Labor-Management Contract Provisions 1949–50

Prevalence and Characteristics of Selected Collective Bargaining Clauses

Bulletin No. 1022

UNITED STATES DEPARTMENT OF LABOR

MAURICE J. TOBIN, *Secretary*

BUREAU OF LABOR STATISTICS

EWAN CLAGUE, *Commissioner*

[From the Monthly Labor Review of the Bureau of Labor Statistics, November 1949, February, April, June, August, September, December 1950 and January 1951 issues.]

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LETTER OF TRANSMITTAL

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D. C., March 2, 1951.

The SECRETARY OF LABOR:

I have the honor to transmit herewith a report on the prevalence and characteristics of certain types of clauses contained in collective bargaining agreements. The report is divided into nine sections—each dealing with a particular field covered in collective bargaining: Arbitration; Paid Vacations; Dismissal Pay Provisions; Sickness and Accident Benefits; Union-Security Provisions; Safety Provisions; General Wage Adjustment Provisions; Employer Unit in Collective Bargaining; and Holiday Provisions.

These studies were based upon analysis of a wide variety of labor contracts especially selected for each study from the Bureau's file of approximately 12,000 labor-management contracts voluntarily submitted by employers and labor organizations.

This report was prepared under the direction of Irving Rubenstein by members of the staff of the Division of Industrial Relations, Nelson M. Bortz, Acting Chief.

EWAN CLAGUE, *Commissioner.*

Hon. MAURICE J. TOBIN,
Secretary of Labor.

Contents

Arbitration Provisions in Union Agreements in 1949[1]

SOME TYPE OF ARBITRATION was provided for in 1,237, or 83 percent, of 1,482 current collective-bargaining agreements analyzed in a 1949 survey by the Bureau of Labor Statistics.[2] Although strictly comparable statistics regarding the prevalence of arbitration provisions in agreements of previous years are not available, a Bureau study in 1944, covering 14 selected manufacturing industries, indicated that 73 percent of the agreements analyzed contained arbitration clauses.[3] A National Industrial Conference Board study in 1945 found that 74 percent of 291 companies covered had agreements containing such clauses.[4]

No matter how carefully contracts are drafted, disagreements frequently arise regarding the meaning and application of clauses or issues not anticipated by the parties when the agreements were negotiated. Arbitration provisions in collective-bargaining agreements afford a procedure for settling such disputes by submitting them to an impartial umpire or board, whose decision shall be final and binding.

Arbitration, of course, has its drawbacks. Unions and employers occasionally fail to make a bona fide attempt to settle their differences by direct negotiation when an arbitrator is available to make the decision. Sometimes settlements imposed by an outsider (the arbitrator) leave the parties dissatisfied, even though they have agreed in advance to accept the decision. In a few instances the financial costs of arbitration impose a hardship, particularly on small employers and unions.

Arbitration has become an accepted practice in many industries (table 1). Indeed, voluntary submission of unsettled disputes to arbitration has been commonly followed in some industries for decades. The first international arbitration agreement between the American Newspaper Publishers Association and the International Typographical Union (AFL) was signed in 1901. The agreement covering the Printing Pressmen and Assistants' Union (AFL) was first signed in 1902, and similar agreements were signed shortly thereafter by other printing-trades unions.[5] Boards of arbitration were established in some branches of the apparel industry as early as 1910.[6] The late W. H. Mahon, former president of the Amalgamated Association of Street Electric Railway and Motor Coach Employees of America (AFL), was a leading advocate of arbitration as a means of settling disputes, and agreements of that union have included arbitration provisions for many years.[7] At the President's Labor-Management Conference of 1945, both labor and management representatives unanimously agreed that arbitration should constitute the final step in a sound grievance procedure, and recommended:

> The parties should provide by mutual agreement for the final determination of any unsettled grievance or disputes involving the interpretation or application of the agreement by an impartial chairman, umpire, arbitrator, or board. In this connection the agreement should provide:
>
> (a) A definite and mutually agreed-upon procedure of selecting the impartial chairman, umpire, arbitrator, or board;
>
> (b) That the impartial chairman, umpire, arbitrator, or board should have no power to add to, subtract from, change, or modify any provision of the agreement, but should be authorized only to interpret the existing provisions of the agreement and apply them to the specific facts of the grievance or dispute;
>
> (c) That reference of a grievance or dispute to an impartial chairman, umpire, arbitrator, or board should be reserved as the final step in the procedure and should not be resorted to unless the settlement procedures of the earlier steps have been exhausted;
>
> (d) That the decision of the impartial chairman, umpire, arbitrator, or board should be accepted by both parties as final and binding;
>
> (e) That the cost of such impartial chairman, umpire, arbitrator, or board should be shared equally by both parties.
>
> Any question not involving the application or interpretation of the agreement as then existing but

[1] Prepared in the Bureau's Division of Industrial Relations by James C. Nix, under the supervision of Irving Rubenstein.

[2] Agreements included in this study were in effect during all or some part of 1949. Of the 1,482 in the sample, 1,036 were in manufacturing industries and 446 in nonmanufacturing. Employment data were available for 3,020,000 workers covered by 977 of the agreements. About 47 percent of the agreements were concluded by unions affiliated with the American Federation of Labor, 39 percent by affiliates of the Congress of Industrial Organizations and 14 percent by independent unions.

[3] U. S. Department of Labor, Bureau of Labor Statistics, Bulletin No. 780: Arbitration Provisions in Union Agreements.

[4] Management Record, New York, April 1945.

[5] How Collective Bargaining Works, pp. 50–64. New York, Twentieth Century Fund, 1942.

[6] The Needle Trades, by Joel Seidman. New York, Farrar and Rinehart, 1942.

[7] The Union Leader, Chicago, Ill., Nov. 5, 1949.

which may properly be raised pursuant to agreement provisions should be subject to negotiation, conciliation, or such other means of settlement as the parties may provide.

Where an agreement contains a renewal clause and a change or modification or reopening of the agreement is requested by either party, or where the existing agreement is about to be terminated, ample time prior to the termination of the agreement should be provided for the negotiation of a new or modified agreement. If such negotiations should fail, the parties should make early use of conciliation, mediation, and where mutually agreed to, arbitration.

Nothing in this report is intended in any way to recommend compulsory arbitration, that is, arbitration not voluntarily agreed to by the parties.[8]

Widespread acceptance of arbitration for settlement of grievances arising during the life of the contract was revealed by the current analysis of contracts (see table 1).

Contract clauses vary considerably in detail and complexity. Some merely stipulate that all unsettled employee grievances shall be arbitrated. Others outline in detail the precise issues subject to arbitration, the form of submittal, composition of the arbitration agency, selection of arbitrators, and allocation of costs.[9]

Jurisdiction of Arbitrator

Some agreements limited the arbitrator to consideration of questions of interpretation and application of the contract provisions. Others extend the application of arbitration to all issues arising between the employer and the employee and union. A few place disputes over the terms of new or revised agreements within the jurisdiction of the arbitration agency (chart 1).

TABLE 1.—*Prevalence of arbitration provisions in 1,482 collective-bargaining agreements, by major industry group*

Percent of agreements containing arbitration clauses—					
90–100	80–89	70–79	60–69	50–59	40–49
Manufacturing	*Manufacturing*	*Manufacturing*	*Manufacturing*	*Manufacturing*	*Manufacturing*
Transportation equipment (except automobiles). Textiles. Apparel. Leather and its products. Food. Paper. Printing and publishing. Petroleum and coal products. Rubber. Miscellaneous manufacturing industries.	Electrical machinery. Nonferrous metals and their products. Chemicals.	Iron and steel and their products.	Machinery (except electrical). Automobiles. Lumber, furniture, and finished wood products.	Stone, clay, and glass products.	Tobacco.
Nonmanufacturing	*Nonmanufacturing*	*Nonmanufacturing*	*Nonmanufacturing*		
Transportation. Public utilities.	Mining, crude petroleum, and natural-gas production.[2] Wholesale trade. Retail trade.	Services. Miscellaneous nonmanufacturing industries.	Construction.[1]		

[1] The sample of agreements available for construction was very small in relation to the size of the industry and may not reflect accurately the prevalence of arbitration in this industry.

[2] The National Bituminous Coal Mining Agreement provides for arbitration of local and district disputes, "should differences arise between the mine workers and the operators as to the meaning and application of the provisions of this agreement, or should differences arise about matters not specifically mentioned in this agreement, or should any local trouble of any kind arise at the mine." If the dispute is national in character, it is to be settled "by the full use of free collective bargaining as heretofore known and practiced in the industry."

In more than four-fifths of the agreements, any grievances arising out of the application or interpretation of the terms of the agreements are specifically included within the scope of arbitration.

About 1 arbitration clause out of every 10 permitted the arbitrator to decide issues not covered by the agreement, as well as those covered. Some agreements give the arbitrator jurisdiction over all such issues, for example:

> All disputes and grievances which arise under this agreement as well as those on matters not specifically covered by this agreement shall be peaceably settled and resolved by arbitration.

Other agreements limit the arbitrator's jurisdiction over extra-contract issues to specified types of disputes, such as those arising from demands for general wage increases or decreases during the life of the agreement. The following illustrates this kind of provision:

[8] Report of Conference Committee on Existing Collective Agreements, as quoted in U. S. Department of Labor, Division of Labor Standards, Bulletin No. 77: The President's National Labor-Management Conference, November 5–30, 1945.

[9] For a wide variety of illustrative arbitration clauses, see U. S. Department of Labor, Bureau of Labor Statistics, Bulletin No. 908–16: Grievance and Arbitration Provisions.

> Either party hereto may request a general revision upwards or downwards in rates of pay . . . Requests for a revision under this section shall be in writing and shall be mailed or delivered to the other party not less than 60 days prior to the requested revision date. Upon the giving of such written notice, the parties shall immediately negotiate the request and if they are unable to agree within 15 days after the receipt thereof, either party may request arbitration of the dispute.

Few agreements (only 2 percent) permitted arbitration of the terms of a new or revised agreement. These allowed the arbitrator to decide the issues involved after the parties had attempted to negotiate a new agreement and had not succeeded in doing so.

About 15 percent of the agreements either did not outline the scope of the arbitrator's jurisdiction, or stated it in general terms such as "controversies between the parties."

In addition to, or in lieu of, specifying the matters which were within the arbitrator's jurisdiction, many agreements specified those that were not arbitrable. Over a third (36 percent) included provisions prohibiting the arbitrator from adding to, subtracting from, or otherwise changing the existing agreement.

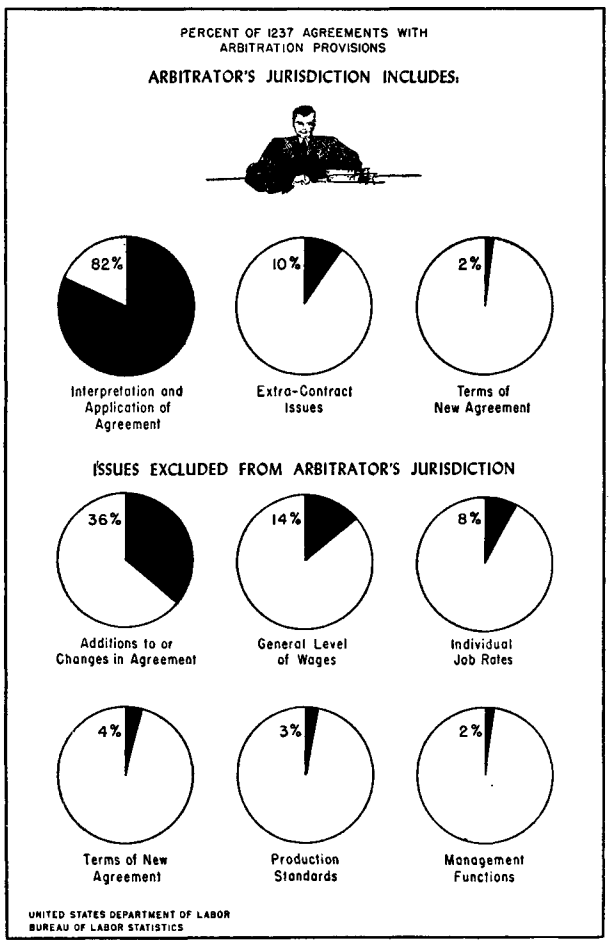
Arbitration of disputes regarding the terms of a new agreement were specifically prohibited by about 4 percent of the agreements.[10] A typical clause follows:

> In the event of termination of this agreement, negotiations for a new agreement shall be commenced 40 days prior to the termination of this agreement. Nothing in this agreement shall be construed as an agreement to submit to arbitration any questions involved in the negotiation for a new agreement.

About 14 percent of the agreements excluded from the arbitrator's jurisdiction grievances or disagreements concerning increases or decreases in the general wage level.

Other subjects excluded from arbitration by some agreements were individual job rates, production standards or work loads, management rights, union security, questions involving union laws and constitutions, jurisdictional disputes, safety and health measures, pension, insurance, and other benefit plans.

Chart 1. Jurisdiction of Arbitrator



Some agreements with arbitration clauses failed to indicate specifically the functions or the limitations on the arbitrator. The chart, therefore, refers only to those agreements which dealt with these problems in sufficient detail to permit classification as shown above.

Arbitration Machinery

The arbitration machinery provided by agreements may consist of a single individual or a board of several individuals. Appointments may be temporary or on a permanent basis for the life of the contract or for a stipulated period (see table 2).

If a board is used, the parties usually designate an equal number of arbitrators—ordinarily only one, but sometimes two or more—for each side. In some instances, no impartial third party is added unless the arbitrators designated by employer and union are unable to reach a decision. Usually, however, a third, or neutral, party is

[10] Over 90 percent of the agreements did not mention arbitration of disputes over the terms of new agreements, but ordinarily such disputes are not arbitrable under terms of existing contracts.

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designated before the proceedings begin. The third party may be agreed upon by the employer and the union directly or chosen by the arbitrators appointed to the board. In the event of a deadlock over the selection, an impartial agency or individual may be called upon to choose the third party.

Many employers and unions prefer an arbitration board, because under that plan their representatives participate in the discussions and proceedings and have a part in making the decision. This may be especially important in cases involving technical matters, with which an outsider might not be familiar. On the other hand, a board of arbitrators may be more expensive than a single arbitrator, and in some instances more time-consuming.

An individual arbitrator, or a separate board, may be chosen each time a dispute arises; or the same individual or board may serve as frequently as necessary during the life of the agreement or for some other designated period. The first situation is often referred to as "ad hoc arbitration," and the second as "permanent arbitration," the latter meaning that the arbitrator or arbitrators serve for relatively long and generally fixed periods.

"Ad hoc" arbitration and permanent arbitration each has certain advantages. A permanent arbitrator can become familiar with the practices and problems of the industry and with the personalities of management and union representatives. A permanent arbitrator's decisions are likely to be consistent with one another, thereby establishing precedents for the guidance of employer and union in similar problems. Also, when the arbitrator serves on a continuous basis, no time need be lost in selecting an arbitrator each time a case is referred to arbitration. On the other hand, many employers and unions do not have enough arbitration work to justify retaining a permanent arbitrator. Moreover, the parties may wish to have certain types of cases, such as time-study or incentive-wage disputes, arbitrated by specialists technically qualified in the field involved, rather than have one arbitrator handle all types of disputes.

The most prevalent type of arbitration machinery provided by collective-bargaining agreements is a temporary board. The following clause illustrates this type of machinery, which was provided by 52 percent of the agreements containing arbitration provisions:

TABLE 2.—*Types of arbitration machinery established by collective-bargaining agreements*

Industry group	Number of agreements with arbitration provisions	Single arbitrator		Board of arbitrators		Other [2]	Details of machinery not specified
		Permanent	Temporary	Permanent	Temporary		
		Percent of agreements [1]					
All industries	1,237	10	27	4	52	3	4
All manufacturing industries	859	11	33	5	43	4	4
Iron and steel and their products	93	4	59	4	24	6	3
Electrical machinery	47	4	24		38	4	30
Machinery, except electrical	55	7	36		47	4	6
Transportation equipment, except automobile	36	22	41	3	28	3	3
Automobiles	11	46	18	9	27		
Non-ferrous metals and their products	50	4	48	4	32	10	2
Lumber, furniture, and finished wood products	41		15		80		5
Stone, clay, and glass products	40	12	28	3	45		12
Textiles	79	11	33		38	17	1
Apparel	19	74	5	16		5	
Leather and its products	59	7	74		14	3	2
Food	96	8	12	7	73		
Tobacco	9	11	56		33		
Paper	29		38	7	48	7	
Printing and publishing	33	6	21	43	27	3	
Chemicals	55	7	22		69	2	
Petroleum and coal products	48		21		75		4
Rubber	42	55	7	10	26		2
Miscellaneous	17	6	29		47	6	12
All nonmanufacturing industries	378	6	16	4	70	1	3
Mining, crude petroleum, and natural gas production	26	23	19		54	4	
Transportation	70	3	16		73		8
Public utilities	33		18		82		
Wholesale trade	64	5	9	5	79	2	
Retail trade	76	3	18	4	71	3	1
Services	86	8	16	7	65		4
Construction	14	7		14	65		14
Miscellaneous	9	11	33	11	45		

[1] Percentages based on total number of agreements with arbitration provisions as shown in first column.

[2] Most of these are agreements which allow employer and union the option of using a single arbitrator or a board of arbitrators.

There shall be three arbitrators, one to be appointed by each party to this agreement and the third to be selected by the two so appointed. The party desiring arbitration shall appoint his arbitrator and shall give notice in writing to the other party of such appointment, together with a written statement of the question to be arbitrated. After receiving such notice and statement, the other party shall appoint an arbitrator within seven (7) days and give notice in writing to the other party of such appointment. In the event that two arbitrators so appointed cannot within three (3) days select a third arbitrator who is able and willing to serve, the two arbitrators shall jointly request the American Arbitration Association to appoint a third arbitrator.

A permanent board of arbitrators was designated by 4 percent of the agreements. The impartial third party and the arbitrators representing the employer and the union may all serve on a permanent basis, but in some cases the impartial third party is selected each time a dispute arises, although the employer and union representatives are permanent members of the board. In a few instances, the arbitrators representing the employer and the union serve on a temporary basis, and only the third party is permanent.

A single "ad hoc" arbitrator was specified by 27 percent of the agreements. The following clause is typical: "The parties will agree upon a single arbitrator to hear the case and make a final and binding decision."

Permanent single arbitrators were designated in 10 percent of the agreements analyzed. Provisions for permanent arbitration occurred most frequently in the apparel, rubber, and automobile industries, although they were also noted in a few agreements in most of the other industries. The following clause was typical:

The impartial arbitrator shall be [name of individual] who is hereby designated to act throughout the term and continuance of this agreement. In the event of his resignation, permanent physical incapacity, or death, his successor shall be chosen by a committee to be composed of three representatives of the union and three representatives of the [company] and the majority of the whole committee shall be necessary to the choice of such successor. Such successor shall be chosen within fifteen (15) days after the vacancy shall have occurred.

A few agreements which provided for arbitration did not specify the nature of the machinery to be used.

Selection of Arbitrator by Impartial Agency

Often employers and unions find it difficult to agree upon the selection of individuals to serve as arbitrators. Each party may have reservations regarding the impartiality of a person nominated by the other party. Over a third of the agreements with arbitration provisions (37 percent) failed to provide any predetermined method of breaking a deadlock over selection of an arbitrator. The remainder (63 percent) provided for use of an impartial agency in making the selection.[11]

Immediate appointment of the arbitrator by an agency, without the union and the employer first attempting to make a selection jointly, was provided for in some agreements. For example: "The arbitrator shall be selected by the Federal Mediation and Conciliation Director and his decision shall be final and binding upon both parties and the employees involved." More often the impartial agency was called upon only in the event of a deadlock. An example of such a clause reads:

Company and [union] shall endeavor to agree upon a single arbitrator who shall have full power to decide the matter. If the parties cannot agree upon a single arbitrator, then either party upon notice to the other shall have the right to apply to the American Arbitration Association to appoint such arbitrator.

The services of the impartial agency in some instances was limited to submission of a list of qualified arbitrators from which union and employer made the actual selection. In other instances the designated agency was empowered to appoint the arbitrator if the parties were unable to make a selection from the list.

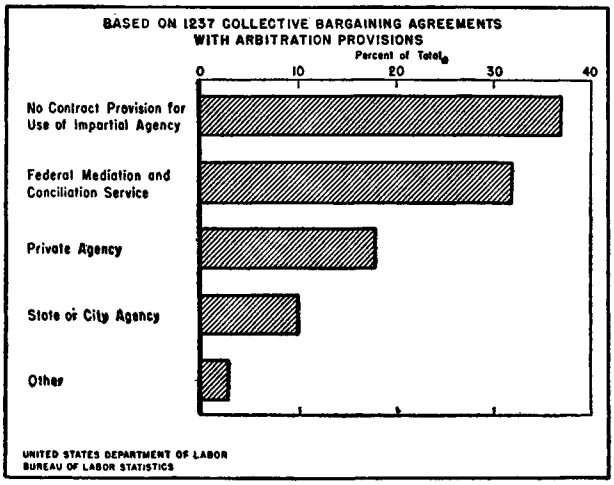
The Government agency most frequently named was the Federal Mediation and Conciliation Service—designated in 32 percent of the agreements containing arbitration provisions.[12] To facilitate the selecting of arbitrators, the Federal Mediation and Conciliation Service maintains an extensive current file of qualified arbitrators

[11] A few of these agreements were not completely clear as to whether the impartial agency merely assisted in the selection of the arbitrator or actually functioned as arbitrator.

[12] A few were long-term agreements which were signed when the U. S. Conciliation Service was a part of the U. S. Department of Labor and named the Department of Labor as the agency to select the arbitrator. Included also were a few agreements which allowed the parties the option of using the Federal Mediation and Conciliation Service or some other designated agency.

from which a list of five names is submitted to the parties requesting it. If the parties cannot agree upon an individual the Federal Mediation and Conciliation Service will, on request, either appoint an arbitrator or make a selection by a method in accordance with the wishes of the parties.

Chart 2. Impartial Agencies Used in Selection of Arbitrator



About 18 percent of the agreements designated various private agencies—most frequently the American Arbitration Association, a nonpartisan, nonprofit organization which has been active in the field of labor arbitration since 1937. Where arbitration is conducted under the rules of the American Arbitration Association, the parties may appoint their arbitrator directly, select him from a list submitted by the association, or have him appointed by the association.[13]

[13] Voluntary Labor Arbitration Rules of the American Arbitration Association.

An additional 10 percent of the agreements named various State or municipal officials, judges, or agencies as those authorized to aid in selection of the arbitrator. A few agreements designated individuals or organizations other than those mentioned above or merely stated that the arbitrator be appointed by an individual or organization acceptable to both parties.

Cost of Arbitration

Prevailing practice calls for the sharing of arbitration costs by employer and union. Almost three-fourths of the agreements analyzed which provided for arbitration required the employer and the union to share the cost equally. If the arbitration machinery consists of a tripartite board, the expenses of the impartial third party are shared, each party usually assuming the expense of its own representative on the board. A few agreements (less than 1 percent of the total) required the party which loses the arbitration decision to pay the entire cost of arbitration. Most of these agreements required that the decision specify the loser. Provisions requiring the loser to pay the costs are probably intended to discourage the employer or union from carrying petty or unfounded cases to arbitration. Only one agreement in the sample called upon the employer to pay the full cost of arbitration; another specified that only an arbitrator willing to serve free of charge would be selected. The remainder of the agreements (about a fourth of the total) made no reference to allocation of the cost.

Paid Vacations Under Collective Agreements, 1949 [1]

LIBERALIZED PAID-VACATION BENEFITS provided by current collective-bargaining agreements have been one of the outstanding features in the development of labor-management relations in the last decade. This was due in part to the pattern, established during World War II by the National War Labor Board, of granting vacations with pay and other fringe benefits in lieu of direct wage increases. In the main, however, more extended vacations for workers, as a product of collective bargaining, have been made possible by greater efficiency, improved technology, and increased productivity of American industry.

Provisions granting maximum vacation periods of 2 weeks or more have come to be widely accepted features of collective bargaining. A Bureau of Labor Statistics survey of collective-bargaining agreements in effect in late 1948 or early 1949, reveals that 93 percent, or 1,374 of the 1,473 agreements analyzed, granted workers some type of vacation with pay.[2] Nine out of every ten agreements having vacation provisions stipulated 2 weeks or more as the maximum time allowed, and 30 percent specifically provided for more than 2 weeks after specified periods of service.

In contrast, an earlier study by the Bureau showed that in 1944 only 1.5 percent of the unionized plants covered gave maximum vacations of over 2 weeks.[3] The earlier survey also showed that 63 percent of the plants provided maximum vacations of 1 week or less; in the present survey, fewer than 5 percent of the agreements had such a provision.

Significant features of vacation provisions in collective-bargaining agreements on which information was obtained in the present survey are the length of the vacation period granted; the type of plan, whether "uniform" for all eligible employees or "graduated" according to length of service; the relationship between earnings and the vacation granted; and the method adopted for computing vacation pay.

Length of Paid-Vacation Periods

The trend toward longer vacation periods was definitely marked in the agreements studied, whether analyzed as a whole or by major industrial groups. Among industries in the manufacturing group with 10 or more contracts in the sample, the petroleum and coal products industry had the greatest percentage of contracts providing vacations of more than 2 weeks—36 of the 43 agreements analyzed having such provisions. In electric machinery manufacture, about two-thirds of the 38 agreements analyzed, and in a third industry (rubber products), over half of the 51 contracts analyzed provided vacations of more than 2 weeks.

A maximum vacation period of 2 weeks was provided by 13 of the 14 agreements in the tobacco

[1] Prepared in the Bureau's Division of Industrial Relations by Dale Henning, under the supervision of Irving Rubenstein.

[2] The sample included 1,062 agreements covering 20 manufacturing industry groups and 411 agreements covering a wide variety of nonmanufacturing industries. Employment data were available for 839 agreements which covered more than 2,800,000 employees, 70 percent of whom were engaged in manufacturing and 30 percent in nonmanufacturing.

The industries represented were widely distributed throughout the United States. The agreements were about equally divided between affiliates of the American Federation of Labor and of the Congress of Industrial Organizations, approximately one-eighth were with independent (or unaffiliated) unions.

The sample did not include agreements relating to the railroad industry. These are national agreements applying to approximately a million and a quarter rail employees and generally provide for paid vacations of 1 week after 1 year's service and 2 weeks after 5 years' service.

Very few agreements relating to construction were included in the sample. Because of the seasonal characteristics of this industry and the frequent shifts of workers from one contractor to another, relatively few agreements provide for paid vacations.

[3] See Monthly Labor Review, January 1945 (p. 80): Vacations with Pay in Selected Industries. It should be noted that these data are not strictly comparable since the earlier survey expressed percentages in terms of plants as units, whereas the current study deals with collective-bargaining agreements as units.

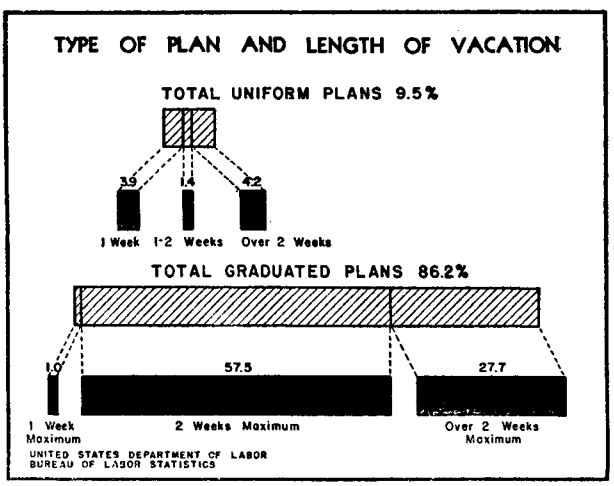
industry and by almost all of the 50 contracts in the leather and leather products group. Altogether, over half of the contracts in 13 of the 20 manufacturing groups called for a maximum period of 2 weeks.

In nonmanufacturing industries, 30 of 89 contracts in transportation and public utilities, or 33.7 percent, granted maximum vacations with pay of more than 2 weeks.

Types of Plans

A "uniform" vacation plan provides "flat" or equal vacations of the same duration for all employees who qualify. "Graduated" plans provide for a varying number of days or weeks, depending upon the individual worker's length of service. In collective bargaining, employers and employees have tended to agree on the greater desirability of graduated plans.

Agreements With Paid-Vacation Provisions, 1949



Many employers regard graduated vacations as a means of reducing turn-over in their plants and as a reward to those who remain in their employ over a longer period of time. Unions, on the other hand, recognize that the graduated plan offers a means of increasing the total vacation time which employers are willing to grant. An employer, for example, may consider it financially impossible—or he may be reluctant—to grant 3-week vacations to all his workers. However, he may find that a proposal for granting of 3 weeks' vacation to some of his more stable employees and less than 3 weeks—or even less than 2 weeks—to other employees would be practicable. More than 80 out of every 100 agreements analyzed provided for graduated plans (table 1).

TABLE 1.—*Type of plan and length of vacation period provided under collective agreements, 1948–49*

Kind of plan and length of vacation	Agreements having vacation provisions	
	Number	Percent
Total agreements with vacation provisions	1,374	100.00
Uniform plans	130	9.45
1 week or less	53	3.85
More than 1 week but less than 2 weeks	7	.51
2 weeks	12	.87
More than 2 weeks	58	4.22
Graduated plans	1,184	86.18
1 week maximum	13	.95
2 weeks maximum	791	57.57
More than 2 weeks maximum	380	27.66
Other [1]	60	4.37

[1] Includes agreements which provide for paid vacations but which do not specify clearly the details of such plans.

With the exception of the anthracite and bituminous-coal mining industries,[4] contract provisions for uniform vacation plans comprised but a small percentage of vacation clauses within any given industry studied. Plans of this type were most frequently found in transportation and public utilities, wholesale trade, textile mill products, and food (table 2).

Length of Service Requirements

During World War II, the National War Labor Board evolved the policy of allowing, under existing stabilization regulations, 1 week of vacation after 1 year's service and 2 weeks after 5 years' service.[5] This pattern, with various modifications, is evident in many of the graduated plans surveyed (table 2).

The relationship between length of service and the amount of vacation granted was not tabulated for all agreements covered in the survey. However, an analysis of a sample of 100 contracts (over a fourth of the 380 agreements providing graduated plans with maximum vacation of more than 2 weeks) showed that the maximum vacation granted in 87 contracts was 3 weeks; in 11 agreements, 4 weeks; and in 2 agreements, more than 2 but less than 3 weeks (table 3).

[4] See p. 10.

[5] Termination Report of the National War Labor Board, vol. I (pp. 338 ff., especially 340 and 341).

TABLE 2.—*Vacation provisions in agreements covering manufacturing and nonmanufacturing industries*

Industry	Total number of agreements analyzed	Number of agreements with vacation provisions	Uniform plans				Graduated plans			Other[1]
			1 week or less	More than 1 week but less than 2	2 weeks	More than 2 weeks	1 week maximum	2 weeks maximum	More than 2 weeks maximum	
Manufacturing (1,062 agreements)										
Total manufacturing	1,062	1,010	30	4	28	9	11	572	304	52
Total durable goods	553	513	14		7	5	3	290	167	27
Iron and steel	194	193	3		3	1		99	77	10
Electrical machinery	39	38			1			11	25	1
Machinery, except electrical	57	52	1			2		27	19	3
Transportation equipment, except auto	37	33	2		2	2		17	9	1
Automobiles	19	19	2					8	3	6
Nonferrous metals and their products	78	73	2				1	42	23	5
Lumber	22	16					2	13		1
Furniture and finished lumber products	25	25	2		1			18	4	
Stone, clay and glass products	82	64	2					55	7	
Total nondurable goods	509	497	16	4	21	4	8	282	137	25
Textile mill products	55	54	8	1			1	40	2	2
Apparel and other finished textile products	17	14	3		1		2	5		3
Leather and leather products	51	50	3				1	46		
Food	113	113	1	3	5	1		70	30	3
Tobacco	17	14			6			7		1
Paper and allied products	60	59			6		3	44	5	1
Printing and publishing	16	16			3	2		3	8	
Chemicals	72	70	1			1	1	33	24	10
Products of petroleum and coal	43	43						3	36	4
Rubber products	51	51						21	30	
Miscellaneous manufacturing industries	14	13						10	2	1
Nonmanufacturing (411 agreements)										
Total nonmanufacturing	411	364	23	3	30	3	2	219	76	8
Mining	31	31		2			1	17	11	
Coal[2]	2	2		2						
Metals	15	15						14	1	
Quarrying and nonmetallic	3	3					1	2		
Crude petroleum and natural gas production	11	11						1	10	
Transportation and public utilities	98	89	6	1	8	2	1	43	28	
Local railways and bus lines	15	15			2			8	5	
Trucking and warehousing for hire	22	20	2	1				15	2	
Water transportation	19	14			6	1	1	5	1	
Transportation, other than water	20	20	4					14	2	
Communications, telephone, telegraph, etc.	16	14						1	13	
Utilities, gas and electric	6	6				1			5	
Trade	147	136	5		17	1		87	23	3
Wholesale	65	61	2		11	1		34	10	3
Retail	82	75	3		6			53	13	
Food and liquor	35	31	3		3			23	2	
General merchandise	18	18						10	8	
Miscellaneous[3]	29	26			3			20	3	
Services	103	95	10		5			67	9	4
Hotels, camps, rooming houses, etc.	12	11	1					10		
Eating and drinking places	17	16	3					12	1	
Other personal services[4]	59	53	5		3			36	5	4
Business services[5]	15	15	1		2			9	3	
Construction	22	3	2					1		
Miscellaneous nonmanufacturing industries[6]	10	10						4	5	1

[1] Includes agreements which provide for paid vacations but which do not specify clearly the details of such plans.

[2] For purposes of this analysis, the national anthracite and bituminous coal agreements, providing for a vacation period of 10 calendar days, were included in the "more than one but less than two weeks" category.

[3] Includes retail automotive, apparel and accessories, lumber and building materials and unclassified retail trade.

[4] Includes motion picture services, medical and other health services, auto repair service and garages, amusement and recreation, and unclassified personal services.

[5] Includes banks, trust companies, insurance companies, and other business services.

[6] Includes private household, nonprofit membership organizations, educational institutions and agencies.

The most common service requirement in the group of 87 agreements providing a maximum 3-week vacation was 15 years—stipulated in 37 agreements. Of the remaining agreements, 10 required less than 15 years of service, 20 required 20 years, and 20 required 25 years.

Of the 11 agreements providing 4 weeks of paid vacation, 9 required 25 years' service before an employee qualified and 2 required 20 years' service. Of the two agreements providing for less than 3 but more than 2 weeks as the maximum vacation allowance, one required that employees must have 8 years of service in order to qualify for the maximum vacation period of 2 weeks and 3 days; the other specified 13 years of service. A typical clause giving 3 weeks to workers with greater service follows:

> Any and all employees of the employer within the terms of this agreement shall receive a vacation with full pay of 1 week, provided the employee has been

in the service of the employer 1 year or more, and a vacation with pay of 2 weeks, provided the employee has been in such service 5 years or more, and a vacation with pay of 3 weeks provided such employee has been in such service for 15 years or more.

As to length of service required to obtain vacation periods below the maxima, 78 of the contracts required 1 year of service for 1 week off, and 60 required 5 years' service before 2 weeks could be granted.

TABLE 3.—*Service requirements and length of vacation provided in 100 plans calling for maximum vacations of more than 2 weeks*

Basic service requirement for a given vacation	Number of agreements
6 months for 1 week, 1 year for 2 weeks, plus—	
4 years for 3 weeks	1
5 years for 3 weeks	1
10 years for 3 weeks	1
10 years for 3 weeks, 20 years for 4 weeks	1
15 years for 3 weeks	2
6 months for 1 week, 5 years for 2 weeks, plus—	
15 years for 3 weeks	1
25 years for 3 weeks	1
1 year for 1 week, 2 years for 2 weeks, plus—	
15 years for 3 weeks	6
15 years for 3 weeks, 20 years for 4 weeks	1
20 years for 3 weeks	1
25 years for 3 weeks	1
1 year for 1 week, 3 years for 2 weeks, plus—	
10 years for 3 weeks	2
15 years for 3 weeks	1
20 years for 3 weeks	3
25 years for 3 weeks	4
1 year for 1 week, 5 years for 2 weeks, plus—	
10 years for 3 weeks	1
15 years for 3 weeks	22
15 years for 3 weeks, 25 years for 4 weeks	6
20 years for 3 weeks	14
25 years for 3 weeks	14
1 year for 2 weeks, plus—	
3 years for 3 weeks, 25 years for 4 weeks	1
14 years for 3 weeks	1
15 years for 3 weeks	4
15 years for 3 weeks, 25 years for 4 weeks	1
Other [1]	8
Total number of agreements	100

[1] This group includes 2 agreements calling for maximum vacation periods of less than 3 weeks, 5 agreements providing for 3 weeks maximum and 1 agreement with 4 weeks as the maximum. Service requirements in these plans did not fit into any of the above categories.

Some agreements contained special vacation provisions relating to women employees, and to employees who had served in the armed forces. Several agreements with large meat-packing companies required 20 years' service from men but only 15 years' service from women, before they became eligible for a 3-week vacation. Other contracts provided regular vacations for men and women who, upon returning to work after discharge from the armed forces, did not meet the service requirements by the beginning of the vacation season.

Vacation Pay

None of the 1,184 agreements calling for graduated vacation periods required employees to accept less compensation than would normally have been earned if employees had worked during the vacation period. Only 13 agreements provided for greater pay during vacation periods than would normally be earned. In 9 of these, vacation pay was uniformly greater than normal earnings, and in 4 the amount of vacation pay above normal earnings increased in proportion to length of service. A clause illustrative of such provisions reads as follows:

> Employees with less than 4 years of service as established by seniority records * * * shall be entitled to a vacation of 1 week, with pay of 40 hours. Employees with more than 4 years' service as established by seniority records * * * shall be entitled to a vacation of 2 weeks with pay of 80 hours. Employees with more than 10 years' service as established by seniority records * * * shall be entitled to a vacation of 2 weeks with pay of 100 hours.

Of the 130 contracts with uniform plans, 30 provided greater vacation pay than normal earnings would have been, had the employee worked during the vacation period. Most of the 30 contracts gave increases in vacation pay, but no increase in time off, as service with the company accumulated. The following clause is illustrative of these provisions:

> * * * All hourly paid employees with 5 years of service prior to June 1 of any year will be granted 2 weeks' vacation with vacation pay of 4 percent of their earnings during the preceding fiscal year. All hourly paid employees with 25 years' service prior to June 1 of any year will be granted 2 weeks' vacation with vacation pay of 6 percent of their earnings during the preceding fiscal year.

The contracts covering the anthracite and bituminous-coal industries provide for uniform vacations and flat payment not directly commensurate with the normal work periods or earnings.[6] The 1948 bituminous agreement, for example, stipulated: "An annual vacation period shall be the rule of the industry. From Saturday, June 25, 1949, to Monday, July 4, 1949, inclusive, shall be a vacation period during which coal production shall cease * * * All employees with a record of 1 year's standing (June 1, 1948 to May 31, 1949)

[6] Average weekly earnings of bituminous-coal miners ranged between $68.41 and $76.84 in the first 5 months of 1949.

shall receive as compensation for the above-mentioned vacation period the sum of one hundred dollars ($100)." In terms of a regular 5-day workweek, the 1949 vacation period provided for 10 calendar days, which included two week ends and a recognized holiday.

Prevalent methods of calculating vacation compensation in the agreements analyzed were of three types: (1) The average earnings (hourly or weekly) were determined for a past period (often the quarter-year period preceding the start of the vacation season). These averages were then applied to the hours or weeks of vacation granted, as illustrated below:

> Each week of vacation pay shall be computed at the employee's average straight-time hourly earnings during a designated normal pay-roll week preceding the pay-roll week in which June 25 occurs, multiplied by the average number of hours worked by him per week for the 9-week period immediately preceding the pay-roll week in which June 25 occurs, provided that the number of hours for purposes of vacation pay shall not be less than 40 nor more than 48 hours per week.[7]

(2) Straight-time pay is provided for a specified number of hours. For example, a vacation of 1 week is compensated by pay equal to 40 hours at the straight-time hourly rate. This method is sometimes combined with the first method in calculating vacation pay. Thus, one agreement stipulated that hourly paid employees shall receive pay "computed at the straight-time hourly rate of the employee's regular job as of June 1," and the number of hours for which pay is given is obtained by averaging the hours worked per week during a specified period in the contract.

(3) Vacation pay is determined by applying a percentage factor to the employee's earnings over past periods of specified length. Such periods vary from as little as 4 weeks to as much as 1 year. The figures most commonly applied to vacations of 1, 2, and 3 weeks are 2, 4, and 6 percent of the preceding year's earnings, respectively. The following provision serves as an illustration:

> Vacation pay for 1 week shall be 2 percent, for 2 weeks 4 percent, and for 3 weeks 6 percent of each employee's earnings for the preceding calendar year * * *.

Some agreements in the meat-packing industry contain a unique clause under which an employee on vacation receives pay for the number of hours "he would have worked had he not been on vacation." To determine the number of hours such an employee would have worked, several alternative criteria are specified:

> (1) If the employee is in a gang using gang time, gang time shall be taken; (2) if in a gang in a department not on gang time, the number of hours worked by the employee who replaced the vacationing employee; (3) if (2) is not applicable, then the average weekly hours worked by the vacationing employee for the full 4 weeks immediately preceding the date of the vacation.

[7] The 40–48-hour limitation is embodied in many clauses to protect the worker against slack production periods, and management against excessive vacation costs, due to abnormal hours worked during the base period.

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Dismissal-Pay Provisions in Union Agreements, 1949 [1]

ALLEVIATION OF HARDSHIP resulting from loss of employment due to factors beyond a worker's control has long been a subject of collective bargaining. Accordingly, labor-management contracts have included provisions ranging from notice of a specified duration to employees before lay-off to substantial lump-sum payments to workers separated from their jobs, and pensions to aged or permanently disabled workers.

Dismissal (or severance) pay is a sum of money, in addition to any accrued wages or salaries for past work, paid to an individual whose employment is terminated through no fault of his own.[2] The most common objective of dismissal-pay plans has been, of course, to ease the employee's financial burden, while he is looking for a new job. Other objectives include the provision of partial compensation to the separated worker for retraining or acquiring new skills, and the maintenance of good will of employees and the community generally.

Relatively few labor-management agreements, however, currently include specific severance- or dismissal-pay clauses. A recently completed Bureau of Labor Statistics analysis of a sample of over 2,100 agreements showed that only 168, or 8 percent of the contracts studied, stipulated that workers losing their jobs through no fault of their own should receive separation allowances.

There are some indications, however, that the proportion of agreements providing for dismissal pay is increasing slightly. A survey conducted by the Bureau in 1944 showed but 5 percent containing dismissal-pay provisions.[3] Prior to World War II, a scattering of dismissal-pay clauses had been negotiated. One of the more significant of these was a Nation-wide "job protection agreement," concluded by a number of railroad unions and carriers (in 1936) to protect workers displaced by the consolidation, merger, or coordination of rail facilities.[4] A decade earlier (1926), the Amalgamated Clothing Workers and the Hart, Schaffner and Marx Co. negotiated a provision for payment of a $500 dismissal wage to cutters losing their jobs because of technological changes. Also, some employers of their own accord established dismissal-pay plans in the 1920's; but relatively few plans antedated World War I.[5]

In the current survey, dismissal-pay provisions, although found in many industries, were relatively concentrated in the agreements of only a few. About 75 percent of the 27 agreements analyzed in the communications industry and 60 percent of the 46 in the rubber industry contained such provisions (most of these cover plants of the four largest rubber companies). Slightly more than half of the 63 agreements in the printing and publishing industry (primarily newspapers) provided for dismissal pay. In the iron and steel industry, dismissal compensation was allowed by 12 percent of the agreements.[6] Other industry groups in which at least 10 percent of the agreements surveyed included dismissal-pay provisions were petroleum and coal products; electrical machinery; chemicals; mining and crude-petroleum production; and banks, insurance companies, and other types of office employment.

Dismissal-pay provisions were written into the agreements of 41 national or international unions. Of these, 17 were affiliated with the AFL and 16 with the CIO. The remaining 8 were unaffiliated unions. Among the individual unions, dismissal-pay provisions appeared most frequently in contracts of the American Newspaper Guild (CIO),

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[1] By Laura Chase and James C. Nix, of the Bureau's Division of Industrial Relations, under the supervision of Irving Rubenstein.

This study was based on an analysis of 2,137 agreements, of which 1,584 were in manufacturing industries. All these agreements were in effect in 1949, and covered, in the aggregate, more than 3½ million workers.

[2] "Dismissal Pay," as provided in collective bargaining agreements, is also known by various other terms such as "service awards," "lay-off bonus," "termination allowance," etc. Pay granted in lieu of a prescribed lay-off notice is not generally considered to be dismissal pay, and such provisions are not included in this study.

For a wide variety of illustrative clauses, see Bureau of Labor Statistics Bulletin No. 908-5; Collective Bargaining Provisions—Discharge, Discipline, and Quits; Dismissal Pay Provisions. Washington, 1948.

[3] Bureau of Labor Statistics Bulletin No. 808; Dismissal Pay Provisions in Union Agreements, December 1944. Washington, 1945.

[4] Under the terms of this agreement, workers can elect to receive either a "coordination allowance," which spreads payments to displaced workers over a period of months, or a "separation allowance," which entitles them to receive a cash lump-sum settlement. Workers electing to take the coordination allowance are paid 60 percent of their average monthly earnings (computed over the preceding year), for periods ranging from 6 months for employees with 1 year's service to 60 months for employees with 15 or more years of service. Workers who choose to take the separation allowance receive lump-sum payments ranging from 3 months' pay for employees with 1 year's service to 12 months' pay for those with 5 or more years' service. Employees with less than 1 year's service receive 5 days' pay for each month in which they worked.

[5] See Studies in Personnel Policy No. 1, Dismissal Compensation, National Industrial Conference Board, New York, 1937.

[6] Among these were agreements covering subsidiaries of the U. S. Steel Corp., and other major companies in the industry.

Communications Workers of America (CIO), United Rubber Workers (CIO), United Steelworkers (CIO), International Typographical Union (AFL), International Printing Pressmen and Assistants' Union (AFL), and the United Office and Professional Workers (affiliated with the CIO on the date of the survey). In the collective-bargaining procedure of the American Newspaper Guild, dismissal pay is a standard feature, with 201 of the 202 Guild contracts in effect in December 1949 containing severance-pay provisions.[7]

Conditions and Amounts of Dismissal Pay

Dismissal-pay clauses vary widely with respect to the causes or conditions under which such compensation is paid, the amount and computation of the allowance, and the length of service required for eligibility to receive it.

Conditions Governing Payments. Most agreements set forth the conditions under which workers can expect to receive separation allowances. In 89 of the 168 agreements analyzed, the clauses simply stated that dismissal for "lack of work" or "reasons beyond the worker's control" was sufficient to qualify an employee for a separation allowance. These, as well as other clauses, generally provided that the allowance was not payable if the discharge was self-provoked or for causes such as dishonesty or gross neglect of duty. Many clauses were more explicit, however. A large number of agreements directly or indirectly related the dismissal-pay plan to technological changes. Mergers, consolidations, changes in manufacturing processes, shut-downs of the plant or a department, etc., were among the reasons cited. In still another group, primary emphasis was placed upon the inability of individual workers to meet the requirements of the job. Aged workers who were not eligible for pensions were in this category.

Service Required and Pay; Graduated Plans. Plans which scaled the amount of dismissal pay to the worker's length of service were most widespread, 150 of the 168 dismissal plans being of this nature. Such plans usually established minimum length of service standards of 6 months or 1 year. In some, the required qualifying period was shorter; in others, it was longer, up to 5 or 10 years (see table).

For 67 of the agreements studied, the minimum amount of dismissal pay was equivalent to 1 week's earnings. Almost an equal number (66) provided a minimum of more than a week's pay: among these, 16 called for 2 weeks', 20 (mostly in steel) for 4 weeks', and another 16 (primarily in rubber) for 10 weeks' pay.

Maximum pay and length of service provisions varied even more widely. Of the 150 graduated plans, 91 set an upper limit to the amount of separation pay which could be earned over a time span which ranged up to 35 years. With few exceptions, the maximum amounts called for the equivalent of at least 2 or more weeks' pay. Over half (54) of the 91 plans specified maximum payments of 8 weeks or more, some as much as a half-year or more.

The amount of dismissal pay was not limited in 59 agreements. In this group, a frequent relationship between pay and service was to grant 1 week's pay for each completed year of service. In other agreements, 1 week's pay was allowed for each year of service up to a specified number of years; thereafter the ratio of weeks of pay to length of service changed at stated intervals. The following clause is illustrative:

> Each regular employee laid off will be paid a layoff allowance in accordance with the following:
>
> An employee with 5 years of service or less will be paid 1 week's pay for each year of service.
>
> An employee with more than 5 but not more than 10 years' service will be paid 1 week's pay for each of the first 5 years and 2 weeks' pay for each year thereafter.
>
> An employee with more than 10 but not more than 15 years' service will be paid 1 week's pay for each of the first 5 years, 2 weeks' pay for each of the next 5 years, and 3 weeks' pay for each year thereafter.
>
> An employee with more than 15 years of service will be paid 1 week's pay for each of the first 5 years, 2 weeks' pay for each of the next 5 years, 3 weeks'

[7] Supplement to 1949 Contracts Survey, American Newspaper Guild, New York, December 10, 1949. According to this report, the Guild contracts usually specify a uniform relationship between severance pay and length of service, such as a week's pay for each 6 months' or year's service. The maximum allowances range from 2 to 60 weeks' pay; about half of the agreements establish maxima of 26, 28, or 30 weeks. About 10 percent of the Guild agreements place no maximum limit on the amount of dismissal pay which can be accrued. Pay is usually allowed for all dismissals except those resulting from gross misconduct, neglect of duty, and similar serious offenses.

pay for each of the next 5 years, and 4 weeks' pay for each year thereafter.

[This clause would entitle a worker dismissed after 20 years' service, for example, to an aggregate of 50 weeks' pay.]

Uniform Plans. Under a uniform plan, a specified minimum length of service may be necessary to qualify for dismissal pay, but all employees who qualify receive the same amount, regardless of differences in length of service. Such plans were found in only 18 agreements. The following clause is illustrative of the uniform type of plan:

> Any employee with 1 or more years' seniority who is dismissed due to lack of work as a result of curtailment of production quotas in this plant, or for health reasons, and for these reasons only, will receive 1 week's severance pay of forty (40) hours computed at his then current hourly rate (unless a different workweek be established during the term of this agreement).

The amount most frequently allowed under the 18 uniform plans was 2 weeks' pay. This was specified by 11 of the agreements. Four weeks' pay was allowed by 4 agreements, and 1 week's pay by the remaining 3. A third of the 18 uniform plans allowed dismissal pay only to employees with at least 1 year of service, while 4 agreements required only 6 months to qualify. The remaining 8 agreements did not specify any service requirement.

Pay and service provisions under graduated types of dismissal-pay plans

MINIMUM PAYMENT AND SERVICE REQUIRED

Provisions	Number of agreements	Provisions	Number of agreements	Provisions	Number of agreements
Total	[1] 145	2 weeks' pay	16	4 weeks' pay	20
		3 months' service	1	6 months' service	1
Less than 1 week's pay	12	6 months' service	8	3 years' service	18
1 month to 1 year's service	12	1 year's service	1	5 years' service	1
		2 years' service	4		
1 week's pay	67	5 years' service	1	5 weeks' pay	8
3 to 4 months' service	2	Service requirement not indicated	1	5 years' service	8
6 months' service	15				
8 months' service	2	3 weeks' pay	2	6 weeks' pay	2
1 year's service	43	2 years' service	1	6 months' service	2
2 years' service	5	3 years' service	1		
				8 weeks' pay	2
				2 years' service	2
				10 weeks' pay	16
				10 years' service	16

MAXIMUM PAYMENT AND SERVICE REQUIRED

Total	[2] 147	8 weeks' pay	23	26 weeks' pay	2
		8 years' service	2	12 years' service	1
30 hours' pay	1	10 years' service	19	26 years' service	1
9 months' service	1	11 years' service	1		
		15 years' service	1	28 weeks' pay	3
1 week's pay	3			12½ years' service	1
1 year's service	2	10 weeks' pay	4	18⅔ years' service	2
5 years' service	1	6 years' service	1		
		10 years' service	3	30 weeks' pay	8
2 weeks' pay	20			13 years' service	1
10 months' service	1	12 weeks' pay	8	14½ years' service	4
1 year's service	2	1 year's service	2	15 years' service	3
2 years' service	8	10 years' service	2		
3 years' service	2	11 years' service	1	60 weeks' pay	1
5 years' service	7	15 years' service	1	20 years' service	1
		20 years' service	1		
3 weeks' pay	5	Service requirement not indicated	1	88 weeks' pay	1
5 years' service	2			29 years' service	1
10 years' service	2	13 weeks' pay	1		
20 years' service	1	25 years' service	1	Maximum not specified	59
4 weeks' pay	2	15 weeks' pay	2		
10 years' service	2	13 years' service	1		
		15 years' service	1		
5 weeks' pay	3				
5 years' service	1	24 weeks' pay	1		
9 years' service	1	35 years' service	1		
10 years' service	1				

[1] Five other agreements did not state the minimum amount in terms of weeks' pay. Two of these five agreements allowed a minimum of $500 after 15 years' service, and one allowed $500 after 5 years' service. The other two agreements allowed a minimum of 2 percent of the employee's annual earnings after 1 year's service.

[2] Three other agreements did not state the maximum amount in terms of weeks' pay. Two of these three allowed a maximum of 6 percent of the employee's annual earnings after 25 years' service. The remaining agreement allowed a maximum of $5,000 but was not clear regarding the length of service required to qualify for the maximum.

Computation of Service and Pay

Since most dismissal-pay plans relate the amount of pay to length of service, the computation of an employee's length of service becomes a matter of prime concern. In most instances, the agreements specified that such service must be continuous. Service credits of rehired workers begin with their reemployment, as expressed in the following typical clause:

> Any employee who receives lay-off allowance as herein provided, and who is subsequently reinstated in employment with the company within two (2) years from the date of such lay-off, shall not again be eligible for additional lay-off allowance until he accumulates two (2) additional years of unbroken continuous service credits with the company. Upon establishing two (2) years additional continuous service credit after such reinstatement, the employee shall again be entitled to lay-off allowance in accordance with his established unbroken continuous service credit with the company if again laid off under the conditions herein provided.

Few agreements specified the actual monetary amount of dismissal pay to which eligible employees were entitled. Usually it was stated as a designated number of hours' or weeks' pay. Computation of the amount was related, on some agreed-upon basis, to the earnings of the individual worker.

The most common rate (specified by 67 of the 168 agreements) was the regular hourly or weekly rate received by the employee at the time of separation. Another group of 53 agreements provided for payment on the basis of the employee's average hourly or weekly earnings, calculated over a specified period prior to the time of dismissal.

Lump-sum payments, usually at the time of dismissal, were specified in all but 7 of the 168 agreements with dismissal-pay clauses. However, in a few instances a waiting period of 4 to 6 weeks was required. Several provided for payment in weekly or monthly installments.

Seven agreements provided that an employee's earned dismissal pay could be converted to a death benefit payable to the beneficiary or estate of an employee. All but one of these seven agreements were in the printing and publishing industry.

Sickness and Accident Benefits in Union Agreements, 1949[1]

Some type of nonoccupational sickness or accident benefit clause was incorporated in 3 out of every 10 collective bargaining agreements recently analyzed by the U. S. Department of Labor's Bureau of Labor Statistics. Under provisions of about 80 percent of these, employers agreed to bear the entire cost of such benefits.

Data as to prevalence and provisions of sick leave and accident benefit clauses were derived from a study of 2,148 labor-management agreements covering more than 3½ million workers during 1949. These agreements were widely distributed throughout the United States. About 48 percent were negotiated by AFL unions; 39 percent by CIO unions; and 12 percent by unaffiliated or independent unions.[2] Firms engaged in manufacturing were covered by 1,595 contracts and 553 contracts involved nonmanufacturing firms. Agreements of manufacturing firms were distributed among 18 major industry groups; agreements of nonmanufacturing firms, among 8 groups (see listing in adjoining column).

Attempts by workers to reduce the financial burdens resulting from illness of wage earners are not new in the history of the American trade-union movement. Skilled handicraftsmen had joined together to provide some type of mutual sickness insurance, even before they formed organizations for the purpose of collective bargaining.[3] Employers, too, have for many years voluntarily provided sickness disability benefits.[4]

A tendency to incorporate sick and accident benefit clauses in collective bargaining agreements developed in the last decade. Although few contracts contained sick benefit provisions before World War II,[5] an arbitration award in 1926 ordered the inclusion of a clause providing sick benefits in an agreement negotiated by the Amalgamated Street, Electric Railway and Motor Coach Employees (AFL) and the Chicago Rapid Transit Co.[6] In 1939, a welfare program including sick benefits was established by the Amalgamated Clothing Workers (CIO) and the Men's Clothing Manufacturers.[7]

	Number of agreements
All industries	2,148
Manufacturing industries	1,595
Iron and steel and their products	174
Electrical machinery	75
Machinery, except electrical	132
Transportation equipment	62
Nonferrous metals and their products	75
Lumber, furniture, and finished wood products	74
Stone, clay, and glass products	159
Textiles	152
Apparel	63
Leather and its products	111
Food	184
Tobacco	22
Paper	41
Printing and publishing	64
Chemicals	69
Petroleum and coal products	50
Rubber	52
Miscellaneous	36
Nonmanufacturing industries	553
Mining, crude petroleum, and natural gas production	30
Transportation	75
Public utilities	95
Services	150
Retail trade	96
Wholesale trade	77
Construction	18
Miscellaneous	12

The National War Labor Board's wage stabilization policy stimulated the introduction and growth of sick benefit programs. This policy confined wage increases within rather narrow limits but was relatively more lenient with regard to fringe benefits granted. Many unions, under this policy, secured sick benefits in their contracts in lieu of wage increases. Usually, the NWLB approved sick leave benefits when the cost to the employer was not expected to exceed 5 percent of the employee's annual salary or wages.[8]

Since the end of World War II, the National Labor Relations Board has ruled that an em-

[1] By Irving Rubenstein and Dena Wolk of the Bureau's Division of Industrial Relations.

[2] Slightly less than 1 percent were negotiated jointly by the International Association of Machinists and AFL unions.

[3] Bureau of Labor Statistics. Brief History of the American Labor Movement, October 1947 (processed report, p. 1).

[4] BLS Bull. No. 946, Employee Benefit Plans under Collective Bargaining, 1948 (p. 2).

[5] Ibid.

[6] National Industrial Conference Board, Compulsory Sickness Compensation for New York State, 1947 (p. 8).

[7] Ibid.

[8] National War Labor Board Interpretative Bull. No. 3, April 1, 1945.

ployer's refusal to bargain on group insurance sickness plans constituted an unfair labor practice.[9] The Supreme Court of the United States has not yet ruled on this decision of the Board. However, in a much publicized case involving the Inland Steel Co. and the United Steelworkers of America (CIO) the Court refused to review a Board order holding the company guilty of an unfair labor practice for refusing to bargain over another type of employee welfare benefit—pensions.[10]

Many unions sought sick benefit provisions in their collective bargaining agreements because the Social Security Act which provides certain other types of employee insurance does not cover sickness disability of workers. With some exceptions,[11] individual States do not provide such protection by law.

Prevalence and Costs of Benefits

Of the 2,148 agreements analyzed, 678 provided benefits to employees temporarily unable to continue work because of sickness or accident incurred while not on the job. In 408 agreements, benefits were provided through group insurance plans.[12]

Under most sickness and accident group insurance plans (283), premiums were paid by the employer. A typical clause providing for employer payment of group insurance follows:

> The Company will provide for each employee covered by this agreement, who has been in the employ of the Company at least 90 days, a policy of insurance with the [name of company] Insurance Company, providing for * * * nonoccupational accidental sickness insurance benefits in the amount of $15 per week for a maximum period of 13 weeks, starting with the eighth day of disability in the case of sickness, and the first day of disability in the case of accident.

In 113 contracts which granted sickness and accident disability benefits covered by group insurance, costs were borne equally by employer and the employee; for example:

> It is agreed that each employee will be provided with * * * $20 per week disability insurance. The cost of this insurance is to be divided equally by the employee and the company.

A few agreements (12) providing disability insurance did not specify the apportionment of costs between employees and employer. No reference to group insurance appeared in 270 contracts providing sickness and accident benefit payments. In these, employers agreed to pay all costs connected with benefits stipulated.[13]

Amount of Weekly Benefits

Of the 678 agreements with sickness and accident disability provisions, 490 contained details concerning the amount of each benefit payment to which eligible employees were entitled.[14] In 153 of these all employees covered (except women who—in 12 agreements—received smaller payments than men)[15] were eligible for payments of the same amount regardless of difference in individual wage rates or earnings. In these 153 agreements, employee benefits were covered by group insurance. Weekly payments ranged from $6 to $30. The bulk of these agreements—more than 75 percent—provided payments falling between $10 and $20 per week.

Amount of weekly sickness benefit	*Number of agreements*
Total	[1] 153
$6.00–$9.99	10
$10.00–$15.00	60
$15.01–$20.00	58
$20.01–$25.00	21
$25.01–$30.00	4

[1] Includes 12 agreements which allow women a smaller weekly benefit payment than men. These agreements are classified according to the amount received by male employees.

In 337 of the 490 agreements, individual benefit payments were based on pay rates or weekly earnings. In 258 of these, the amount of single payments was expressed only by reference to earnings as in the following example:

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[9] *W. W. Cross & Co.* (77 NLRB 1162).

[10] *Inland Steel Co.* v. *NLRB* (U. S. Sup. Ct., Apr. 25, 1949).

[11] California, New York, New Jersey, and Rhode Island provide for sick benefits. The legislature of the State of Washington has also passed a disability benefits law, but the operation of the law has been suspended pending a referendum at the November 1950 election.

[12] An additional 40 agreements referred to group insurance plans covering employee benefits but did not specify whether or not sickness and accident benefits were included. In this study, these 40 agreements were not considered as providing sickness and accident insurance.

Sickness and accident group insurance plans are frequently incorporated, by reference only, in collective bargaining agreements, details being provided in separate documents. Information from such separate documents was included in this study in all cases where they were available.

[13] By adding these 270 contracts to the 283 under group insurance which provided for payment solely by the employer, it was found that 4 out of 5 of the 678 contracts which stipulated sickness and accident benefits provided that the costs of such payments were to be borne entirely by the employers. Supra. (p. 16).

[14] Supra; footnote 12.

[15] E. g., "The employer has agreed to put into effect an insurance plan, including sick benefits. Such plan as follows * * * accident and sickness weekly indemnity of $20 for each male employee and $15 for each female employee * * *."

> Sick-leave pay will be computed on the basis of the employee's straight-time rate and his normal work-week.

The remaining 79 agreements provided group insurance plans and stipulated maximum benefits ranging from $14 to $40 per payment. Of these 79 agreements, 85 percent provided maximum benefits of $20 to $40.

Maximum amount of weekly benefit	*Number of agreements*
Total	[1] 79
$14.00–$15.00	2
$15.01–$20.00	5
$20.01–$25.00	21
$25.01–$30.00	18
$30.01–$35.00	11
$35.01–$40.00	18
Other [2]	4

[1] Includes 2 agreements which allow men a greater weekly benefit than women. These agreements are classified according to the amount received by male employees.

[2] These agreements did not clearly state the amount of the maximum benefit, although they provided for a graduation of benefits on the basis of earnings.

Length of Benefit Period

Under 286 agreements, length of service was not a factor in determining the maximum number of weekly payments to which eligible employees were entitled (table, p. 19). In these a uniform number of payments was allowed for each employee covered. The greatest number of agreements within the group stipulated 13 weekly payments as the maximum to which an employee was entitled. Some contracts (115) limited the number of weekly benefit payments for each separate disability but did not limit the total number of payments which an employee may receive in any one year. A typical clause reads:

> Weekly payments as shown in the following schedule will be made beginning with eighth day of disability due to sickness not covered by Workmen's Compensation and will continue for a maximum of thirteen (13) weeks for any one disability.

Other agreements (118) limited the total number of payments which an employee may receive in 1 year. The remaining 53 specified a maximum length of disability period but were not clear as to whether this maximum applied to any one disability or any one year.

In 130 agreements, the number of weekly benefit payments permitted was related to the length of the employee's service. All but 30 of these agreements established limits on the number of payments permissible. Some agreements allowed as a maximum a specified number of weeks at full pay and an additional number of weeks at half pay. In these instances, total time granted was converted to full weeks for purposes of this tabulation, e. g., an agreement allowing 4 weeks at full pay and 4 weeks at half pay was classified as allowing 6 weeks. In the agreements studied no definite pattern of relationship between employees' length of service and number of disability payments granted was evident. Information concerning the number of payments granted was not available in the remaining 262 agreements providing sickness and accident benefits.

Maximum allowance per year	*Number of agreements*
Total	130
1 week	5
2 weeks	10
3 weeks	10
4–6 weeks	12
7–9 weeks	8
10–12 weeks	4
13–15 weeks	25
16–18 weeks	3
19–21 weeks	1
22–24 weeks	11
25–27 weeks	7
28–30 weeks	2
31–33 weeks	1
34–36 weeks	1
No limit specified [1]	30

[1] Agreements in this category provided increasing benefits based on length of service but placed no limit on the number of payments allowable.

Other Provisions

Accumulation or carry-over of unused sick benefits from year to year was allowed by 50 agreements. All but two of these established a ceiling on the amount of unused leave which could be accumulated (65 days was the highest specified). Four agreements permitted only long-service employees to carry over unused leave from year to year. One of these agreements allowed this privilege to employees with 14 years' service; the other three permitted a carry-over of 50 percent of unused leave by employees with 5 years' service and 100 percent by those with 10 years' service.

A waiting period between the beginning of disability and the start of benefit payments was specified by 264 agreements. Probably, the pur-

Duration of sickness and accident benefit payments [1]

Length of period	Number of agreements			
	Total	Specifying maximum period allowable for each—		Not specifying application of maximum period
		Disability	Year	
Total	286	115	118	53
Less than 1 week	2		2	
1 week	56		56	
2 weeks	32		32	
3 weeks	2		2	
4 weeks	2		2	
5 weeks	1		1	
8 weeks	1	1		
9 weeks	2		2	
10 weeks	11	1	8	2
13 weeks	149	99	7	43
16 weeks	2	1	1	
20 weeks	1			1
26 weeks	20	8	5	7
52 weeks	5	5		

[1] This tabulation includes only those agreements which did not specifically relate the duration of benefit payments to worker's length of service.

pose of such a requirement is to reduce the cost of the sickness benefit program. In some instances, the purpose may be to prevent malingering.

One week was the waiting period most commonly specified, 188 of the agreements having this provision. A waiting period of only 1 day was required by 14 agreements, 2 days by 25, 3 days by 33, and 4 days by 1 agreement. The longest waiting period was 2 weeks, specified by three agreements.

Of the 264 agreements, 99 waived the waiting period requirement if an accident caused the disability. In addition, 21 agreements waived the waiting period for employees with 10 years' service, and 2 agreements waived the waiting period for employees with 1 year's service. Retroactive payment for the waiting period was permitted in 8 agreements, if the illness extended for more than a specified duration.

Paid maternity leave was specified in 114 agreements. Most of these—97 agreements—limited the length of the benefit period to 6 weeks. Of the remaining agreements, 4 weeks' paid maternity leave was allowed by 13 agreements, 13 weeks by 3, and 3 weeks by 1. A typical maternity benefit provision reads:

> Pregnancy cases will be compensated by 6 weeks of compensation at $15 per week.

Sickness benefits were not allowed under the terms of 92 agreements, if the disability was due to such causes as alcoholism, drug use, venereal disease, or self-inflicted injuries. The following clause is illustrative:

> Payments shall not be made when employees are absent from work because of disability due to sickness or injury caused by or as a result of—
> (1) Intoxication
> (2) The use of narcotics
> (3) Venereal disease
> (4) Fighting, unless in self-defense against unprovoked assaults, or
> (5) Horseplay

Medical evidence of disability, such as a certificate from the employee's physician, or an examination by the company physician, was required by 197 agreements, as illustrated in the following clause:

> An hourly employee is eligible under this (disability pay) plan if * * * he provides the company with a doctor's certificate, as proof that his absence was due to his legitimate nonoccupational disability.

Union-Security Provisions in Agreements, 1949–50

IN HALF OF THE 2,159 collective-bargaining agreements analyzed for union-security clauses, provisions required that workers covered by the contract either must be union members at the time of hiring or become members within a specified period after starting work. In addition, almost two-thirds (64 percent) of the agreements examined by the Bureau of Labor Statistics called for some type of check-off of dues alone, or of dues and other union assessments.

All the agreements studied were in effect during all or some part of 1949. Many remained effective in 1950. They covered an estimated 4,000,000 workers employed throughout the United States in 20 major manufacturing and 8 nonmanufacturing groups. Forty-seven percent of the agreements were negotiated by unions affiliated with the AFL; 40 percent by unions affiliated with the CIO;[1] and 13 percent by unaffiliated or independent unions.[2]

Every collective-bargaining agreement in itself implies a certain degree of union status or security. However, most contracts include specific clauses defining the extent or type of union security in the plant or establishment. The particular type of security clause included frequently depends on such factors as the relative economic strength of the union and employer, conditions peculiar to particular industries, the legal framework within which the contract is consummated, and patterns established in the history of bargaining in the industry and between the particular employer and the union involved.

Union-security clauses may be classified, broadly, into three major categories: union shop and its variations; membership maintenance; and sole bargaining.[3] Of these three types, the union shop was most prevalent among the agreements analyzed (table 1). "Union-shop" agreements require that all or nearly all employees in the collective bargaining unit be members of the union. "Maintenance of union membership" agreements stipulate that all employees who were union members when the contract became effective, or join the union while the contract is in effect, must remain union members in good standing during the life of the agreement. "Sole bargaining" contracts are those in which the union is recognized only to the extent that it is accorded the right to bargain for all employees in the unit, irrespective of whether the workers are or are not members of the union.

TABLE 1.—*Types of union-security provisions established by collective-bargaining agreements*

Types of union security	All agreements in sample [1]		Agreements with employment data			
			Agreements		Workers covered	
	Number	Percent	Number	Percent	Number	Percent
Total	2,159	100	1,622	100	3,154,000	100
Union shop	1,080	50	802	49	1,259,000	40
Membership maintenance	444	21	334	21	752,000	24
Sole bargaining	635	29	486	30	1,143,000	36

[1] Not included in the final sample of 2,159 agreements were 16 contracts which had no union-security provision and 143 in which union-security provisions could not be definitely classified. Most of these agreements made the type of union security contingent on developments and interpretations of the Labor Management Relations Act of 1947, or various State laws. The most significant of these are the national anthracite and bituminous-coal mining agreements, covering approximately 450,000 workers, which provide for a union shop "to the extent and in the manner permitted by law." Also excluded is the company-wide contract between the Ford Motor Co. and the United Automobile Workers (CIO), covering 115,000 workers, which provides for a union shop except for plants in States where the union shop is banned by law. The contract between the General Motors Corp. and the Auto Workers (CIO), covering about 250,000 workers, is here classified in the sole-bargaining category; since the survey date, a new contract incorporating a modified union-shop provision has been signed. The incorporation of the above contracts in the union-shop category would bring the total number of workers covered to over 2,000,000.

Another group of 87 agreements were eliminated from the sample because their check-off provisions could not be definitely classified and thus correlated with the union-security clauses of the same agreements. Of this group, 63 percent called for a union shop, 16 percent for maintenance of membership, and 21 percent for sole bargaining.

Finally, because of lack of an adequate sample, agreements in the construction industry (traditionally union shop) and in the railroad industry (where the union shop is prohibited by law) were not included in the study.

Union Shop

The frequency of union-shop clauses in contracts in major industry groups is shown in table 2.

In 8 of the 20 manufacturing industry groups and in 5 of the 8 nonmanufacturing groups, more than half of the agreements surveyed provided for union-shop clauses.

Union-shop agreements are of two general types, with the following requirements:

[1] Includes agreements of unions which, at the time of the survey, were affiliated with the CIO but which have since been expelled.

[2] Includes 14 signed jointly by the International Association of Machinists and various AFL affiliates.

[3] For examples of these various types of clauses, see U. S. Dept. of Labor, Bureau of Labor Statistics, Bulletin 908: Union Security Provisions in Collective Bargaining.

(1) Employees must be members of the union before beginning work. Less than a tenth, or 93 of the 1,080 union-shop agreements, were in this category. Although some of these agreements did not state specifically that an employee must be a union member before starting work, the stipulated conditions of employment were such that the great majority of workers hired would be union members.

(2) New employees, not union members at time of hiring, must join within a specified time after starting work. The greatest number (987) of the union-shop agreements contained this stipulation.

TABLE 2.—*Type of union security by industry*

Major industry group	Number of agreements in sample	Percent of agreements providing—		
		Union shop	Membership maintenance	Sole bargaining
Total	2,159	50.0	21.0	29.0
Manufacturing	*1,681*	*47.0*	*23.0*	*30.0*
Apparel and other finished textile products	86	88.0		12.0
Printing and publishing	53	75.0	10.0	15.0
Paper and allied products	58	72.0	14.0	14.0
Food and kindred products	172	71.0	8.0	21.0
Lumber and timber basic products	47	64.0	2.0	34.0
Professional and scientific instruments	25	52.0	24.0	24.0
Textile mill products	150	51.0	12.0	37.0
Stone, clay, and glass products	154	48.0	12.0	40.0
Transportation equipment	73	45.0	33.0	22.0
Furniture and finished wood products	60	37.0	20.0	43.0
Fabricated metal products, except ordnance, machinery, and transportation equipment	158	37.0	38.0	25.0
Rubber products	48	36.0	8.0	56.0
Primary metal industries	103	35.0	40.0	25.0
Leather and leather products	103	34.0	54.0	12.0
Chemicals and allied products	70	33.0	30.0	37.0
Machinery, except electrical	155	32.0	30.0	38.0
Tobacco	16	31.0	19.0	50.0
Electrical machinery	58	31.0	33.0	36.0
Petroleum and coal products	49	10.0	29.0	61.0
Miscellaneous [1]	43	53.0	21.0	26.0
Nonmanufacturing	*478*	*59.0*	*13.0*	*28.0*
Hotels and restaurants	42	90.0	5.0	5.0
Wholesale and retail trade	104	71.0	2.0	27.0
Services [2]	81	68.0	11.0	21.0
Transportation	73	59.0	12.0	29.0
Utilities, electric and gas	115	49.0	23.0	28.0
Mining, crude-petroleum and natural-gas production	25	24.0	28.0	48.0
Communications	26	12.0	19.0	69.0
Miscellaneous [3]	12	58.0	17.0	25.0

[1] Includes jewelry and silverware, buttons, musical instruments, toys, athletic goods, ordnance, and ammunition.
[2] Includes financial, insurance, and other business services, personal services, automobile repair shops, amusement and recreation establishments, and medical and other health services.
[3] Includes farming, fishing, educational institutions, nonprofit membership organizations, and governmental establishments.

Of these 987 contracts, 120 provided a modified union shop in that certain groups of employees were specifically excluded from the requirement that they become union members within a given time after hiring.[4] Preference to union members in filling vacancies was also provided in 163 of the union-shop agreements.

Highest proportion of union-shop contracts occurred in the Pacific region, consisting of California, Oregon, and Washington (table 3 and chart 1). In this area about 7 out of every 10 agreements analyzed called for a union shop. By contrast, the proportion of such clauses was lowest (13 percent) in the West South Central States (Arkansas, Louisiana, Oklahoma, and Texas.)

Two-thirds of the 1,012 agreements negotiated

TABLE 3.—*Union-security and check-off provisions in agreements, 1949–50, by region*

Region	Number of agreements in sample	Percent of agreements providing—			Percent of agreements with check-off provisions
		Union shop	Membership maintenance	Sole bargaining	
Total	2,159	50.0	21.0	29.0	64.0
New England	190	58.0	14.0	28.0	72.0
Middle Atlantic	448	58.0	21.0	21.0	67.0
East North Central	546	49.0	25.0	26.0	67.0
West North Central	181	46.0	34.0	20.0	60.0
South Atlantic	156	22.0	13.0	65.0	81.0
East South Central	102	31.0	20.0	49.0	79.0
West South Central	94	13.0	19.0	68.0	72.0
Mountain	42	48.0	28.0	24.0	55.0
Pacific	248	71.0	11.0	18.0	32.0
Interstate [1]	152	54.0	18.0	28.0	62.0

[1] Each of these agreements covers two or more plants located in different States, and, in some cases, in different regions.

[4] A sample of a "modified" union shop is the latest General Motors contract with the United Automobile Workers (CIO) concluded May 29, 1950. The contract provides:

"(4a) Any employee who is a member of the Union in good standing on the effective date of this agreement shall, as a condition of employment, maintain his membership in the Union to the extent of paying membership dues and International and local Union general assessments uniformly levied against all Union members. Such employee may have his membership dues and such assessments deducted from his earnings by signing the form for 'Authorization for Check-off of Dues,' or if no such authorization is in effect, he must pay his membership dues and such assessments directly to the Union.

"(4b) Any employee who on the effective date of this agreement is not a member of the Union shall not be required to become a member of the Union as a condition of continued employment. Any such employee, however, who during the life of this agreement joins the Union must maintain his membership thereafter as provided in paragraph (4a).

"(4c) Any employee hired on or after the effective date of this agreement shall become a member of the Union upon acquiring seniority, and he shall, as a condition of employment, maintain his Union membership for one year to the extent of paying membership dues and International and local Union general assessments uniformly levied against all members, subject to the following:

"(1) If not more than twenty days and not less than ten days immediately preceding the first anniversary date of his acquisition of seniority such employee notifies the Corporation and the Union in writing that he has resigned from Union membership, such action shall automatically cancel his 'Authorization for Check-off of Dues,' and such employee shall not be obliged thereafter to maintain his membership in the Union, nor pay any dues or assessments as a condition of employment during the remaining life of this agreement."

by unions affiliated with the AFL called for a union shop (table 4). Of the agreements negotiated by CIO affiliated unions and by the unaffiliated or independent unions, slightly more than a third provided for a union shop.

Tables 2, 3, and 4 also contain data for union-security clauses providing membership maintenance and sole bargaining by industry, region, and union affiliation.

TABLE 4.—*Union-security and check-off provisions in agreements, 1949–50, by union affiliation*

Union affiliation	Number of agreements in sample	Percent of agreements providing—			Percent of agreements with check-off provisions
		Union shop	Membership maintenance	Sole bargaining	
Total	2,159	50.0	21.0	29.0	64
American Federation of Labor	1,012	67.0	13.0	20.0	41
Congress of Industrial Organizations	856	35.0	27.0	38.0	91
Independent unions [1]	291	36.0	26.0	38.0	65

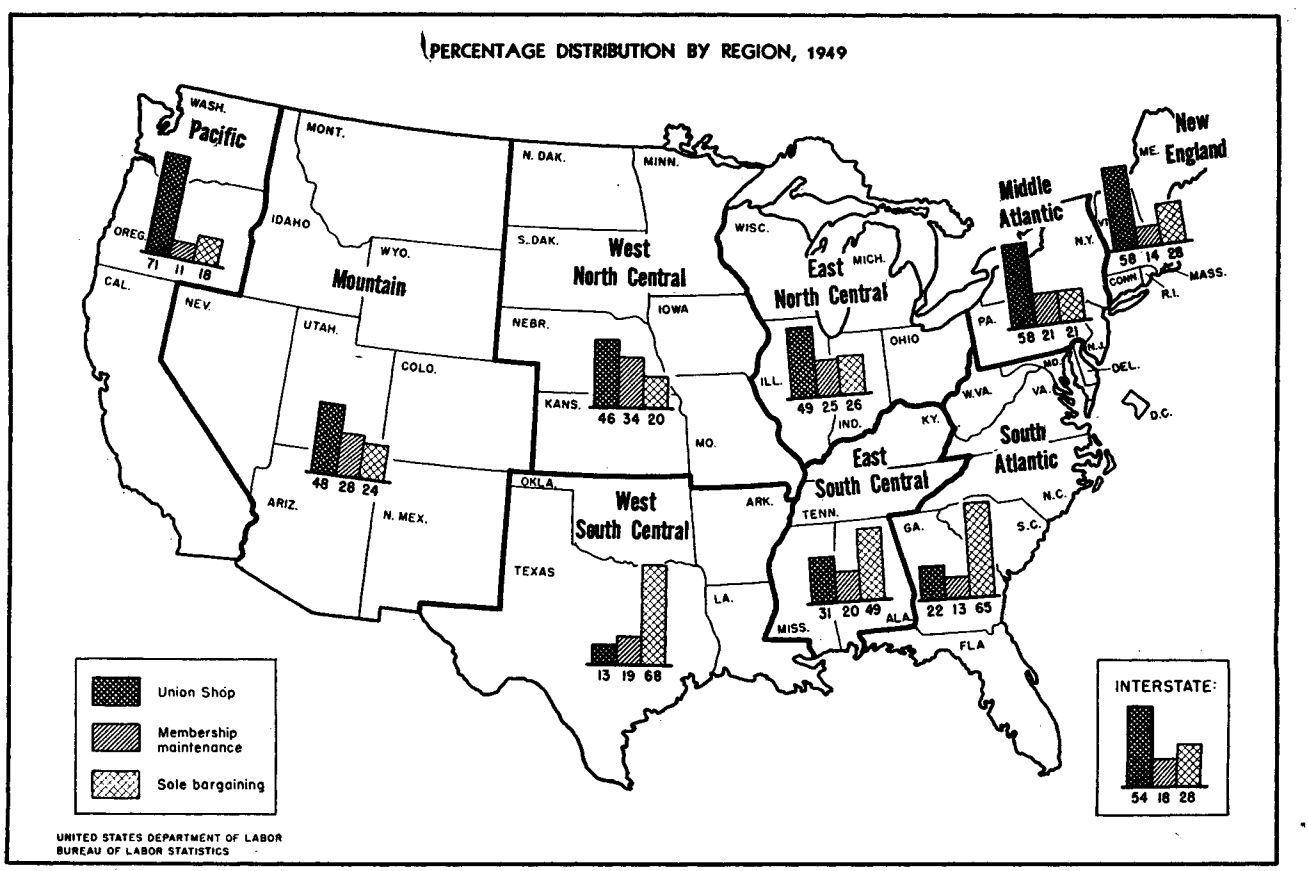
[1] Includes 14 agreements jointly negotiated by the International Association of Machinists (Ind.) and various AFL affiliates.

Check-off Provisions

About two-thirds of the 2,159 agreements included in the survey contained some "check-off" arrangement; i. e., the employer deducts from the worker's pay envelope and remits to the union at regular intervals a sufficient amount of money to cover the worker's union dues and possibly such other items as initiation fees, assessments, and fines. The check-off is not necessarily a part of any one type or characteristic of union security, but may be agreed upon in connection with the union-shop, maintenance-of-membership, or sole-bargaining types of clauses.

In manufacturing industries, the proportion of agreements with check-off provisions ranged from a low of 19 percent (10 of 53 agreements) in print-

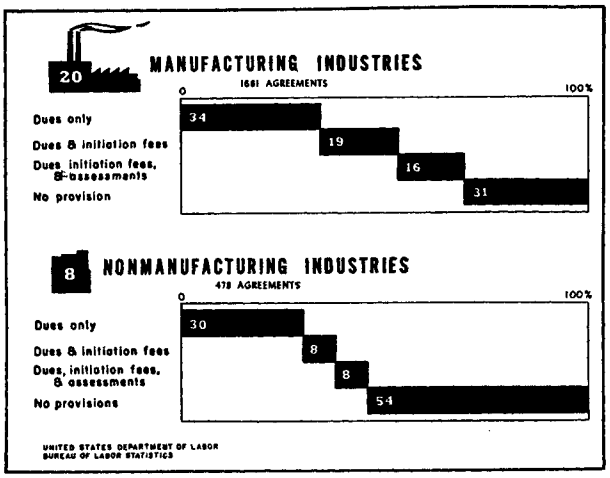
Chart 1. Union-Security Provisions in Collective Bargaining Agreements



ing and publishing to a high of 95 percent (143 out of 150 agreements) in textile-mill products (table 5). Of the 1,681 agreements covering manufacturing firms, 266 provided for check-off of dues, initiation fees, and assessments; 312 provided for check-off of dues and initiation fees; and 586 provided for check-off of dues only (chart 2).

In the nonmanufacturing group, the proportion of agreements with check-off provisions ranged from a low of 30 percent in the transportation

Chart 2. Distribution of Agreements, by Type of Check-off Arrangements



industry (22 of 73 agreements) to a high of 92 percent in mining and crude petroleum production (23 of the 25 agreements). The communications industry had the second highest rate in this group (85 percent). Of the 478 agreements covering nonmanufacturing workers, 37 provided for check-off of dues, initiation fees, and assessments. An equal number stipulated check-off of dues and initiation fees; and 145 provided for the check-off of dues only.

Distribution of check-off clauses on a regional and union affiliation basis appears in tables 3 and 4, respectively. These data, as well as those shown for the major industry groups, reflect a rather definite correlation between the type of union-security clause and existence of check-off provisions. Generally, it appears that most agreements which provide for some form of union shop are least likely to contain the union dues check-off. Thus, for example, in the apparel and printing trades, the relatively high frequency of union-shop provisions is accompanied with a substantially smaller proportion of check-off clauses.

By contrast, in such industries as tobacco, rubber, and chemicals the proportion of agreements providing for the check-off is relatively high but union-shop clauses are less frequent.

TABLE 5.—*Prevalence of check-off provisions in collective-bargaining agreements, by industry group*

Industry group	Total number of agreements in sample	Percentage of agreements with check-off provisions
Total	2,159	64
Manufacturing	*1,681*	*69*
Textile mill products	150	95
Tobacco	16	94
Rubber products	48	94
Chemicals and allied products	70	89
Primary metal industries	103	85
Petroleum and coal products	49	84
Leather and leather products	103	81
Professional and scientific instruments	25	76
Transportation equipment	73	75
Furniture and finished wood products	60	72
Machinery, except electrical	155	70
Electrical machinery	58	69
Fabricated metal products, except ordnance, machinery, and transportation equipment	158	68
Stone, clay, and glass products	154	63
Food and kindred products	172	54
Lumber and timber basic products	47	53
Apparel and other finished textile mill products	86	43
Paper and allied products	58	43
Printing and publishing	53	19
Miscellaneous [1]	43	67
Nonmanufacturing	*478*	*46*
Mining, crude-petroleum and natural-gas production	25	92
Communications	26	85
Utilities, electric and gas	115	56
Services [2]	81	42
Wholesale and retail trade	104	34
Hotels and restaurants	42	33
Transportation	73	30
Miscellaneous [3]	12	42

See footnotes to table 2.

On the whole, the survey discloses that about 50 percent of the union-shop agreements also had check-off clauses, but about 80 percent of the membership-maintenance and sole-bargaining agreements called for the check-off of union dues or assessments.

Safety Provisions in Union Agreements, 1950

CLAUSES DEALING with employee safety were included in 51 percent of the 2,411 current labor-management contracts recently examined by the Bureau of Labor Statistics.[1] These "safety clauses"—provisions designed to help reduce the risks of occupational hazards—covered more than 2¼ million workers[2] in 20 major manufacturing industries and 10 nonmanufacturing groups.

TABLE 1.—*Prevalence of safety provisions in collective-bargaining agreements, by industry group*

Industry group	Number of agreements in sample	Percentage of agreements with safety provisions
Total	2,411	51
Manufacturing	*1,701*	*56*
Petroleum and coal products	22	82
Transportation equipment	80	81
Chemical and allied products	72	76
Paper and allied products	67	73
Stone, clay, and glass products	131	73
Fabricated metal products, except ordnance, machinery and transportation equipment	168	71
Primary metal industries	116	67
Machinery, except electrical	169	65
Rubber products	47	62
Lumber and timber basic products	53	60
Furniture and finished wood products	54	59
Leather and leather products	65	58
Professional and scientific instruments	26	46
Food and kindred products	169	42
Textile mill products	168	38
Electrical machinery	68	37
Apparel and other finished textile mill products	95	27
Tobacco	18	22
Printing and publishing	64	5
Miscellaneous [1]	49	45
Nonmanufacturing	*710*	*40*
Utilities, electric and gas	118	86
Mining, crude petroleum, and natural gas production	53	79
Transportation	160	42
Construction	42	40
Wholesale trade	64	27
Services [2]	106	21
Communications	30	17
Retail trade	76	13
Hotels and restaurants	44	2
Miscellaneous [3]	17	24

[1] Includes jewelry and silverware, buttons, musical instruments, toys, athletic goods, ordnance and ammunition.
[2] Includes financial, insurance, and other business services, personal services, automobile repair shops, amusement and recreation establishments, and medical and other health services.
[3] Includes farming, fishing, educational institutions, nonprofit membership organizations, and government establishments.

Fifty-six percent of the agreements covering firms engaged in manufacturing and 40 percent of the agreements of nonmanufacturing firms included safety provisions. Among manufacturing industries such clauses were most common in petroleum and coal products and transportation equipment agreements. In each of these major industry groups slightly over 80 percent of the contracts included in the survey had safety clauses.

In nonmanufacturing industries safety clauses were concentrated among contracts of two major industry groups. These were electric and gas utilities in which 86 percent of the contracts contained such clauses; and mining and crude petroleum with 79 percent of the agreements containing safety clauses.

Types of Safety Clauses

Provisions dealing with the problem of occupational hazards were incorporated in various types of clauses of the collective bargaining agreements studied. Labor-management committees to promote safe operations in the plant were established in 28 percent of the 1,232 agreements with safety provisions, a general pledge by management and labor jointly—or, by management solely—to further the safety of workers on the job. Others listed responsibilities and rights of management; and, those of unions and of employees in maintaining safe working conditions.

A number of contracts combined several methods of dealing with the problem of workers' safety. For example, it was not uncommon for contracts to provide joint labor-management committees while also listing management responsibilities.

Joint Committees—Prevalence

In the rubber industry 65 percent of the contracts with safety clauses provided for the establishment of safety committees. (Most of these covered plants of the four largest rubber com-

[1] Each of these 2,411 contracts was in effect during 1950. In all, they covered a minimum of 4,000,000 workers. (Employment data were available for 74 percent of the agreements in the survey.) About 49 percent of the agreements were negotiated by unions affiliated with the AFL; 39 percent by CIO unions; and 12 percent by independent or unaffiliated labor organizations.

[2] Employment data were available for 76 percent of 1,232 contracts with safety clauses.

panies.) More than half of the contracts with safety clauses in mining and crude petroleum production, and in primary metals industries called for joint committees; as did about 45 percent of such agreements in the chemicals, and stone, clay, and glass products industries. Approximately 30 percent of the agreements in the petroleum and coal products, lumber and timber basic products, and machinery (except electrical) industries also provided for such committees.

Jurisdiction of Committees

Seventy-nine of the 349 contracts which established joint safety committees contained no statement as to the functions of such committees. A breakdown of safety committees' functions in the remaining 270 agreements is shown in table 2. Many of these functions appeared singly in some contracts and in various combinations in others.

TABLE 2.—*Functions of safety committees in 270 contracts*

	Number of times provided*
Advisory functions	
Formulate recommendations on safety matters to management	114
Inspect for safety conditions and/or sanitary facilities of plant	53
"Promote health and safety"	39
Receive and study employee suggestions and reports pertaining to safety	23
Determine and make recommendations on safety devices to be installed	21
Investigate accidents and analyze their causes	12
Educate employees on safety	5
Check on welfare of employees injured on the job	4
Cooperate with safety engineers in formulating safety programs	2
Executive functions	
Enforce compliance with safety and health laws and rules	11
Settle all disputes on health or safety matters	4

*Since some agreements provide for more than one function the total exceeds 270.

Functions of the safety committee stipulated in the agreements analyzed were predominantly of an advisory character. Under certain provisions the committees were instructed to consider and make recommendations on any or all plant health and safety problems such as the promotion of health and safety. Under other provisions the committees were required to inspect plants for safety conditions and sanitary facilities; investigate accidents and analyze their causes; and make recommendations on safety devices to be installed, etc. The following clause illustrates those provisions which assigned an advisory role to the committee:

> The functions of the safety committee shall be to advise with plant management concerning safety and health matters. * * * In the discharge of its function, the safety committee shall: consider existing practices and rules relating to safety and health, formulate suggested changes in existing practices and rules. Advices of the safety committee, together with supplementary suggestions, recommendations, and reasons, shall be submitted to the plant General Superintendent for his consideration and for such action as he may consider consistent with the company's responsibility to provide for the safety and health of its employees during the hours of their employment.

Less frequently, the committees' functions were of an executive type. The following clause, for example, made all recommendations of the safety committee mandatory.

> The Employer shall adopt all recommendations agreed upon by a majority of the safety committee.
>
> If the safety committee is unable to reach a majority decision on any question of safety, the question shall be referred to the person or persons selected by the majority of the committee to decide the issue. The decision of such person or persons shall be carried out by the employer.

Among the contracts analyzed, as in the following illustration, the committee was authorized to order employees off the job when the tasks performed were considered abnormally hazardous:

> The Safety and Health Committee shall have authority, by a majority of four (4) votes, to order employees off jobs when abnormal hazards are present. In the event that the committee should be equally divided, the matter shall be referred immediately to a special safety and health arbitrator for disposition * * *

A few agreements vested in the joint committee power to settle disputes between employers and employees involving safety matters. The following clause of the National Bituminous Coal Mining agreement is illustrative:

> There is hereby established under this agreement a Joint Industry Safety Committee composed of four members, two of whom will be appointed by the Mine Workers and two of whom will be appointed by the Operators, whose duty it shall be to arbitrate any appeal which is filed with it by any Operator or any Mine Worker who feels that any reported violation of the [Mine Safety] Code and recommendations of compliance by a Federal Coal Mine inspector has not been justly reported or that the action required of him to correct the violation would subject him to irreparable damage or great injustice.

Members' Pay and Meeting Schedule

Whether committee members would be paid for time spent at meetings was not specified in most agreements. A few specifically prohibited payment for time so spent. However, about 1 in every 10 of those calling for safety committees stated that the employer would compensate union representatives for time lost from their regular jobs. In addition, 1 in every 20 agreements provided that only time spent on plant inspections would be paid for. A few contracts placed maximum limits on the amount of time for which committeemen would be paid.

Frequency of meetings was stipulated in about a fourth of the agreements establishing safety committees. Most of these called for monthly meetings; in some instances, committee meetings were scheduled 3 or 4 months apart.

The following clause is illustrative of provisions which specified the frequency of meetings and remuneration to committee members for time spent at such meetings:

> One meeting a month shall be held by the Safety Committee. The date, hour and place of meeting shall be determined by the employer. Temporary changes in the date and hour for single meetings may be made by joint action of the Safety Committee. Time spent in Safety meetings by Union committeemen shall be paid for by the employer at straight time or overtime rates, whichever would be applicable under existing contracts, laws and regulations.

Other Safety Provisions

To analyze the range and variety of safety clauses in collective-bargaining agreements covered by the survey, a sample of slightly over a quarter (329) of the 1,232 contracts with safety provisions was examined in greater detail (see table 3). No agreements providing safety committees were included in this sample. Some agreements in this sample contained more than one of the enumerated provisions. The total is therefore larger than the actual number of agreements studied.

The general type of safety provision is usually a simple statement of the intent of management or management and union to eliminate health-safety hazards insofar as possible. One such clause stated:

> The union will cooperate with the company in the objectives of eliminating accidents and reducing health hazards as far as is practical.

TABLE 3.—*Variety of safety clauses in union agreements*

Type of provision	Frequency of occurrence in sample of 329 contracts analyzed	
General safety clauses	*Number*	*Percent*
Management, or union-management pledge to maintain safe working conditions	211	64
Management pledge to comply with Federal, State, or local laws	79	24
Rights and responsibilities		
Management:		
Employer required to install or furnish safety devices	113	34
Employer to maintain adequate sanitation facilities	97	29
Employer to maintain first-aid facilities	68	21
Employer to provide protective wearing apparel	55	17
Employees and unions:		
Safety rules to be observed by workers	106	32
Employees may refuse to work on unusually hazardous jobs	19	6
Employee to bear some or all costs of safety apparel specified	5	1

The following is illustrative of a general clause in which the company stated its intention of complying with safety legislation:

> The company shall make reasonable provisions for the safety and health of its employees in the plant during the hours of employment in accordance with the statutes of the State of Pennsylvania and the regulations of the Department of Labor.

The most frequent type of provision dealing with rights and responsibilities of employers required the employer to install or furnish safety devices, such as guards on machines, fire fighting equipment, etc.

Examples of other types of clauses included in the agreements are:

(1) *Employer to Maintain Sanitation Facilities:*

> The Company agrees to maintain satisfactory sanitary and healthful service quarters and facilities with proper lighting, heating and ventilation and to place cool water drinking fountains in convenient locations and a line for drying clothes and a locker for each employee in a locker room. When needed, suitable storage space will be provided for protective clothing in units whose operation is such as to require or make advisable keeping such protective clothing at the unit.

(2) *Employer to Maintain First-Aid Facilities:*

> The company does now and shall continue to maintain first-aid equipment during all working hours, and shall have someone in the plant during such hours qualified to administer first aid.

(3) *Employer to Provide Protective Wearing Apparel:*

> * * * wearing apparel * * * to protect employees from injury shall be provided by the com-

pany in accordance with practices now prevailing in the plant or as such practices may be improved from time to time by the company. Goggles; gas masks; face shields; * * * special purpose gloves; fireproof, water-proof and acid-proof protective clothing when necessary and required shall be provided by the company without cost * * *

(4) *Employees to Observe Safety Rules:*

All rules and regulations for the promotion of safety and protection of health of the employees, prescribed by the [company], are to be submitted to the union for approval; but unless the union shall, within ten days after the receipt of any rule or regulation, make objection thereto in writing, with reasons in support of such objection, the rules and regulations will become effective * * * The union will cooperate with the [company] by assisting in securing the observance of these rules and regulations.

(5) *Employees May Refuse to Work on Unusually Hazardous Jobs:*

An employee or group of employees who believe that they are being required to work under conditions which are unsafe or unhealthy beyond the normal hazard inherent in the operation in question shall have the right to:

(1) File a grievance in the third step of the grievance procedure for preferred handling in such procedure and arbitration; or

(2) Relief from the job or jobs, without loss to their right to return to such job or jobs, and at Management's discretion, assignment to such other employment as may be available in the plant; provided, however, that no employee, other than communicating the facts relating to the safety of the job, shall take any steps to prevent another employee from working on the job.

The [Arbitration] Board shall have authority to establish by unanimous agreement, rules of procedure for the special handling of grievances arising under this Subsection and to appoint local qualified arbitrators when necessary. The decision of such local arbitrators shall be subject to review by the Board in accordance with Subsection J of Section 7—Arbitration.

(6) *Portion of Costs of Safety Equipment Borne by Employee:*

It is agreed that in the case of Mechanical Department employees who wear glasses, that the Company will pay one-half the cost of providing these employees with safety glasses ground to their individual prescriptions.

General Wage Adjustment Provisions, 1950

WAGE REOPENING PROVISIONS existed in slightly more than half of a sample of 2,754 labor management agreements analyzed by the U. S. Labor Department's Bureau of Labor Statistics in the summer of 1950. During the term of the contract, these provisions permit wage negotiation or general wage adjustments at specified time intervals or upon the occurrence of specified economic changes.

Such general wage adjustment clauses—applying to all workers covered by the contract—are to be distinguished from individual wage adjustments to workers who qualify for merit, length-of-service, or other pay increases under established wage progression plans.

Also to be distinguished are non-contractual reopenings or renegotiations. These occurred in a number of significant agreements during the summer and autumn of 1950 for two reasons: (1) to compensate workers for higher living costs, and (2) to relieve employers' fears of losing skilled and other production workers during an expected tight labor market. Such waivers of contract rights are not reflected in this analysis which is based on actual agreement provisions existing at the time of the study.

General wage renegotiation plans are of two broad types—permissive and automatic. The permissive plans allow the negotiation of new wage rates at any time or at stated intervals during the life of the agreement. In some instances, the reopening is permitted only when significant changes have occurred in general economic conditions, the cost of living, or in prevailing wages in a locality or industry. The automatic plans make wage changes compulsory in conformance with specified changes in the cost of living, price of given commodities, profits, or other economic factors.

Some agreements combine permissive and automatic plans. These require automatic adjustments within certain limits, after which the question of wage rates becomes a subject for further negotiations.

Either type may provide for upward wage adjustments only, or for both upward and downward adjustments. In the latter case, existing wage standards may be protected by prohibiting

Distribution of wage adjustment provisions in collective bargaining agreements

Industry	Number of agreements	Percent of agreements providing for—		
		Wage adjustment	Method of adjustment	
			Wage renegotiation	Automatic or escalator clause
Total agreements	2,754	55.1	52.7	2.4
Manufacturing	1,862	61.5	59.1	2.4
Textile mill products	176	88.1	85.8	2.3
Rubber products	30	86.7	86.7	.....
Electrical machinery	75	82.7	81.4	1.3
Apparel and other finished textile mill products	99	78.8	77.8	1.0
Transportation equipment	93	69.9	65.6	4.3
Machinery (except electrical)	179	69.8	69.2	0.6
Primary metal industries	132	69.7	67.4	2.3
Fabricated metal products	182	69.2	67.0	2.2
Petroleum and coal products	29	69.0	69.0	.....
Professional, scientific, and controlling instruments	31	67.7	67.7	.....
Paper and allied products	73	67.1	67.1	.....
Lumber and timber basic products	70	55.7	51.4	4.3
Chemicals and allied products	77	49.4	46.8	2.6
Leather and leather products	70	44.3	42.9	1.4
Food and kindred products	197	44.2	37.6	6.6
Printing and publishing	83	40.9	37.3	3.6
Furniture and finished wood products	61	39.3	36.0	3.3
Stone, clay, and glass products	130	28.5	27.7	0.8
Tobacco	19	26.3	21.0	5.3
Miscellaneous manufacturing [1]	56	55.4	55.4	.....
Nonmanufacturing	892	41.7	39.1	2.6
Mining, crude-petroleum and natural gas production	63	60.3	60.3	.....
Communications	30	46.7	46.7	.....
Wholesale and retail trade	158	44.9	43.0	1.9
Service [2]	207	43.0	40.1	2.9
Transportation	229	39.3	36.7	2.6
Utilities: Electric and gas	121	37.2	36.4	0.8
Miscellaneous nonmanufacturing [3]	84	29.7	21.4	8.3

[1] Includes jewelry and silverware, buttons, musical instruments, toys, athletic goods, ordnance, and ammunition.
[2] Includes financial, insurance, and other business services, personal services, hotels and restaurants, automobile repair shops, amusement and recreation establishments, and medical and other health services.
[3] Includes construction, farming, fishing, educational institutions, nonprofit membership organizations, and governmental establishments.

any decrease in rates below the wage level at the time the agreement was signed.[1]

Of the 1,517 agreements in the sample, which called for some type of reopening of the contract to consider wages, the overwhelming proportion (95.6 percent) were permissive or voluntary in character. The mandatory or automatic type of interim general wage adjustment clause related largely to so-called escalator or cost-of-living clauses gearing changes in wages to changes in consumer prices. Although this type of clause has been incorporated in a number of recent agreements, it still constitutes but a small fraction of all general wage adjustment arrangements.[2]

Workers Covered

Approximately 4,680,000 workers were covered by 2,085 agreements for which employment data were available. By and large, the distribution of workers—as between permissive and mandatory types of wage adjustments—followed that of the total sample of 2,754 contracts (see table). Nearly two-thirds of the workers were employed under contracts permitting wage reopenings and adjustments during the life of the contract. Again, a large proportion (55 percent) were covered by clauses which did not commit the parties to any specific or automatic wage adjustment but instead called for the reopening of the contract and the negotiation of wage changes based upon economic or business conditions existing at the time.

Industry Variations

On the whole, agreements in manufacturing industries more frequently provided for general wage reopenings than did those in nonmanufacturing industries, the ratios being 61.5 percent and 41.7 percent, respectively. Among the manufacturing group of industries, 80 percent or more of the agreements surveyed in textiles, rubber, and electrical machinery incorporated wage reopening clauses. In nonmanufacturing, about 60 percent of the agreements in mining and crude-petroleum production and 45 percent in trade, services, and communications provided for wage reopenings.

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[1] See BLS Bulletin No. 908-9, Wage Adjustment Plans, for text of illustrative clauses.

[2] See Monthly Labor Review, November 1950, for discussion of cost-of-living wage adjustment clauses in recent labor-management agreements.

Employer Unit in Collective Bargaining

SINCE THE ENACTMENT of the National Labor Relations Act in 1935, with its stimulus to the growth of collective bargaining in American industry, widespread attention has been focused upon the scope of labor-management negotiations. Frequently, the term "appropriate unit" has been used to describe the limits or extent of a union's representation of workers in its dealing with an employer or groups of employers.

Under the original Wagner Act, as well as under the Labor-Management Relations Act of 1947 (Taft-Hartley Act), the National Labor Relations Board has been authorized to determine, in case of a dispute between a union, or several unions, and an employer, or group of employers, the scope of the bargaining unit for the purposes of union representation. Based upon the facts in each case, the Board has found, in some instances, the appropriate bargaining unit to be a single craft or group of employees; in other instances the bargaining unit has been defined to include all production employees in one or several plants of

Labor-Management Agreements, 1950

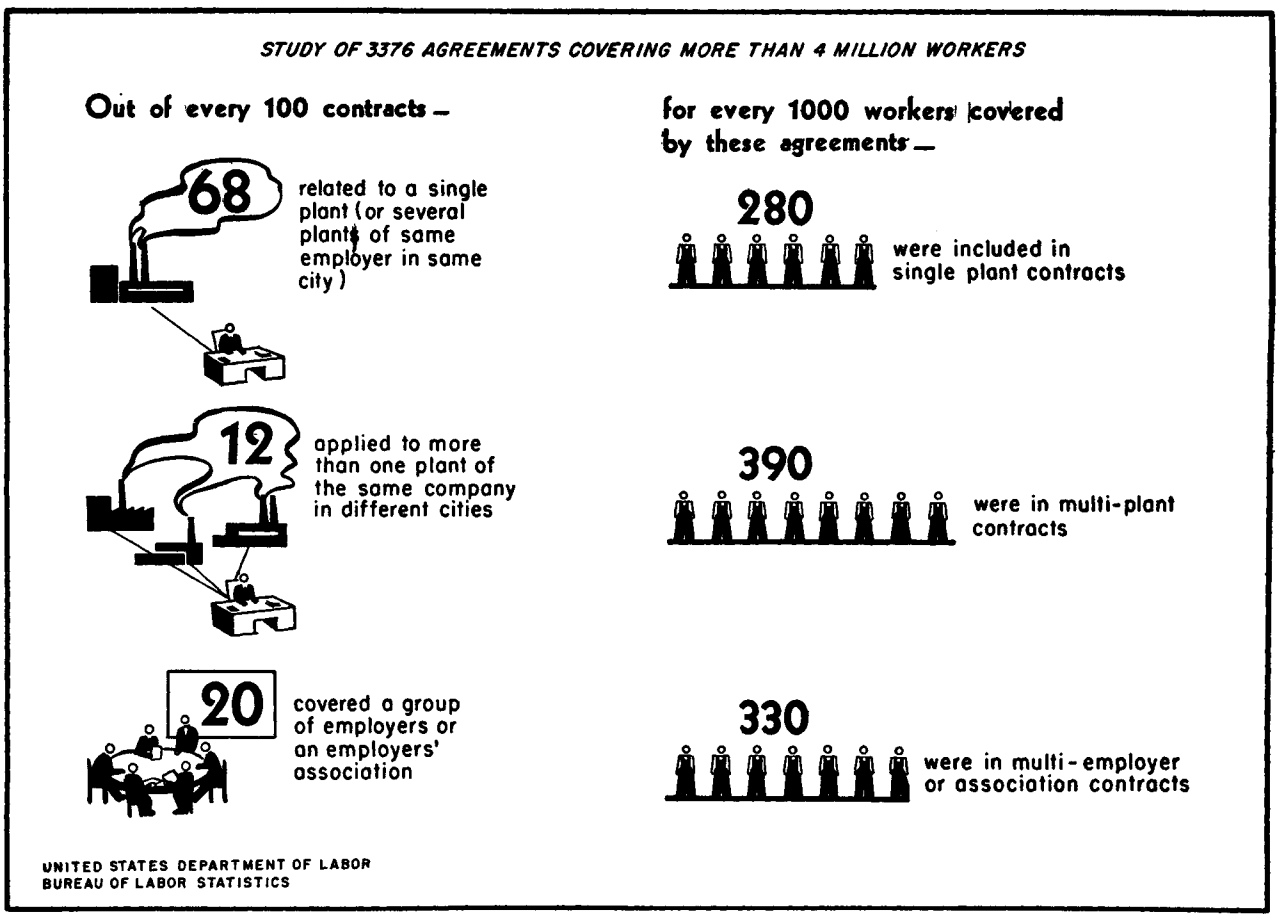


TABLE 1.—*Distribution of agreements and workers covered, by type of bargaining unit*

Industry	Agreements				Number of agreements with employment data available	Workers covered			
	Number	Unit of bargaining—Percent of total				Number	Unit of bargaining—Percent of total		
		Single plant	Multi-plant	Multi-employer			Single plant	Multi-plant	Multi-employer
All industries: Total	3,376	68	12	20	2,460	4,408,000	28	39	33
Manufacturing: Total	2,454	81	8	11	1,888	3,031,400	36	44	20
Machinery (except electrical)	227	95	3	2	199	197,000	91	7	2
Fabricated metal products	272	92	4	4	174	134,000	68	21	11
Petroleum and coal products	53	92	6	2	42	42,000	73	27	----
Professional, scientific, and controlling instruments	31	90	7	3	27	23,100	88	11	1
Chemicals and allied products	157	89	8	3	110	92,400	60	34	6
Leather and leather products	134	89	2	9	119	77,300	48	4	48
Paper and allied products	107	86	9	5	83	88,600	39	31	30
Rubber products	42	86	14	----	27	123,000	18	82	----
Transportation equipment	103	85	14	1	74	667,000	25	75	----
Textile mill products	196	84	11	5	181	227,000	50	29	21
Electrical machinery	90	82	15	3	78	214,000	41	26	33
Primary metal industries	195	80	13	7	142	453,700	18	73	9
Furniture and finished wood products	66	80	3	17	51	26,900	79	6	15
Stone, clay, and glass products	185	79	13	8	156	104,000	35	37	28
Lumber and timber basic products	71	78	7	15	62	40,500	36	6	58
Food and kindred products	225	65	11	24	154	163,000	39	43	18
Tobacco	23	65	26	9	19	32,700	23	58	19
Printing and publishing	107	51	3	46	58	27,000	35	2	63
Apparel and other finished textile mill products	105	36	11	53	76	272,000	3	5	92
Miscellaneous manufacturing [1]	65	77	5	18	56	26,200	73	8	19
Nonmanufacturing: Total	922	37	21	42	572	1,376,600	9	29	62
Mining, crude petroleum and natural gas production	66	66	23	11	45	489,000	2	1	97
Transportation	212	50	14	36	125	194,000	31	7	62
Wholesale and retail trade	215	37	8	55	118	92,600	17	10	73
Services [2]	189	30	8	62	103	124,000	4	3	93
Utilities: Electric and gas	132	27	68	5	117	151,000	12	78	10
Communications	33	12	85	3	27	278,000	7	89	4
Miscellaneous nonmanufacturing [3]	75	21	----	79	37	48,000	4	----	96

[1] Includes jewelry and silverware, buttons, musical instruments, toys, athletic goods, ordnance, and ammunition.

[2] Includes financial, insurance, and other business services, personal services, hotels and restaurants, automobile repair shops, amusement and recreation establishments, and medical and other health services.

[3] Includes construction, farming, fishing, educational institutions, nonprofit membership organizations, and governmental establishments.

the employer. In other cases, the Board has decided in favor of a bargaining unit which embraces a number of employers and one or more unions. Most frequently, however, the parties themselves have through long-standing custom or mutual agreement established, without recourse to State or Federal labor agencies, the area or scope of the coverage of their contracts.

As a part of its analysis of collective-bargaining contracts, the Bureau of Labor Statistics classifies agreements according to the "employer unit." This employer-unit classification is divided into several major subgroups designed to show whether the contract (*a*) relates to a single plant or establishment of an employer; (*b*) includes more than one plant or establishment of the same employer (multi-plant bargaining); or (*c*) covers a group of employers formally or informally organized as an association (multi-employer or association bargaining).

Thus although approximately two-thirds of all the agreements related to a single plant, less than a third of all the workers were covered by such contracts, according to available data (see table). Multi-plant agreements, while constituting only an eighth of the total number surveyed, nevertheless covered nearly two-fifths of all the workers. This reflects the prevalent pattern of bargaining in certain industries such as steel, transportation equipment, and rubber in which a number of large companies have plants scattered throughout the country.

Similarly, the multi-employer or association type of bargaining appeared most frequently in industries whose operations are generally characterized by a relatively large number of essentially local establishments—printing and publishing, apparel, trade, and services, including hotels and restaurants.

Group employer or association bargaining, according to the sample of agreements, was most prevalent in the Pacific Coast area where almost half (48.1 percent) of the agreements were of this type. The Mountain States ranked next in the proportion of multi-employer contracts, 22.2 percent. Fewer than 1 out of every 10 contracts in

the New England, South Atlantic, and West South Central areas reflected the practice of bargaining on an association basis.

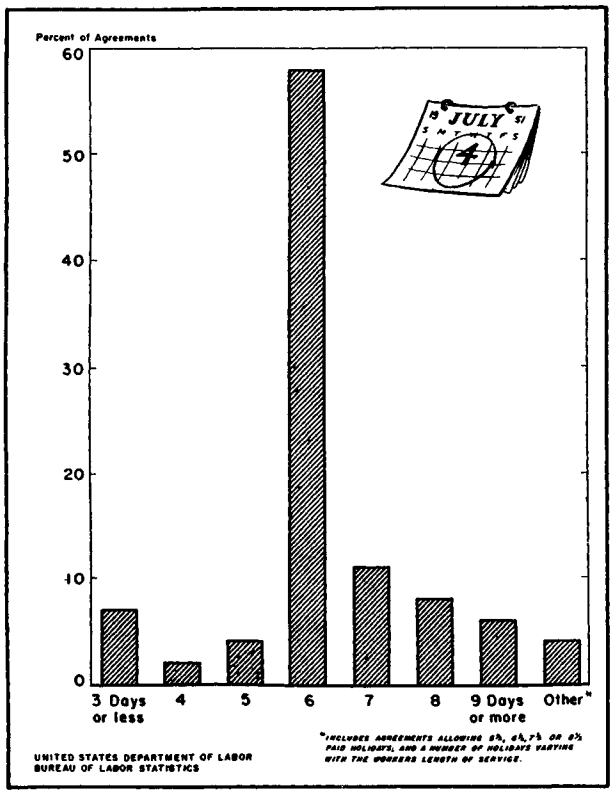
Of the 1,650 agreements negotiated by AFL affiliates, slightly more than half (56.4 percent) were with individual employers at a single location. Almost a third of AFL contracts reflected group bargaining practices—indicative of the extensive organization of AFL affiliates in such industries as printing, trade, and the various services. Multi-plant agreements were least frequent, accounting for about 1 out of every 9 (10.9 percent) of the AFL agreements surveyed.

Affiliates of the CIO, in 4 out of every 5 agreements, bargained with a single employer whose plant or plants were all in the same locality. Many of the more significant of the 1,269 CIO agreements, however, were negotiated with companies operating a large number of plants scattered throughout the country. These employed thousands of workers in such industries as automobile, steel, and rubber manufacturing. Relatively few CIO agreements (7.2 percent) were negotiated with groups or associations of employers.

Holiday Provisions in Union Agreements, 1950

WAGE PAYMENT to workers for specific holidays not worked has become common practice under collective bargaining. More than two and a half million workers benefited from paid holidays under about three-fourths (73.4 percent) of 2,316 current collective bargaining agreements analyzed in a recent Bureau of Labor Statistics study.[1] A Bureau study in 1949 revealed that two-thirds of 464 agreements examined granted paid holidays.[2]

Chart 1. Paid Holidays Provided in 1,701 Collective-Bargaining Agreements, 1950



Salaried workers—most of whom are not covered by labor-management contracts—have long enjoyed the benefits of paid holidays. For production workers, however, the practice has become prevalent only since World War II. As part of its program to stem inflationary forces set in motion at the outbreak of World War II, the Government placed restrictions on the granting of wage rate increases. However, to compensate for such restrictions, certain fringe benefits to workers were permitted. Among these were paid holiday benefits which, in many cases, were incorporated in collective bargaining agreements. In general, such plans, once adopted, tended to remain a permanent feature of agreements subsequently concluded. In 1936, the National Industrial Conference Board, in a survey of 446 companies, found that only 9 percent granted paid holidays

TABLE 1.—*Percentage of agreements with paid holiday provisions, by major industry group* [1]

Major industry group	Number of agreements	Percent of agreements with paid holiday provisions
Total	2,316	73
Manufacturing	1,574	77
Electrical machinery	65	97
Rubber products	43	95
Paper and allied products	70	94
Chemicals and allied products	62	92
Leather and leather products	52	91
Professional and scientific instruments	23	91
Apparel	89	90
Petroleum and coal products	27	89
Tobacco	14	86
Food and kindred products	146	84
Machinery, except electrical	157	83
Textile mill products	141	83
Fabricated metal products	166	82
Printing and publishing	60	78
Transportation equipment	77	75
Furniture and finished wood products	48	73
Primary metal industries	111	61
Stone, clay, and glass products	123	32
Lumber and timber basic products	52	25
Miscellaneous [2]	48	83
Nonmanufacturing	742	65
Communications	28	93
Utilities: electric and gas	106	89
Wholesale and retail trade	130	85
Mining, crude-petroleum and natural-gas production	52	66
Transportation	179	61
Hotels, restaurants, and services [3]	182	53
Construction	47	6
Miscellaneous [4]	18	66

[1] Includes agreements which allow paid holidays exclusively and both paid and unpaid holidays.
[2] Includes jewelry and silverware, musical instruments, toys, athletic goods, ordnance and ammunition.
[3] Includes financial, insurance, and other business services, personal services, automobile repair shops, amusement and recreation establishments, medical and other health services, and hotels and restaurants.
[4] Includes farming, fishing, educational institutions, nonprofit membership organizations, and government establishments.

[1] Agreements included in this study were in effect during all or some part of 1950. Employment data were available for 1,705 agreements covering 3,963,000 employees. Of the 1,701 agreements providing paid holidays employment data available for 1,247 covered 2,632,036 employees.

The American Federation of Labor, the Congress of Industrial Organizations, and unaffiliated unions, respectively, negotiated 50, 38, and 12 percent of the agreements. Twenty major manufacturing and 8 nonmanufacturing industries were represented.

[2] Premium Pay, Holiday and Shift Provisions in Selected Union Agreements, 1948-49, U. S. Department of Labor, Bureau of Labor Statistics, p. 17.

to their production workers.[3] In a similar study in 1946, the Board stated that of 240 companies surveyed, 40 percent granted paid holidays.

In manufacturing industries paid holidays were provided by more than 75 of each 100 agreements covered in the present survey. In nonmanufacturing industries, 65 of each 100 agreements provided pay for specific holidays not worked. Paid holiday clauses were included in more than 90 percent of the contracts in 7 major manufacturing industries and by between 80 and 89 percent of the contracts in 7 others.

Among the eight major groups of nonmanufacturing industries, the communications industry is the only group with more than 90 percent of the contracts providing paid holidays. In two other nonmanufacturing industries between 80 and 89 percent of the contracts provided paid holiday benefits (table 1).

Paid holiday provisions were most common in New England, where they were included in 88 percent of the agreements studied. Other regions where paid holidays were granted by a large proportion of the agreements were the Middle Atlantic States (85 percent), West North Central States (75 percent), East North Central States (71 percent), and South Atlantic States (71 percent).

The number of holidays with pay varies, but more than half of the agreements specified 6 such holidays per year (chart 1). The most frequently designated paid holidays are: New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, and Christmas. In a sample of 300 agreements selected at random from the 2,316 included in the survey, these 6 holidays were granted in various combinations by 278 agreements.

Thanksgiving was the most frequently mentioned holiday in the 300 contracts studied. The frequency of the 6 standard paid holidays in the 300 agreements was: Thanksgiving, 298; Christmas, 296; Labor Day, 296; July 4, 296; New Year's, 295; Memorial Day, 285.

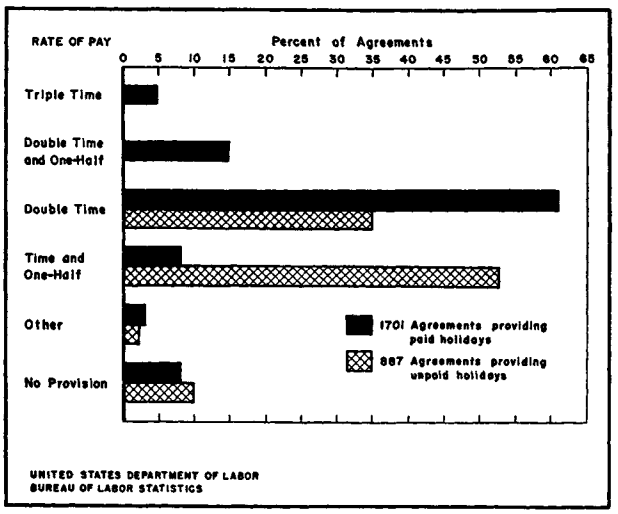
Other holidays mentioned infrequently in the 300 contracts sampled were: Patriots' Day, Admission Day, Christmas Eve, Rosh Hashana, Yom Kippur, Easter Sunday, Bunker Hill Day, Jefferson Davis Day, Mardi Gras Day, Pioneer Day, San Jacinto Day, May 1st, and Franklin D. Roosevelt's birthday.

TABLE 2.—*Agreements providing both paid and unpaid holidays*

Paid holidays	Number of agreements with paid and unpaid holidays	Unpaid holidays							
		1	2	3	4	5	6	7	Other
Total number of agreements	363	70	77	62	58	35	5	2	54
1 paid holiday	22	-----	-----	-----	-----	21	1	-----	-----
2 paid holidays	27	-----	-----	-----	21	3	3	-----	-----
3 paid holidays	55	-----	-----	41	11	3	-----	-----	-----
4 paid holidays	31	3	22	5	-----	-----	-----	1	-----
5 paid holidays	33	15	11	2	2	2	-----	-----	[1] 1
6 paid holidays	123	46	36	10	20	6	1	-----	[1] 4
7 paid holidays	13	1	6	3	2	-----	-----	1	-----
8 paid holidays	6	3	-----	1	2	-----	-----	-----	-----
9 paid holidays	2	-----	2	-----	-----	-----	-----	-----	-----
10 paid holidays	2	2	-----	-----	-----	-----	-----	-----	-----
Other	49	-----	-----	-----	-----	-----	-----	-----	[2] 49

[1] Number of unpaid holidays not clearly indicated.
[2] Of this group, 33 agreements allow paid holidays only to specified classifications and unpaid holidays to others; 9 agreements allow 5½, 6½, 7½, or 8½ paid holidays and 3 or fewer unpaid holidays; 3 agreements graduate the number of paid and unpaid holidays on the basis of length of service; and 4 agreements grant a different number of holidays for different groups of workers.

Chart 2. Pay Rates for Holidays Worked, 1950



Specific reference in agreements to holidays observed—even though employees are not remunerated for time off—is considered desirable to workers for two reasons: First, to make it clear that no penalty is attached to absences on the days specified; secondly, when employees are requested

[3] See National Industrial Conference Board, Personnel Practices Governing Factory and Office Administration, 1936, p. 16; and Studies in Personnel Policy No. 75, Vacation and Holiday Practices, 1946, pp. 16-17. Because the NICB reports do not distinguish between companies whose workers are covered by collective bargaining agreements and those whose workers are not so covered, it is not possible to compare their findings with conclusions published in this survey. The NICB studies do reveal clearly that the granting of paid holidays was relatively rare in 1936.

TABLE 3.—*Premium rates for holiday work, by industry*

Major industry group	Paid holidays							Unpaid holidays						
	Number of agreements providing premium pay rates	Percent of agreements with rates specified						Number of agreements providing premium pay rates	Percent of agreements with rates specified					
Premium pay rates: regular rate times		1	1½	2	2½	3	Other		1	1½	2	2½	3	Other
Total	1,564	------	9	66	16	6	3	806	1	58	39	(1)	------	2
Manufacturing	1,125	------	9	68	15	7	1	609	1	60	37	------	------	2
Food and kindred products	114	------	11	68	9	11	1	43	------	60	35	------	------	5
Tobacco	11	------	------	100	------	------	------	1	------	100	------	------	------	------
Textile mill products	106	------	22	38	37	3	------	87	2	88	10	------	------	------
Apparel and other finished textile mill products	32	------	31	38	28	------	3	18	5	50	28	------	------	17
Lumber and timber basic products	13	------	15	62	15	8	------	42	------	79	21	------	------	------
Furniture and finished wood products	34	------	9	76	12	3	------	25	------	68	32	------	------	------
Paper and allied products	65	------	17	46	25	9	3	25	------	60	32	------	------	8
Printing and publishing	45	------	2	55	29	7	7	10	------	60	40	------	------	------
Chemicals and allied products	57	------	2	71	23	2	2	8	------	62	38	------	------	------
Petroleum and coal products	24	------	4	88	8	------	------	6	17	66	17	------	------	------
Rubber products	41	------	3	90	3	2	2	8	------	50	50	------	------	------
Leather and leather products	35	------	34	23	37	6	------	15	------	80	20	------	------	------
Stone, clay, and glass products	37	------	3	76	16	5	------	104	------	78	21	------	------	1
Primary metal industries	69	------	4	80	6	10	------	51	------	49	51	------	------	------
Fabricated metal products	136	------	7	82	4	6	1	60	------	30	68	------	------	2
Machinery, except electrical	127	------	3	81	6	10	------	48	------	23	75	------	------	2
Electrical machinery	62	------	------	76	19	5	------	5	------	60	40	------	------	------
Transportation equipment	58	------	2	78	3	17	------	29	------	21	79	------	------	------
Professional and scientific instruments	20	------	------	55	30	10	5	5	------	40	60	------	------	------
Miscellaneous [2]	39	------	13	64	13	8	2	19	5	53	42	------	------	------
Nonmanufacturing	440	------	10	62	18	2	8	197	------	52	43	1	------	4
Mining, crude-petroleum and natural-gas production	34	------	6	94	------	------	------	19	------	90	10	------	------	------
Construction	3	------	------	67	------	------	33	45	------	9	87	------	------	4
Transportation	100	------	11	45	16	1	27	51	------	76	20	------	------	4
Communications	25	------	4	92	4	------	------	0	------	------	------	------	------	------
Utilities: electric and gas	92	------	3	66	30	------	1	13	------	31	61	8	------	------
Wholesale and retail trade	94	------	14	64	15	5	2	17	------	37	50	------	------	13
Hotels, restaurants, and services [3]	82	------	17	55	22	5	1	49	------	55	41	2	------	2
Miscellaneous [4]	10	------	10	60	20	------	10	3	------	67	------	------	------	33

[1] Less than 0.5 percent.
[2] Includes jewelry and silverware, musical instruments, toys, athletic goods, ordnance, and ammunition.
[3] Includes financial, insurance, and other business services, personal services, automobile repair shops, amusement and recreation establishments, medical and other health services, and hotels and restaurants.
[4] Includes farming, fishing, educational institutions, nonprofit membership organizations, and government establishments.

to work on such days they usually receive more than the pay rate allowed for work on a normal day.

Table 2 indicates the number of paid and unpaid holidays allowed in agreements which provide for both types of holiday. As in agreements providing solely for paid holidays, 6 was the number of unpaid holidays most frequently granted. Of 363 agreements, 123 provided 6 paid holidays. Of these 123 agreements, 46 specified 1 unpaid holiday, 36 mentioned 2 unpaid holidays, 10 listed 3, 20 designated 4, 6 authorized 5, and 1 referred to 6.

Of the 1,701 agreements stipulating paid holidays, 92 percent, or 1,565 agreements, provided premium pay for work performed on the specified holidays. Similarly, 90 percent of the 887 agreements with unpaid holiday clauses provided premium holiday pay for work done (chart 2).

It is apparent from table 3 that, while double time is most frequently provided for work on paid holidays, time and a half is the pay rate most commonly granted for work on unpaid holidays. Although 8 percent of the contracts with paid holidays provided for time and one-half, the agreements did not always state clearly whether time and one-half was to be paid in lieu of, or in addition to, straight time allowed for holidays not worked. The following clause illustrates this:

> The following legal holidays shall be observed with pay: New Year's Day, Decoration Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. * * * The Employer agrees to pay for all work performed on such legal holidays at the rate of time and one-half the regular rate of pay.

Table 3 indicates for major industry groups the premium rates specified when employees perform work on designated paid holidays. Of the contracts in 20 of the 28 major industry groups 60 percent or more stipulated twice the regular rate of pay for time worked on such days. In other words, employees called to work on holidays received an additional day's pay for work performed.

In 8 of these major industry groups, double time for holidays worked was provided by 80 percent or more of the contracts.

Corresponding information for work on days designated as unpaid holidays is also shown in table 3. By and large it will be noted that most agreements tended, as might be expected, to pay somewhat lower premium rates for work performed on unpaid holidays. Thus, the rate of time and one-half the regular rate was most frequently specified, occurring in 60 percent or more in 15 of the 28 industry groups.

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