill, the "Wobbly" troubadour who sang strike ballads in the Western mine fields in the heyday of the Industrial Workers of the World a half-century ago, stalked the gilt and alabaster corridors of the Americana Hotel here last week as the A.F.L.-C.I.O. pledged all its resources to win the five-month-old strike of 60,000 copper workers.

Almost unnoticed by the general public, the copper strike has developed into a more fundamental test of strength between "Big Labor" and "Big Business" than any postwar industrial conflict, even the 116-day steel strike of 1959 or the railroad labor disputes that caused Congress to pass compulsory arbitration laws in 1963 and again this year.

Much more is at stake than how big an upward push the eventual settlement will give to the wage-price spiral, already spinning up so fast that President Johnson called its impact on American economic standards "simply murder" in his A.F.L.-C.I.O. convention talk. What is being tested in copper is the potency of a new mode of collective bargaining in which 26 unions, led by the million-member United Steelworkers of America, have pooled their strength in an attempt to compel

the Big Four of the nonferrous metals industry — Kennecott, Phelps Dodge, Anaconda and American Smelting and Refining — to sign coordinated contracts with all the unions on a company-wide basis.

Up to now the copper producers have dealt separately with each union, and bargaining has been fragmented into hundreds of units embracing individual mines, smelters, refineries and fabricating plants in 23 states. The unions insist that the old system enabled the companies to play one union against another, creating a hodgepodge of wage rates and contract deadlines to the detriment of the workers and the enrichment of the bosses.

The industry is convinced that it is being used as guinea pig in a coalition experiment which, if successful in copper, will oblige employers generally to take on the entire labor movement every time a major contract comes up for renewal. Inconclusive preliminary skirmishes in this battle over "all for one" bargaining already have been fought in union negotiations with such corporate giants as General Electric, Westinghouse and Union Carbide. But most large companies in other fields share the copper industry's belief that its strike represents a Rubicon, where the union drive

for coalition bargaining must be halted.

It is precisely this sense of destiny on both sides that has lifted the conflict in copper out of the status of just another strike and converted the embattled unions and companies into standard bearers for all labor and all management in what amounts to an economic holy war. George Meany summed up that feeling when he told the A.F.L.-C.I.O. delegates: "This is a strike we cannot afford to lose." And they responded by pledging \$600,000 in initial contributions to a union war chest. Even the exiled International Brotherhood of Teamsters wired in \$25,000 as a token of labor's solidarity in the battle.

And on the management side the National Association of Manufacturers and the United States Chamber of Commerce have joined forces against any Government move to bail out the striking unions through intervention that bypasses the 86-day no-strike injunction procedures of the Taft-Hartley Act.

The unions are dead set against such an injunction. They favor a proposal by Montana's two Democratic Senators, Mike Mansfield and Lee Metcalf, for appointment of a Cabinet-level fact-finding board to make settlement recommendations. The panel would consist of Secretary of Defense McNamara, Secretary of Labor

Wirtz and Secretary of Commerce Trowbridge.

The companies want no part of the panel, partly because they object to any extra-legal peace machinery but more especially because their acceptance would in principle prejudice their position to coalition bargaining. The industry's view is that the Government should keep hands off or get a national emergency injunction under Taft-Hartley.

The astonishing thing is that thus far the prolonged cutoff of 90 per cent of the country's domestic copper supply has caused nothing approaching an emergency, despite the demands of the Vietnam war and the high levels of general industrial activity. Part of the explanation lies in the staggering stockpiles built by most big manufacturing industries in anticipation of the strike.

Inventories of refined copper in the hands of United States fabricators reached an all-time peak of 640,000 tons at the end of June. Since that time the strike has caused a loss of roughly that amount in the mining of new metal in Montana, Arizona, New Mexico, Utah and Nevada. But much of that loss has been offset by heavy imports from foreign mines at steeply increased prices. Chile, Peru, Zambia and the Congo

now account for two-fifths of world copper output, and one effect of the blackout in American production may be a permanent gain in their share of the market. Another effect has been an accelerated shift from copper to such substitute materials as aluminum, plastics and stainless steel.

The Government has 256,000 tons of copper in its strategic reserve, but there is no chance that any of this will be released to ease strike shortages. Neither is there any immediate prospect of a Taft-Hartley injunction. That reduces the entire conflict to a state of siege, in which either the companies or the unions must eventually raise the flag of surrender.

That is why, even in a year when time lost through strikes is running well above the level for any year since 1959, both camps are in accord that copper represents "the moment of truth" for long-term labor-management relationships.

THE COPPER INDUSTRY SAYS: “END THIS FIVE-MONTH STRIKE”

Major Copper Producers Have Bargainable Offers on the Table!

THEY ASK UNITED STEELWORKERS OF AMERICA:

Will you withdraw your 11% demands and talk common sense?

Will you let Arizona miners go back to work for \$21.76 to \$30.76 a day plus overtime?

Will you let other workers accept increases that fit the work they do, and the locality and industry in which they work?

On December 15 the coalition strike of unions guided by the United Steelworkers of America against almost all principal establishments of the Nonferrous Metals Industry had been under way five months.

The companies have had bargainable offers on the table since before the strike began. This week one producer—to get the stalemate off dead center—advanced a new offer for the employees at its mining properties in Arizona. Workers there, who already draw wages well above the average for Arizona and the nation, were offered increases which would bring the minimum rate for each eight-hour day to \$21.76 and the highest rate to \$30.76, plus regular overtime. These rates would further rise to \$23.16 and \$32.16, respectively, at the beginning of the third contract year.

With the fringe benefits offered, these wages represent an average increase of 6% per year. Admittedly, this is higher than the limitation on wage increases implied to the AFL-CIO at its convention by President Lyndon B. Johnson this week.

The President saw trouble in raises that double the national productivity increase per man hour. This would mean a limit of 4.8% per year. Also, percentage-wise, the proposed increase is in the upper range of settlements that have been made in other industries this year.

Will the Steelworkers Come Down to Earth?

The only counter proposal from the coalition—made 10 weeks after the strike began—would raise present labor costs by 11% to 17%.

Equally serious—the coalition—25 AFL-CIO unions plus the Teamsters—to date has refused to permit the regular bargaining groups to consider settlements related to the different industries and territories in which widely-scattered copper company establishments operate: lead mines in Missouri, seaport refineries of various metals, scrap-conversion plants, wire and cable plants, other manufacturing plants in industrial centers, as well as copper mining.

These union positions are the principal obstacles to settlement now.

The copper companies seek a settlement that will protect future jobs as well as put more money in the pockets of the workers now. This means keeping U.S.-produced copper competitive with that shipped from abroad and with alternate materials. It also means staying below levels that would cut the value of the dollars paid to workers or drawn by pensioners. Resisting inflation is a responsibility all must share.

IT IS TIME TO SETTLE NOW!

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