UNITED STATES DEPARTMENT OF LABOR
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BUREAU OF LABOR STATISTICS
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Union Agreements in Agricultural-Machinery Industry 1943

Bulletin No. 761

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Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D. C., January 17, 1944.

The SECRETARY OF LABOR:

I have the honor to transmit herewith a report on union agreements in the agricultural-machinery industry. The report is based on an analysis of 36 employer-union agreements, all of which were in effect during all or most of 1943.

This report, which appeared in the January 1944 Monthly Labor Review, was prepared by Everett M. Kassalow, under the supervision of Florence Peterson and Constance Williams, of the Bureau's Industrial Relations Division.

A. F. HINRICHS, *Acting Commissioner.*

HON. FRANCES PERKINS,
Secretary of Labor.

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United States Bureau of Labor Statistics

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Union Agreements in Agricultural-Machinery Industry 1943

THE agricultural-machinery industry, for purposes of this report, includes establishments which in 1939 were primarily engaged in the manufacture of agricultural machinery and equipment, and new plants established since 1939 to manufacture these products. The industry includes agricultural tractors, tractors used on construction work, and industrial tractors, but excludes agricultural hand tools.[1] Many of these establishments are currently engaged in the manufacture of tanks and other ordnance production and employment has expanded considerably as a result of the war program. In September 1939 there were approximately 56,000 workers in this industry; by September 1943 the number had grown to almost 96,000.

Although a relatively small number of large plants dominate the industry, agricultural machinery is also manufactured in a considerable number of small plants. Proximity to the market is probably the chief factor influencing the location of the farm-machinery industry. The grain farms of the Midwest constitute the largest market for the output of agricultural machinery, and Illinois and Wisconsin are the leading producers of farm machinery in the country.

Collective Bargaining in the Industry

Approximately 70 percent of the workers in the agricultural-machinery industry are covered by union agreements, more than three-fourths of these being employed in Illinois and Wisconsin.[2] Most of the large plants are covered by agreements, but the extent of union organization among the small plants is somewhat less. Of the 65 agreements in the farm-machinery industry of which the Bureau has record, 7 cover over 2,500 workers each; 9, between 1,000 and 2,500 workers each; and 9, between 500 and 1,000. The 7 largest plants under agreement employ nearly two-thirds of the organized workers.

Almost 55 percent of the agricultural-machinery workers under agreement are represented by the United Farm Equipment and Metal Workers of America (C. I. O.). The United Automobile, Aircraft and Agricultural Implement Workers of America (C. I. O.) has agreements covering nearly 20 percent of the organized workers, while federal labor unions of the A. F. of L. represent about 15 per-

[1] The 1939 Census of Manufactures divides the agricultural-machinery industry into two classes; one includes all agricultural machinery except tractors, the other is limited to tractors. These two classes are considered jointly in this article.

[2] This report is confined to agreements negotiated by unions which have agreements with more than one company. National Labor Relations Board election victories, involving about 6,000 workers, have recently been won by various unions in this industry. However, as these unions have not yet negotiated agreements, they are not included in this report.

cent and the United Electrical, Radio and Machine Workers of America (C. I. O.) represent more than 5 percent. Other agreements in the industry were negotiated by the International Association of Machinists (A. F. of L.), United Steelworkers of America (C. I. O.), the International Union of Molders and Foundry Workers of North America (A. F. of L.), the United Automobile Workers of America (A. F. of L.), the Pattern Makers League of North America (A. F. of L.), and the Metal Trades Department (A. F. of L.).

Unionization in the industry did not begin on a major scale until about 1937, although a few plants were under agreement before that date, and some of the larger companies, notably the International Harvester Co., had established employee-representation associations. In some cases, organization of these plants by international unions was facilitated by the existence of these representation plans and many of the officers and much of the machinery of the inside organizations were absorbed by the newly established locals of the international unions.

The United Farm Equipment and Metal Workers of America was originally a division of the Steel Workers Organizing Committee (C. I. O.). In July 1938, this group of locals withdrew from the Steel Workers and established the Farm Equipment Workers Organizing Committee, which in September 1942 was granted an international charter by the C. I. O. and adopted its present name.

The United Automobile, Aircraft and Agricultural Implement Workers of America (C. I. O.) secured an agreement in 1937 with the Racine (Wis.) plant of the J. I. Case Co., one of the largest companies in the industry. This union was originally established to organize workers in the automobile industry, but in 1937 its constitution was amended specifically to include agricultural-implement workers. Between 1938 and 1941, several attempts were made to merge the Farm Equipment Workers and the United Automobile Workers, but without success.

The Pattern Makers League of North America (A. F. of L.), the International Molders and Foundry Workers Union of North America (A. F. of L.), and the International Association of Machinists (A. F. of L.) have each negotiated a number of agreements covering certain skilled groups in a number of the large plants in the industry. In nearly all cases the production workers in these plants have been organized by other unions. Since this report deals primarily with the production workers, the agreements for these special groups are not included in the following discussion.

Coverage and Duration of Agreements

The following is an analysis of 36 agreements in the files of the Bureau of Labor Statistics, which cover nearly 90 percent of the employees in the industry working under agreements. All of these agreements were in effect during all or most of 1943; a few have expired during recent months and at present are subject to renegotiation. The greatest number of agreements were originally negotiated for 1-year periods, but they are automatically renewed from year to year unless a 30- or 60-day notice of intention to change or terminate has been filed by one or both parties. Nine agreements, including six for the International Harvester plants, are in effect for the duration of the war.

Maintenance workers as well as production workers are included under the terms of most of the agreements. Twenty-nine of the 36 agreements specifically exclude persons who perform supervisory functions, variously defined as foremen, assistant foremen, or supervisors; the others make no reference to supervisors or foremen in the coverage clauses.

Among the larger plants under agreement, which are included in this report, are the following:[4]

Company and plant	*Union*
Allis-Chalmers Manufacturing Co.:	
Springfield, Ill	United Farm Equipment and Metal Workers of America (C. I. O.).
David Bradley Manufacturing Works:	
Bradley, Ill	Metal Trades Council (A. F. of L.).
J. I. Case Co.:	
Racine, Wis	United Automobile Workers (C. I. O.).
Rock Island, Ill	Do.
Rockford, Ill	Do.
Caterpillar Tractor Co.:	
Peoria, Ill	United Farm Equipment and Metal Workers of America (C. I. O.).
Cleveland Tractor Co.:	
Cleveland, Ohio	Federal Labor Union (A. F. of L.).
Deere & Co.:	
John Deere Harvester Works, East Moline, Ill.	United Automobile Workers (C. I. O.).
International Harvester Co.:	
Tractor Works, Chicago, Ill	United Farm Equipment & Metal Workers of America (C. I. O.).
McCormick Works, Chicago, Ill	Do.
East Moline Works, East Moline, Ill	Do.
Richmond Works, Richmond, Ind	Do.
Farmall Works, Rock Island, Ill	Federal Labor Union (A. F. of L.).
Milwaukee Works, Milwaukee, Wis	Do.
Massey-Harris Co.:	
Racine, Wis	United Automobile Workers (C. I. O.).
Batavia, N. Y	United Steelworkers of America (C. I. O.).
Minneapolis-Moline Power Implement Co.:	
Minneapolis, Minn	United Electrical, Radio and Machine Workers of America (C. I. O.).
Moline, Ill	Do.
Oliver Farm Equipment Co.:	
South Bend, Ind	United Farm Equipment and Metal Workers of America (C. I. O.).
Charles City, Iowa	Do.
Battle Creek, Mich	United Automobile Workers (A. F. of L.).

[4] Some of these unions have agreements with additional plants of the same and other companies, but these are omitted because they are not classified by the Census as belonging to the agricultural-machinery industry. Current agreements for the following organized plants in the industry were not available at the time this report was prepared, and they are, therefore not included in the analysis: Allis-Chalmers Manufacturing Co., La Porte, Ind. (United Farm Equipment and Metal Workers of America, C. I. O.); Oliver Farm Equipment Co., Springfield, Ohio (United Automobile Workers of America, C. I. O.); Deere and Mansur Works of Deere & Co., Moline, Ill. (United Farm Equipment and Metal Workers of America, C. I. O.).

Union Status [5]

The importance of the National War Labor Board in influencing the pattern of collective-bargaining relationships is clearly revealed in this industry. Maintenance-of-membership clauses are included in 17 agreements which cover more than 80 percent of the workers under the 36 agreements. The clauses were incorporated as a result of National War Labor Board orders in 13 of the cases, including most of the large plants, namely, the three J. I. Case Co. plants, the Oliver Farm Equipment Co. plants at Charles City and South Bend, the Caterpillar Tractor Co., and the six International Harvester plants.[6] Among the four plants which adopted maintenance-of-membership clauses voluntarily are the John Deere Harvester Works and the Springfield plant of the Allis-Chalmers Manufacturing Co.

Only a small number of workers in this relatively newly organized industry are employed under closed- or union-shop conditions which require union membership as a condition of employment. Two of the nine agreements which provide for a closed or union shop exempt those employees who were not members prior to the signing of the agreement; however, all new employees must join the union. Only one large plant in the industry operates under a union-shop plan, namely, the Minneapolis-Moline Power Implement Co. at Minneapolis, which has had bargaining relationships with the United Electrical, Radio and Machine Workers for a number of years.

Ten of the 36 agreements, covering between 10 and 15 percent of the workers under agreement, provide no recognition beyond that of establishing the union as the sole bargaining agent. These agreements are chiefly confined to smaller plants, although they include the Cleveland Tractor Co., the two Massey-Harris plants, and the Oliver Farm Equipment Co. plant at Battle Creek.

Union activity or solicitation of members on company time is specifically prohibited in most of the agreements. The Allis-Chalmers agreement, however, states that the union may solicit membership upon company premises outside of working hours, although the company reserves the right to withdraw this privilege.

COLLECTION OF UNION DUES

None of the agreements in the agricultural-machinery industry provides for an automatic check-off of union dues by the company, and only four agreements permit individual employees to authorize deductions from their pay for union dues. Two of these are with plants which recognize the union as the sole bargaining agent, one is a union-shop agreement, and the fourth includes a maintenance-of-membership clause.

Although some of the agreements specifically prohibit the collection of union dues on company time or property, the John Deere Harvester Works and the Allis-Chalmers agreements permit the collection of union dues during lunch or before or after work.

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[5] For a detailed explanation of the various types of union status see Monthly Labor Review, February 1943 (pp. 284–290): Types of Union Recognition in Effect in January 1943.

[6] In the International Harvester cases the National War Labor Board did not grant maintenance-of-membership until a majority of the members in each local had voted in favor of acceptance of such a clause. To date, this is the only case in which the Board has included such an election as a prerequisite in a maintenance-of-membership order.

Wage Provisions

All but one of the agreements covering large plants provide for piece work as well as time work, but only about half of the agreements with smaller companies mention both types of rates. Detailed occupational-wage listings are provided in only eight agreements, although one other agreement specifies an addition of 5 cents an hour to the regular rate during the time any employee is called upon to do supervisory work. Four of the agreements with occupational listings and 11 other agreements specify plant-wide minimum rates. While these minimum hourly rates range from 40 to 75 cents, 13 agreements provide a plant minimum of at least 60 cents for men. Minimum rates tend to be somewhat higher in the large plants than in the smaller plants.

Four agreements have lower plant minimum rates for women workers than for men, the differences ranging from 10 to 15 cents per hour. Two agreements specifically prohibit different rates for men and women doing the same kind of work. In the remaining agreements no reference is made to wages of men and women, as such.

Eleven of the 15 agreements containing plant minimum rates provide hiring rates for new, inexperienced workers, which are below the general minimum scale. In nine of these agreements the differences between hiring and minimum rates range from 5 to 10 cents; in the tenth agreement the difference is set at 3 cents and in the eleventh at 22 cents. In six of these plants, the new employee is advanced directly to the minimum hourly rate after intervals which range from 30 days to 6 months, while in the other five, the minimum is reached by means of successive increases over a period varying in the different plants from 90 days to 2 years.

PIECE-RATE SYSTEMS

Most of the 28 agreements which mention piece work provide for some form of union participation in rate setting. In two of the smaller plants the union has a voice in determining individual rates. In one of these, the agreement states that the management may modify old rates or set new rates only by mutual agreement with the designated representative of the union, while in the other, the agreement provides that where piece rates prevail or are to be instituted, such rates shall be established by a joint employer-union committee. Sixteen agreements grant the union the right to negotiate with management on disputed rates; for example, the Massey-Harris Co. agreement (Batavia, N. Y.), states: "In the event that an average piece worker claims inability to make the basic rate, then a time study shall be promptly made by the company, and on the basis of such a time study, the company and the union will make mutually satisfactory disposition of the grievance."

In addition to granting the union the right to negotiate with management over disputes arising in connection with piece rates, some agreements provide specific safeguards for piece workers. The Cleveland Tractor agreement, for example, provides:

> No production workers engaged in work which normally carries a bonus rate shall be required to work for more than 2 days at the established day rate by reason of lack of tools or time-study men. At the end of such 2-day period, if a permanent bonus rate has not been established, a temporary bonus rate shall

be put into effect; otherwise the operator shall be paid at the rate of 150 percent of the day rate.

The J. I. Case Co. agreement covering the Racine plant states:

If any established piece rates do not permit a normal operator working at a reasonable pace to earn at least 10 cents per hour in excess of the base rate, the job shall be restudied and the revised piece price made retroactive to the date of the filing of the grievance * * *. If an employee shall fail to earn the base rate on any assigned operation because of the failure of the company to maintain jigs, tools, or fixtures, or by reason of faulty stock, or lack of materials, or because of working on short runs, he shall be paid not less than base rate * * *. Employees who ordinarily and usually work on piece-work operations shall, when employed on sample or experimental work or when detailed to serve as instructors, be paid not less than 5 cents per hour above their average hourly earnings on piece work.

INTERIM WAGE ADJUSTMENTS

None of the agreements studied for this industry contains provisions for automatic reconsideration of wages if the cost of living decreases or increases. In 21 agreements there is no reference of any kind to interim wage adjustments, thus implying that the general wage rates specified in the agreement, or those existing at the time the agreement was signed, are to remain for the duration of the agreement. Of the 15 which permit reconsideration of wages, 5 allow the question to be brought up at any time, while the others provide specified intervals. Thus, five of the International Harvester agreements permit the review of wages 6 months after the signing of the agreement and thereafter every 2 months upon 30 days' notice by either party. Expressed in one agreement and implied in the others, the basis for reconsideration of wages is "to meet changing conditions regarding hours, wages, and working conditions."

MINIMUM CALL PAY AND RECALL FOR OVERTIME

Payment of a minimum amount to employees who report at their hourly shift time, but are not employed a full shift, is provided in all agreements except a few with small companies. Not quite half of the workers, including those at the Caterpillar Tractor Co., the Allis-Chalmers plant, and the John Deere Harvester Works, are guaranteed a minimum of 4 hours' reporting pay. The greatest proportion of the other workers receive 2 hours' pay, although some are allowed pay for 3 hours.

The same minimum call pay probably applies to work outside regular hours in most plants, but only about half of the agreements specifically provide such guaranties for workers who are recalled after their regular shifts. Some of these set overtime rates for the total minimum time guaranteed.

SHIFT DIFFERENTIALS

With the institution of round-the-clock production in an increasing number of industries, the payment of shift bonuses has taken on special significance. All the agreements in this industry, except some covering small plants, refer to night operations, and about 80 percent of the workers under these agreements are allowed a wage differential for night work. Four of the eight agreements which refer to night work but do not establish night differentials provide that, if the company establishes 3 shifts in the plant, employees on all shifts are to

receive 15 minutes on company time at the regular hourly rate for the lunch period.

Predominantly in this industry, the same bonus is provided for the third as for the second shift, some of the agreements specifically mentioning two night shifts while others merely say "all night work." Under agreements providing night differentials nearly 40 percent of the workers covered are allowed 5 percent over day rates for all night work, and 30 percent are allowed 10 percent over day rates.

The proportions of workers under agreements providing shift differentials are shown in the following table for the various shifts.

Wage Differentials for Night Work in Agricultural-Machinery Industry

Proportion of workers covered by differentials	Differential paid for—	
	Second shift	Third shift
8 percent	3 cents per hour	5 cents per hour.
20 percent	10 cents per hour	10 cents per hour.
5 percent	5 percent over day rate	5 percent over day rate.
3 percent	5 percent over day rate	10 percent over day rate.
28 percent	10 percent over day rate	10 percent over day rate.
	General night-shift differentials	
3 percent	5 cents per hour.[1]	
33 percent	5 percent over day rate.	

[1] One agreement provides a 5-cent differential for "regular" night workers, and 2 cents for employees working on rotating shifts.

Pay for Overtime, Week-End Work, and Holidays

Overtime pay for all work in excess of 8 hours per day or 40 hours per week, at time and a half, is provided for all production workers in all the agreements and for maintenance workers in nearly all.

Although many of the agreements provide premium rates for Saturday and Sunday work, the majority of these were negotiated before the effective date of Executive Order No. 9240.[7] In 21 agreements, most of which are for smaller companies, specific reference is made to Saturday and Sunday or to Sunday only, and most of these exclude watchmen, firemen, and other maintenance workers from week-end premium rates. Without exception the larger-company agreements which refer to Saturday and Sunday provide time and a half for Saturday work and double time for Sunday work. Some of the small plants provide time and a half for both days, while others pay double time for Sunday with no mention of Saturday.

Most of the agreements for the large plants provide time and a half for the sixth day and double time for the seventh day worked in a workweek with no premium for Saturday and Sunday as such. The Caterpillar Tractor Co. agreement specifically states that this provision on premium pay has been included in order to conform with the Executive order, and another agreement provides for the restoration of premium pay for Saturday and Sunday work as such after the war emergency.

[7] Agreement provisions regulating pay for week-end work have been superseded by Executive Order No. 9240 "on all work relating to the prosecution of the war." The order prohibits premium pay for Saturday and Sunday work as such and makes the payment of double time for the seventh consecutive day of a regularly scheduled workweek mandatory. Payment of a premium rate on the sixth day is permitted if it has been paid previously either for the sixth day of work or for Saturday.

Under the Executive order, even where no work is performed on a holiday, this day is counted as a day worked in computing the sixth day in a workweek, unless the agreement has a provision to the contrary. None of the agreements studied included such a statement; one agreement, however, specifically provides for time and a half after 32 hours in a holiday week.

HOLIDAYS

None of the agreements in the agricultural-machinery industry provides pay for holidays not worked, but nearly all provide penalty rates for work performed on designated holidays. The great majority of the agreements conform to the Government provision that time and a half be paid for work performed on six designated holidays.[8] However, 10 agreements, which were negotiated prior to Executive Order No. 9240, fix double-time rates and three specify seven holidays, while several make no reference to holidays.[9] One provides for pay at the rate of time and a half during the "war emergency", with the return to double time after the war. The six International Harvester agreements require time and a half on those jobs which customarily operate on a 7-day basis and double time for emergency work on legal holidays. Five agreements, all with smaller plants, specifically exclude watchmen, firemen, janitors, and similar nonproduction workers from the special holiday rate.

Paid Vacations

Almost 95 percent of the workers under agreement are entitled to paid vacations after meeting specified service qualifications. Of the eight agreements which do not contain paid-vacation provisions, only one is with a large company.

About 55 percent of the workers are covered by agreements which provide minimum and maximum vacation allowances based on length of service. The six International Harvester Co. plants, the two Minneapolis-Moline Co. plants, and the John Deere Harvester Works agreements provide 1 week's vacation with pay after 1 year of service and 2 weeks with pay after 5 years of service. Several agreements of smaller companies provide graduated vacation allowances, ranging from 3 days after 2 years' service and 1 week after 8 years, to 1 week after 1 year and to 3 weeks after 25 years' service.

The Caterpillar Tractor Co. employees receive 2 weeks' vacation, with pay equal to 4 percent of the employee's gross earnings during the preceding company fiscal year. All of the remaining agreements provide 1 week's vacation allowance, the service requirements ranging from 10 months to 2 years.

Leave of Absence

Leaves of absence for personal reasons, such as illness in the family and temporary physical disability, are permitted in 27 of the 36 agreements and cover over 95 percent of the total workers. While

[8] Executive Order No. 9240 requires the payment of time and a half on New Year's Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day, and either Memorial Day or one other holiday of greater local importance, and prohibits premium pay for any other holiday.

[9] The terms of the Executive order apply to all plants engaged in war production and would, therefore supersede the provisions of these agreements.

some agreements limit such leave to 6 months or less, in most of them no time limits on leave are mentioned. Three of the International Harvester agreements, which have no limits for other reasons, stipulate that pregnant employees are to be granted 1 year of leave. Fifteen agreements, including five which do not specify any time limits on leave, provide cumulation of seniority during an employee's absence. The seniority status of the employee on his return is not mentioned in the other 12 agreements.

Leave of absence for union business is provided in 22 agreements, including almost all of the larger companies and covering approximately 90 percent of the workers. The extent of this leave varies from 30 days to an indefinite period, although most permit at least 1 year's leave for union business. Cumulative seniority for employees on leave for union business is provided for in at least 16 agreements; under the others the seniority status is not clear.

Seniority Rules

Seniority rights, acquired after serving specified probationary periods, are provided in all but 1 of the 36 agreements. Although probationary periods vary from 15 days to 1 year, the greater number require at least 3 months. Those agreements which require 6 months or longer before seniority begins are with large companies. These unusually long periods are due to the normally seasonal nature of the industry and to the fact that such companies periodically employ large numbers of temporary employees.

Seniority rights, once acquired, apply to lay-offs and rehiring, and in many cases also affect promotions. Under a few agreements senior employees have first choice of shifts and vacation time.

Employees may exercise their seniority rights in connection with lay-offs and rehiring, or promotions, only in the unit to which seniority applies. In 19 agreements, covering more than 55 percent of the workers, the unit specified is the department; in 5 agreements (all with very small plants), seniority is on a plant-wide basis, but one of these specifies that seniority applies by occupation. Both the plant and the department are specified as units in 9 agreements, covering more than 40 percent of the workers. Included among these are the 6 International Harvester agreements, which state that employees obtain department seniority after 6 months, and plant seniority after 1 year. Only 2 agreements, both with small plants, fail to define the unit to which seniority applies; one of these states that "seniority will be recognized insofar as possible * * * but in our factory the work is in so many departments that no further statement of seniority can be given definitely."

LOSS OF SENIORITY

Under most agreements seniority is generally retained during periods of enforced lay-offs—usually limited, however, to a specified length of time, after which seniority rights are lost. Nineteen agreements, covering more than 95 percent of the workers under agreement, specify periods from 1 to 5 years, although the greatest number of these provide for the retention of seniority rights for at least 3 years following any lay-off; in a few agreements the time varies with the

length of the employee's previous service. Eight agreements, covering a little more than 5 percent of the workers, set no time limit on the retention of seniority by employees during lay-off. The others do not indicate how a lay-off affects the employee's seniority status.

Failure of a laid-off employee to return to work within a specified time—from a few days to a few weeks—when requested by the company to report, results in loss of seniority under most agreements, although in a few cases laid-off employees are permitted to reject offers of temporary employment without loss of seniority. One agreement, which establishes no time limit for retention of seniority, requires laid-off employees to report to the company every 3 months.

In addition to conditions arising from lay-offs, other grounds for loss of seniority mentioned in agreements include failure to report to work at termination of a leave of absence or furlough, engaging in other employment without consent of the company, and inability of the company to find the worker when desiring to notify him to return to work.

LAY-OFF AND REHIRING

Seniority is the determining factor in selecting workers for lay-off and rehiring, according to nearly all the agreements. When lay-offs occur and more than one type of work is included in the plant or department unit to which seniority applies, longer-service employees may displace shorter-service employees on other occupations, provided they are "capable of doing the work of the shorter-service employee." In some cases, the employee who displaces or "bumps" a worker with less seniority is put on probation for a period ranging from 3 days to a few weeks, and if it is found that he is not performing satisfactorily on the new job, he may be laid off.

Two agreements, covering a small number of workers, specify that in lay-offs seniority is to be given consideration along with such other factors as experience, efficiency, physical fitness, family status, etc. Two other agreements which include seniority provisions do not specify the status of senior employees in connection with lay-offs and rehiring. One agreement provides that at the termination of the war or national emergency, "all male employees will be given prior rights of employment over female factory employees," but also states that "wherever possible, preference in hiring will be given to the wives of the men serving in the armed forces of the country."

Lay-off notice.—Advance notice of lay-offs to employees or to the union, or to both, is required in about half of the agreements. In most cases the length of this notice varies from 1 to 3 days, although one agreement provides for 2 weeks' notice to employees with at least 1 year of service. One agreement with a small plant provides that a regular employee whose employment is permanently terminated is to be given 1 week's notice or 1 week's pay in lieu thereof.

Lay-off of union stewards.—Eighteen agreements, covering more than three-fourths of the workers under agreement, encourage continuity of grievance-adjustment personnel by providing that the union's shop committeemen and stewards are to head the company seniority-rating lists as far as lay-offs are concerned. The number of union officials with preferred seniority status is frequently specified in the agreement, and such officials must, of course, be capable of performing the work of the employees they may displace.

Work sharing.—Thirteen agreements provide for work sharing before lay-offs are made. These agreements cover most of the large companies, including the six International Harvester plants. Nearly all of them provide for the lay-off of probational employees before work sharing commences. In the Cleveland Tractor agreement, all workers with less than 4 years' seniority, and in another agreement with a smaller company, employees with less than 2 years' seniority, shall be laid off before work sharing is instituted.

Eleven agreements provide that work will be shared until the hours are reduced to 32 per week. Two agreements establish minimum workweeks of 36 hours and 30 hours, respectively, before lay-offs are to be made on the basis of seniority.

PROMOTIONS

Only 1 agreement with a small plant provides for promotion on the basis of seniority alone. In 21 agreements, covering almost three-fourths of the workers, seniority is to be considered along with other factors, such as ability and skill. The greatest proportion of these agreements include a clause similar to that found in the Caterpillar Tractor agreement, stating that in promotions, "length of service will govern whenever qualifications for the next job are approximately equal." A few agreements specifically provide that disputes arising out of promotions may be referred to the grievance machinery. The agreement which provides that seniority alone is to govern promotions limits seniority to department units. Several agreements do not include procedures for promotion; one of these specifies that promotions are to be the exclusive prerogative of management and the others say nothing about the matter.

Discharge

Specific reasons for discharge are included in only a few agreements, the majority merely stating that employees are to be discharged only for "just" or "reasonable" cause. Typical of those giving specific causes is the Oliver Farm Equipment agreement, covering the Battle Creek plant, which states:

> Causes for discharge may be for insubordination, dishonesty, inefficiency or violation of shop rules. It is agreed that the decision to discharge an employee must rest upon evidence that is conclusive and that the reason for discharge will be clearly stated to the employee.

Most of the agreements provide for appeal of discharge cases and where the subject of discharge is not specifically mentioned it can be assumed that discharge cases may be submitted to the regular grievance machinery. In 20 agreements, covering about 75 percent of the workers, the union is expressly granted the right to submit the cases of discharged workers under the regular grievance procedure, 17 of these specifying that if the employee's discharge is found to be unjust, he is to be reinstated with full compensation for time lost. Discharge complaints must be presented to the company within a few days after an employee's discharge, and are to be disposed of within a specified period, usually 5 days. The International Harvester Co. agreements provide that "the company must be notified of a claim of wrongful suspension or discharge within 3 working days after same occurs and

the case shall be taken up promptly and diligent efforts made to dispose of it within 5 working days."

Three agreements—two with the Minneapolis-Moline Co. plants and one with the John Deere Harvester Works—provide that before any employee may be discharged the company must give advance notice to the steward of the department in which the employee is working. The John Deere agreement further specifies that discharged employees who so desire will be granted a hearing, in which the employee, union, and company will participate. If it is decided that the employee has been unjustly discharged, he is to be reinstated to his former status, with no loss in pay.

Military Service and War Jobs [10]

Reemployment and seniority rights of employees who volunteer or are drafted for military service are referred to in 26 of the 36 agreements, covering more than 80 percent of the workers under agreement. Most of the agreements state that upon presentation of an honorable-discharge certificate the employee is to be restored to his former position, or one of similar status and pay, with no loss in seniority, unless the company's circumstances have so changed as to make this impossible.

Nine agreements, including those of the six International Harvester plants, the two Minneapolis-Moline agreements, and the Allis-Chalmers agreement, include pledges by the company to pay the premium on the absent employee's group-life-insurance policy for at least 1 year. Four agreements require the company to pay a bonus equal to 1 month's salary to all employees entering military service and two specifically provide the payment of earned vacation bonuses.

War jobs.—Six agreements, all but one of which are with large companies, refer to the seniority status of employees who transfer or are transferred to other plants engaged in war work. Two, including the Massey-Harris (Racine) agreement, merely state that seniority shall accumulate for workers who are drafted by the Government for occupational as well as military reasons. Two Oliver Farm Equipment Co. agreements (Charles City and South Bend) provide, that if the company "is unable to give full-time employment to an employee, it will, at the request of the employee, grant him a leave of absence without the loss of seniority rights to obtain full-time employment in another defense industry." Further, the agreements state that "added consideration" will be given to any employee "whose service is of a special nature and may be necessary for governmental defense projects."

Two of the International Harvester agreements provide special protection for employees who are laid off by the company and subsequently enter "defense" work:

> Where an employee having seniority rights with the company and working on nondefense production is laid off and obtains defense employment with another company, and that fact is properly certified to the International Harvester Co., he will not report back for nondefense production work in order to protect his seniority so long as he retains the defense employment for which he was certified. If he shifts from one defense employment to another there must be a recertification as to his new defense employment.

[10] For a more complete discussion of this problem, see Monthly Labor Review, December 1942 (p. 1147): Military Service and War-Job Clauses in Union Agreements.

These two agreements further state that if any employee who is working on nondefense production wishes to accept "defense employment with another company * * *" he "may be released with full protection of * * * seniority rights" if the International Harvester Co. agrees that he "can be spared or loaned."

Employees shifted to war-work departments, temporarily created during the national emergency, are protected from loss of seniority in the John Deere Harvester Works agreement, which provides that employees "will retain and accumulate seniority" in the departments "from which they were transferred to war work." New employees in these temporary departments accumulate seniority, "and after the war will carry this seniority to whatever division they may be transferred."

Safety and Sanitation

Clauses relating to health, safety, and sanitation are contained in most of the agreements. Such clauses generally consist of pledges by the employer "to furnish healthful working conditions at all times and to provide adequate and modern devices with regard to safety and sanitation." Disputes arising under this article are usually referred to the regular grievance machinery.

About half of the agreements provide for union participation in the administration of plant health and safety rules, generally by means of a special safety committee. The Caterpillar Tractor Co. agreement, for example, states:

> It is agreed that the union will appoint a safety committee of three to encourage the observance of safety rules and the furtherance of the safety and sanitation programs, with which committee the company's safety representatives will meet once each month at a mutually agreeable time.

Three of the International Harvester Co. agreements, in addition to providing for union participation in the administration of plant safety rules, establish 15-minute rest periods in the morning and afternoon for female employees.

Adjustment of Disputes

All but one of the agreements establish formal machinery for the adjustment of grievances and the majority provide some form of arbitration procedure. As might be expected, the agreements covering the larger plants contain more detailed provisions on the presentation of grievances, the functions of shop stewards, etc., than do those covering smaller plants. In only a few cases is the term "grievance" defined; for example, the Caterpillar Tractor agreement defines a grievance as "any difference which might arise between the parties or between the company and an employee covered by this agreement, as to (1) any matter relating to wages, hours of work, or working conditions not covered by this agreement; and (2) any matter involving the interpretation or violation of any provisions of this agreement."

GRIEVANCE MACHINERY

Agreements in the agricultural-machinery industry vary considerably with respect to the procedures to be used in presenting grievances to the foremen. Under the terms of 20 agreements (including the 6

International Harvester plants), which cover almost 85 percent of the workers, the employee has the option of presenting grievances to his foreman alone or of being accompanied or represented by his shop steward or other designated union official. Eight agreements, covering small plants, require the employee to consult with his foreman or other subordinate company official before taking his grievance to the union. Under the terms of 6 agreements, the union steward presents the grievances to the foreman, while under 2 others the aggrieved employee must accompany the union representative.

If grievances are not adjusted through this procedure, the agreements generally provide that the shop steward shall take up the dispute with the department foreman and, if necessary, with the plant superintendent. If the dispute is not settled at this stage, it is referred to the entire plant grievance committee and some designated company representative. Five of the International Harvester agreements provide that if the grievance cannot be adjusted by the employee, or his steward, and his foreman, it is to be referred directly to the shop committee of the union and a committee appointed by the plant superintendent.

When a dispute is not settled by the entire plant committee and the management representatives, the union may usually call upon an outside representative, frequently a national official of the union, who attempts to adjust the difference in conference with top representatives of the company.

To guard against prolonged delay in the disposition of disputes, almost all the large company agreements impose time limits on the operation of the grievance machinery and many provide for frequent regular meetings between the plant grievance committee and the management.

PAYMENT DURING ADJUSTMENT MEETINGS

Shop stewards are paid for time spent in attendance at all formal grievance meetings with management held during working hours, under the terms of 11 agreements, covering more than 40 percent of the workers. Under 10 additional agreements, covering almost 30 percent of the workers, stewards receive pay for time lost only if the meetings are called by management. Four agreements, covering slightly over 5 percent of the workers, specifically state that attendance at grievance meetings is on the employee's own time. No mention is made in the remaining agreements of payment or nonpayment for time spent in adjusting grievances.

ARBITRATION

Arbitration by an impartial individual or agency, when negotiations between the highest union and company officials fail to result in a settlement, is provided in 19 agreements, covering three-fourths of the workers. Fourteen of these, covering more than half of the workers, provide that unsettled disputes are to be submitted to arbitration at the request of either party. Among these are two International Harvester plants (Rock Island and Milwaukee), the Allis-Chalmers plant, the Minneapolis-Moline plant at Minneapolis, and the Caterpillar Tractor plant.

Five agreements (including the four agreements between the International Harvester Co. and the United Farm Equipment and Metal Workers of America) provide for arbitration only by mutual consent of both company and union. Under such a clause, the party which is satisfied with existing conditions may refuse to submit a disputed issue to arbitration and the aggrieved party must either yield or resort to a strike or lockout.

Among the 17 agreements which make no provision for arbitration are those covering the J. I. Case plant at Racine, the John Deere Harvester Works, the Oliver Farm Equipment Co. plants at South Bend and Battle Creek, the Cleveland Tractor Co., and the Racine plant of the Massey-Harris Co.

The Allis-Chalmers agreement provides for a permanent impartial referee, selected and compensated by both parties, to whom unsettled grievances are referred for final decision. In the other 18 agreements which make provision for arbitration, the arbitrator is chosen at the time of a dispute. If the company and union are unable to agree on the choice of an impartial arbitrator, 12 agreements provide that the selection is to be referred to a designated public agency. Most frequently named agencies are the U. S. Conciliation Service and the National War Labor Board, although one agreement delegates the choice to the Illinois Department of Labor, and another to a State judge. Most of the agreements which include maintenance-of-membership clauses state that any dispute arising under this particular provision, not settled under the grievance machinery, is to be referred to an arbitrator appointed by the National War Labor Board.

Generally, arbitration may be invoked in settlement of any question arising under the terms of the agreement. For example, the Minneapolis-Moline (Minneapolis) agreement states that all questions arising under the terms of this agreement or its application are subject to arbitration.

Strikes and Lockouts

All but four agreements, which make no reference to strikes, place some restrictions on work stoppages. Almost half prohibit work stoppages altogether, while the agreements are in effect, and an additional 13 prohibit stoppages pending operation of all stages of the grievance machinery. Arbitration is provided in 14 of the 16 agreements which prohibit stoppages for the duration of the agreement, while only 2 of the 13 agreements which forbid stoppages pending resort to the grievance machinery include provisions for arbitration. One other agreement, which provides for automatic arbitration of unsettled disputes, nevertheless permits strikes on 60 days' written notice to the company.

Two of the Oliver Farm Equipment Co. agreements (Battle Creek and South Bend), which do not include any arbitration clauses, provide that no strikes are to be called until a strike vote has been taken by secret ballot under control of an election board consisting of one representative each from the union and the company, and one chosen by a designated public agency. All workers covered by the agreement, including those not at work but possessing seniority rights, are entitled to vote, and a strike may be called only after a majority-vote approval.