Labor-Management Contract Provisions 1952

Prevalence and Characteristics of Selected Collective-Bargaining Clauses

Bulletin No. 1142

UNITED STATES DEPARTMENT OF LABOR

Martin P. Durkin, *Secretary*

BUREAU OF LABOR STATISTICS

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Letter of Transmittal

UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D. C., May 28, 1953.

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 four sections—each dealing with a particular field covered in collective bargaining: Paid Vacation Provisions; Shift Operations and Differentials; Arbitration Provisions; and Union Status Provisions.

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

This report was prepared by members of the staff of the Division of Wages and Industrial Relations.

EWAN CLAGUE, *Commissioner.*

Hon. MARTIN P. DURKIN,
Secretary of Labor.

Preface

The Bureau of Labor Statistics has for many years made studies of labor-management problems and practices. Maintenance of an extensive file of current union agreements, selected to represent the various industries and unions in all parts of the country, is a regular part of the Bureau's activities in this area. Employers, unions, and many Government agencies call upon the Bureau for information and analyses based on these basic industrial relations documents. To assist in the distribution of agreement information and to provide data relating to labor practices established through collective bargaining, the Bureau prepares studies of contract provisions based on a significant number of agreements selected from the file. Most contract provisions of general interest are covered in this manner over a period of several years. These studies, which generally appear first in the Monthly Labor Review, are gathered together periodically in bulletins in recognition of their wide use in labor-management relations.

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Paid Vacation Provisions in Collective Agreements, 1952

PAID VACATIONS for production workers were the exception rather than the rule a little more than a decade ago, and rarely was the maximum period more than 1 week. In contrast, 95 percent of the 1,064 labor-management agreements included in a recent Bureau of Labor Statistics survey provided for paid vacations, and about half of the 5,266,000 workers covered by these agreements were eligible for 3 or more weeks if they met specified service requirements.

The basic reason for this development has probably been the growing recognition of the beneficial effect of regular periods of rest and recreation upon the health, morale, and efficiency of workers. This recognition is reflected in the efforts of labor unions to obtain or improve vacation plans in recent years, the voluntary introduction of such plans by some employers, and the establishment by some unions of recreational facilities to which workers can go during their vacation.

In addition, the adoption of vacation provisions was stimulated during World War II by the National War Labor Board's wage stabilization policy, which confined wage increases within rather narrow limits but was more lenient with regard to fringe benefits. (The Board would usually approve or order 1 week's vacation for 1 year of service and 2 weeks for 5 years or more.) Under this policy, many unions secured paid vacations as a partial substitute for wage increases. In the current emergency period, Wage Stabilization Board regulations provide that specified fringe benefits, including paid vacations, need not be offset against permissible general wage increases if the benefits do not exceed prevailing industry or area practice.

Extent and Types of Plans

Of the 5,266,000 workers employed under the agreements in the 1952 survey, 94 percent were covered by paid vacation provisions (table 1) in contrast with only 25 percent of the workers covered by union agreements in 1940.[1] Vacation clauses covered more than 90 percent of the workers in each industry group (table 2) surveyed except in the construction industry where workers are usually not employed by any one company for a long period of time.

Agreements covering 13 percent of the workers, most of whom were coal miners, provided uniform vacations to all eligible employees, regardless of differences in duration of employment beyond the qualifying period. Vacation benefits graduated according to length of service were applicable to 73 percent of the workers. Vacation plans were classified as graduated if pay was graduated even though actual time off was not. Thus, agreements providing for a plant shut-down of 1 week, with 1 week's pay to employees having 1 year's service and 2 weeks' pay to those having 5 years' service, were classified as graduated. Eight percent of the workers were employed under agreements which, for the most part, provided for vacations, but gave no details about the type of plan. Several contracts covering large associations of apparel manufacturers, for example, required employer contri-

TABLE 1.—*Type of plan and length of vacation period,*[1] *1952*

Plan and length of vacation	Agreements		Workers	
	Number	Percent	Number	Percent
Total	1,064	100	5,266,000	100
Uniform plans:				
1 week	22	2	[2] 507,000	10
2 weeks or more	[3] 36	3	156,000	3
Graduated plans:				
2 weeks' maximum	414	39	1,168,000	22
3 weeks' maximum	437	41	2,528,000	48
4 weeks' maximum	42	4	169,000	3
Other	[4] 65	6	402,000	8
No vacation	48	5	336,000	6

[1] Agreements which gave pay in lieu of vacations were classified according to the number of weeks' pay provided. Where vacation pay was expressed as a percentage of total annual earnings, 2 percent was considered approximately equivalent to a week's pay.

[2] The bulk of these workers are covered by the national anthracite and bituminous coal mining agreements which provided a vacation period of 10 calendar days (including 2 week ends) and payment of $100 to all employees with 1 year's service.

[3] Seven of these agreements gave more than 2 weeks' vacation.

[4] Most of these agreements provided for paid vacations but did not specify the details of the plan. Also included are a few agreements which scaled the amount of vacation allowance according to the time worked by the employee during the year, e. g., 1 hour's vacation pay for each 20 hours worked.

[1] See Vacations with Pay in Union Agreements, Monthly Labor Review, November 1940 (p. 1070).

TABLE 2.—*Type of plan and length of vacation period, by industry, 1952*

Major industry group	Number of agreements	Number of workers	Uniform plans		Graduated plans			Other	No vacation
			1 week	2 weeks or more	2 weeks maximum	3 weeks maximum	4 weeks maximum		
			Percent of workers						
Total	1,064	5,266,000	10	3	22	48	3	8	6
Manufacturing	758	3,439,000	3	2	25	58	3	9	(1)
Food and kindred products	77	270,000		2	36	61		1	(1)
Tobacco	9	34,000	5	27	54			14	
Textile mill products	83	188,000	(1)		93	5			2
Apparel and other finished textile products	47	326,000	21		15			64	
Lumber and timber basic products	15	18,000			90	2		8	
Furniture and finished wood products	20	52,000	57		33	10			
Paper and allied products	38	82,000			10	90			
Printing and publishing	26	31,000		29	19	16	10	26	
Chemicals and allied products	36	78,000			40	42	18		
Petroleum and coal products	15	59,000		12		3	83	2	
Rubber products	12	81,000			2	98			
Leather and leather products	16	43,000	28		51	19	2		
Stone, clay, and glass products	33	93,000	5		69	23	3		
Primary metal industries	33	422,000			6	94			
Fabricated metal products	49	106,000			48	33	18	1	
Machinery (except electrical)	87	262,000			22	75	1	1	1
Electrical machinery	47	304,000			7	91	2		
Transportation equipment	64	922,000		5	17	72		5	1
Instruments and related products	19	35,000		3	13	72	7	5	
Miscellaneous	32	33,000			59	25		16	
Nonmanufacturing	306	1,827,000	21	5	18	29	4	6	17
Mining, crude petroleum, and natural gas production	12	398,000	97		2	1			(1)
Transportation [2]	64	372,000		15	25	27	3	26	4
Communications	49	380,000				81	10		9
Utilities: electric and gas	31	112,000		2	1	82	8	7	
Wholesale and retail trade	62	114,000		20	48	15	10	4	3
Hotels and restaurants	14	110,000	2		98				
Construction	29	257,000		1					99
Miscellaneous	45	84,000	3	2	73	3	1	4	14

[1] Less than 0.5 percent.
[2] Agreements relating to the railroad industry were not included. These are national agreements applying to approximately 1,250,000 employees and generally provide for paid vacations of 1 week after 1 year's service and 2 weeks after 5 years' service.

butions to a central welfare and vacation fund but did not specify the amount of vacation granted or the service requirements for eligibility. The remaining 6 percent of the workers were employed under contracts which did not provide for vacations.

Maximum Periods and Service Requirements

Comparison of the current provisions with those in previous BLS surveys [2] indicates a definite trend toward longer vacation periods. Nearly 50 percent of the agreements having vacation provisions specified a vacation longer than 2 weeks as the maximum time allowed. In 1949, maximum vacations of more than 2 weeks were provided for in only 30 percent of the agreements which had vacation provisions and in 1944 in less than 2 percent of the unionized plants surveyed.

Four weeks' vacation, specified by agreements covering 3 percent of the workers, was the longest period provided. Petroleum refining was the only industry where the majority of the workers were employed under agreements providing a 4-week maximum, although some such agreements were found in half of the industry groups (table 2). Workers had to be employed for 25 years to qualify in 57 percent of the 4-week vacation plans; and in most of the remainder, 15 or 20 years was required.

A maximum of 3 weeks' vacation was specified by agreements covering 48 percent of the workers. Industry groups in which more than half of the workers were eligible for the 3-week maximum after meeting specified service requirements were food and kindred products, paper and allied prod-

[2] See Paid Vacations Under Collective Agreements, 1949, Monthly Labor Review, November 1949 (p. 518) and Vacations with Pay in Selected Industries, Monthly Labor Review, January 1945 (p. 80). It should be noted that these data are not strictly comparable, since the 1944 survey expressed percentages in terms of plants as units, whereas in the 1949 as well as the current study, the units are collective-bargaining agreements, many of which cover more than one plant.

ucts, rubber, primary metal industries, machinery, transportation equipment, instruments and related products, communications, and electric and gas utilities.

Service required for 3 weeks' vacation ranged from 5 to 30 years, but 15 years was by far the most common requirement, as shown by the following tabulation:

	Percent of workers
5 years of service	0. 4
10 years of service	3. 5
15 years of service	69. 5
20 years of service	4. 8
25 years of service	19. 0
Other requirements	2. 8

Graduated plans terminating at a maximum of 2 weeks' vacation applied to 22 percent of the workers. In textiles, lumber and timber basic products, and hotels and restaurants, 90 percent or more of the workers were employed under such plans. Other industry groups where this was the most common vacation provision were tobacco; leather and leather products; stone, clay, and glass products; fabricated metal products; and trade. Service requirements for the 2-week maximum were as follows:

	Percent of workers
1 year of service	2. 9
2 years of service	12. 0
3 years of service	12. 5
4 years of service	4. 8
5 years of service	63. 9
Other requirements	3. 9

Among the nongraduated plans, 1 year's service was the usual requirement both in agreements allowing 1 week of vacation and in those allowing 2 weeks.

Analysis of Provisions in Major Contracts

A special analysis was made of agreements which covered 5,000 or more workers each to determine not only the maximum but also the minimum and intermediate vacation periods and the length of service required. Provisions regarding such matters as work requirements, computation of vacation pay, scheduling of vacations, and vacation rights of employees leaving the company were also examined. Included in this analysis were 144 agreements, covering in the aggregate 3,086,000 workers.[3]

Although many different combinations of vacations and service requirements were provided in these agreements, nearly one-third of the workers were covered by schedules calling for 1 week's vacation after 1 year's service, 2 weeks after 5 years, and 3 weeks after 15 years (table 3). Another large group of workers (mostly in the steel industry) had the same vacation plan, except that the service requirement for 3 weeks was 25 years. A third large group received 1 week for 1 year and 2 weeks for 5 years, without a third week of vacation. A substantial number were also covered by uniform plans of 1 week for 1 year. Altogether, these four groups accounted for nearly 70 percent of the workers.

Minimum Work Requirements. Service requirements for vacation eligibility refer to the time elapsed since an employee started to work for the employer, regardless of absences caused by personal reasons or temporary lay-offs resulting from slack work. In addition to service requirements, over a third of the 144 agreements specified that an employee must actually have worked a specified minimum time during the year in order to be eligible for the paid vacation. For example:

> Employees who complete 1 year of service as of July 1 shall receive 1 week's vacation with pay and employees who complete 5 years of service as of July 1 shall receive 2 weeks' vacation with pay.
>
> It is agreed that the intent of this section is to provide vacations to eligible employees who have been consistently employed. Consistent employment shall be construed to mean the receipt of earnings in at least 60 percent of the pay periods within the period intervening between July 1 of each calendar year. For the purposes of this section, "pay period" shall mean a 2-week period or a semimonthly period.

Some of the agreements made allowance for absences beyond the employees' control by excluding from minimum-work requirements time lost through lay-offs, sickness and similar causes; in other words, in determining vacation eligibility such absences are counted as time worked.

[3] An additional 12 agreements covering a minimum of 5,000 workers each were in the sample of 1,064, but either had no vacation provisions or merely referred to paid vacation plans, without specifying the details of the plan.

TABLE 3.—*Service requirements and length of vacation provided in 144 agreements covering a minimum of 5,000 workers each, 1952*

Vacation plan	Agreements	Workers covered
All plans	144	3,086,150
6 months for 1 week, plus—		
1 year for 2 weeks	4	69,350
1 year for 2 weeks, 15 years for 3 weeks	4	65,200
2 years for 2 weeks, 15 years for 3 weeks	3	54,500
5 years for 2 weeks	1	5,000
6 months for 2 weeks, plus—		
15 years for 3 weeks	1	19,000
1 year for 4 weeks	1	10,000
1 year for 1 week	6	[1] 429,000
1 year for 1 week, plus—		
2 years for 2 weeks	8	74,500
3 years for 2 weeks	5	38,600
4 years for 2 weeks	3	46,300
5 years for 2 weeks	25	347,450
1 year for 2 weeks	7	98,300
1 year for 2 weeks, plus—		
10 years for 3 weeks	1	42,000
15 years for 3 weeks	3	23,400
15 years for 3 weeks, 25 years for 4 weeks	2	17,800
15 years for 3 weeks, 35 years for 4 weeks	1	31,000
20 years for 3 weeks	1	12,600
25 years for 3 weeks	1	18,000
1 year for 1 week, 2 years for 2 weeks, plus—		
3 years for 3 weeks	1	5,000
15 years for 3 weeks	8	57,800
1 year for 1 week, 3 years for 2 weeks, plus—		
10 years for 3 weeks	1	5,200
15 years for 3 weeks	2	16,000
1 year for 1 week, 5 years for 2 weeks, plus—		
10 years for 3 weeks	2	23,000
15 years for 3 weeks	25	947,750
15 years for 3 weeks, 25 years for 4 weeks	2	19,900
20 years for 3 weeks	2	10,600
25 years for 3 weeks	9	397,900
Other	15	201,000

[1] Includes national anthracite and bituminous coal agreements. See footnote 2, table 1.

The minimum requirements were expressed in different time units. Since few agreements specified "full days," "full weeks," etc., it is impossible to convert all the work requirements to the same time unit. Where the time is stated in minimum days, weeks, months, or pay periods, the employees may receive credit for the entire time unit if they work any part of it. Thus, an agreement with a minimum requirement of 32 weeks might conceivably allow an employee a vacation if he worked only 1 day in each of those weeks. However, regardless of the time unit used, in the majority of cases the minimum requirements were within the range of one-half to two-thirds, of the time available during the year. For example, the requirements most frequently specified were 1,200 hours, 26 weeks, and 60 percent of pay periods during the year.

Vacation Pay. Although the methods used in computing vacation pay varied greatly in detail among the 144 agreements, they may be summarized in a few categories. The most common method, specified by nearly half of the agreements which indicated how pay is calculated, provided that for each week of vacation the employee was to be paid for the number of hours in his regular weekly schedule—usually 40. The rate of pay was either the employee's regular hourly rate at the time of vacation or, less frequently, his average hourly earnings calculated over a specified period preceding the vacation. In some agreements, both types of rates were provided, the former for hourly paid workers and the latter for those on piece or incentive work.

Another method, found in some 10 percent of the agreements, based vacation pay on the average number of hours worked per week by the employee over the preceding year or some other designated period. Some of these agreements specified minimum and/or maximum limits on the number of hours which were to be paid for. Here again the rate of pay was in some instances the employee's average earnings, and in others his regular hourly rate. In another 10 percent of the agreements, the amount of pay for each week of vacation was determined by averaging weekly earnings over a specified period.

Nearly a fourth of the agreements allowed each employee a specified percentage of his annual earnings, usually 2 percent (but occasionally 2½ percent), for each week of vacation leave. Some of these agreements guaranteed a minimum amount of pay, since employees who did not work regularly during the year might otherwise receive very small allowances.

A few agreements provided other methods of payment such as a flat sum to all employees, regardless of differences in rates or earnings of individual employees; average earnings of all workers in a group or department, etc.

Pay in Lieu of Vacation. Although paid vacations are predicated in principle upon the beneficial effect of actual time off for rest and relaxation, one-quarter of the agreements permitted a vacation bonus to be given workers in lieu of all or part of the vacation period. Most of these allowed the company the option of giving pay instead of vacations if production requirements made it necessary.

Automatic pay in lieu of vacations was provided in a few agreements, mostly in industries where workers are ordinarily laid off for a part of each year because of slack production periods. (In

such industries, the periods of lay-off are in effect unpaid vacations and the workers ordinarily prefer to receive extra pay rather than take vacations when work is available.)

Pay in lieu of vacation, in a few other agreements, was at the option of the employee; or by mutual consent of the employee and company; or was limited to situations where the employee was unable to take a vacation because of illness or other specified reasons.

Vacation Rights of Employees Leaving Company. Nearly two-thirds of the 144 agreements granted vacation pay to employees who were eligible for vacations but who were severed from employment before taking the vacation. Some of these agreements provided such pay in the event of "termination of employment," presumably for any reason. More commonly, however, payment was limited to specified types of termination, as indicated by the following tabulation:

	Agreements	*Number of employees*
Total*	93	1,870,250
Any termination	36	827,000
Military leave	28	851,000
Lay-off	38	555,000
Discharge	17	308,000
Resignation	35	498,000
Retirement	11	193,000
Death (payment to beneficiary)	25	409,000

*Columns nonadditive since some agreements granted vacation pay for more than one of the reasons listed in the tabulation.

Vacation Schedules. Of the 144 agreements, 109 indicated how vacations are scheduled. Employee choice was referred to in almost half of the 109 agreements. Most of these allowed employees to choose vacation dates in order of their seniority, but reserved to management the right to overrule these choices to avoid disruption of operations. Often, too, the employees were required to schedule their vacations during a specified period, usually the summer months. About an eighth of the 109 agreements provided for all employees to take their vacations at the same time during a plant shut-down. (Some of these agreements permitted shut-downs at the employer's option.) Most of the remainder of the 109 agreements merely provided that scheduling of vacations was to be left to management discretion. A few required that the union was to be consulted in fixing the vacation schedule; and one agreement permitted employees to vote on whether they wanted individual vacation periods or a plant shut-down.

Holidays Occurring in Vacation Period. Sixty-four agreements, covering 1,225,000 workers, had a provision relating to the effect of a holiday falling within an employee's vacation period. Forty contracts, involving 798,000 workers, provided that the employee would be given an extra day's pay but not an additional day off. An extra day off with pay was provided in 21 agreements (387,000 workers), and the remaining 3 contracts gave employees the option of an additional day off or an extra day's pay.

—Dena Wolk and James Nix
Division of Wages and Industrial Relations

Shift Operations and Differentials in Union Contracts, 1952

NIGHT WORK, which is not considered desirable by most workers, nevertheless, is unavoidable in many industries. Places of entertainment, restaurants, and some food processing establishments are usually open during the evening. Some manufacturing processes, for example, in the chemical industry, are continuous. Even in establishments operating less than 24 hours a day, certain categories of workers, such as plant protection and maintenance employees, are needed on duty at all times. Often the addition of night shifts is a question of lowering average cost per unit of product by keeping expensive capital equipment in constant operation. Further, night work may be necessary to meet peak seasonal or emergency production requirements.

Provisions relating to multishift operations affected slightly over four-fifths of 5,329,000 workers [1] covered by 1,065 collective agreements recently analyzed by the Bureau of Labor Statistics. These contracts were in effect early in 1952.

Premium pay for work on night shifts was provided for in agreements covering 3,914,000 workers, or 74 percent of the total. Another 8 percent were under agreements which made some reference to multishift operations or night work, but did not specify whether differential wage rates were paid. Typical of such references are the following: "It is agreed that the company shall have the privilege of operating any part of its plant on two or three shifts," or "the actual number of shifts shall be fixed from time to time by the employer after agreement with the union."

Most of the remaining 18 percent of the workers were covered by agreements which did not mention multiple shifts. A few of these agreements specifically prohibited the scheduling of more than one shift; a few others had provisions relating to split shifts but not to multiple shifts.

Prevalence of Shift Differentials

Comparison of the current data with the results of a BLS survey in 1943 indicates a marked increase in the prevalence of shift differentials in manufacturing industries.[2] Information regarding shift differentials in nonmanufacturing in previous years is too fragmentary to permit comparison with current data. About half of the manufacturing workers under union agreements in 1943 received differentials if they worked on night shifts, while the corresponding current figure is 81 percent.

In the present study, over 95 percent of the workers in the following industry groups were covered by agreements with differentials for night work: printing and publishing, rubber, primary metals industries, machinery (both electrical and nonelectrical), transportation equipment, instruments and related products, and mining (table 1). Other industry groups where differentials were common were food and kindred products, textiles, chemicals, petroleum refining, paper, fabricated metal products and communications. Such provisions were almost nonexistent in the apparel industry which has operated on a one-shift basis for many years. Industries where less than half of the workers were covered by night shift differential provisions were furniture and finished wood products, leather and leather products, transportation, trade, hotels and restaurants, services and construction. In nonmanufacturing as a whole, only 59 percent of the workers were under agreements with differentials, compared with 81 percent in manufacturing.

[1] The number of employees actually working on night shifts is unknown. Many plants, since the outbreak of the Korean conflict, have added extra shifts, probably involving substantial numbers of workers. For example, as of January 1952, about 75 percent of the factory workers in selected metalworking industries were on the first or "daylight" shift, 20.3 percent on the second shift, and 3.8 percent on the third. See Employment and Payrolls, August 1952, U. S. Department of Labor, Bureau of Labor Statistics. A summary of results of this study will appear in the December 1952 issue of the Monthly Labor Review.

[2] See Pay Differentials for Night Work Under Union Agreements, Monthly Labor Review, July 1943.

TABLE 1.—*Shift provisions in collective agreements, by industry group*

Industry group	Number of agreements	Number of workers	Percent of workers covered by agreements with—		
			No provisions for multiple shifts	Provision for multiple shifts	
				Premium for night work	No mention of premium
All industry groups	1,065	5,329,326	18.1	73.5	8.4
Manufacturing	*754*	*3,439,961*	*15.3*	*81.4*	*3.3*
Food and kindred products	77	273,553	3.6	87.1	9.3
Tobacco	9	30,708	17.7	72.0	10.3
Textile mill products	83	184,424	3.3	86.0	10.7
Apparel and other finished textile products	47	401,859	98.2	.2	1.6
Lumber and timber basic products	15	18,715	20.4	79.6	----
Furniture and finished wood products	20	52,031	69.0	28.1	2.9
Paper and allied products	38	77,642	2.7	74.9	22.4
Printing and publishing	26	30,989	1.0	99.0	----
Chemicals and allied products	36	75,994	.1	74.6	25.3
Petroleum and coal products	15	58,433	18.8	81.2	----
Rubber products	12	80,923	----	100.0	----
Leather and leather products	15	31,304	66.1	32.9	1.0
Stone, clay, and glass products	31	71,717	11.7	70.6	17.7
Primary metal industries	34	434,661	3.5	96.2	.3
Fabricated metal products	47	91,108	5.3	88.4	6.3
Machinery (except electrical)	87	261,562	----	100.0	----
Electrical machinery	47	296,407	----	100.0	----
Transportation equipment	64	900,281	----	99.9	.1
Instruments and related products	19	34,631	----	100.0	----
Miscellaneous	32	33,019	16.3	81.0	2.7
Nonmanufacturing	*311*	*1,889,365*	*23.6*	*58.9*	*17.5*
Mining, crude petroleum and natural gas production	18	397,947	----	98.3	1.7
Transportation [1]	64	371,048	37.3	31.4	31.3
Communications	49	370,554	8.4	84.4	7.2
Utilities: electric and gas	31	112,349	25.3	63.6	11.1
Wholesale and retail trade	62	114,518	50.1	27.0	22.9
Hotels and restaurants	14	106,750	65.9	34.1	----
Services	36	74,796	39.2	27.0	33.8
Construction	30	332,208	25.1	40.0	34.9
Miscellaneous	7	9,195	78.2	----	21.8

[1] Does not include national agreements relating to the railroad industry, which cover approximately 1,250,000 employees.

Types of Differentials

Two major types of differentials were found in the agreements analyzed. The most common, applicable to 61.0 percent of the workers under differential provisions, required a higher premium for the third than for the second shift.[3] (See table 2.) A variation of this type, confined mostly to the textile industry and covering only 2.5 percent of the workers, specified a premium for the third shift but not for the second. The second major type, involving 36.5 percent of the workers provided the same differential for all night work. Illustrative clauses defined night work as "other than the regular day shift"; "work performed between the hours of 6 p. m. and 6 a. m."; or "on the second and third shifts."

Graduated differentials were predominant in primary metal industries, fabricated metal products, transportation equipment, petroleum refining, and mining. Nongraduated premiums were most common in rubber, machinery, food and kindred products.

Shift premiums were predominantly monetary differentials, but sometimes took the form of time differentials or combined wage-rate and time differentials. Monetary differentials only, applicable to 92 percent of the workers under shift-premium provisions, were usually expressed in terms of cents per hour or a percentage of the regular rate, and less frequently as a specified amount for each shift or each week.

Time differential clauses appeared in agreements covering about 4 percent of the workers—most of them in the construction industry—for example:

> When two or more shifts are required, the first shall work between the hours of 8 a. m. and 5 p. m. for the first 5 days of the week and shall receive the regular rate of wages. The second and third shifts shall work 7 hours and receive 8 hours' pay at the regular rate of wages.

Agreements affecting another 4 percent of the workers, mostly in the aircraft and printing industries, provided combined wage-rate and time differentials, i. e., employees worked fewer hours than day workers and also received a monetary premium, as in the following example:

> *First or regular daylight shift:* An eight and a half (8½) hour period less 30 minutes for meals on the employee's time. Pay for a full shift period shall be a

TABLE 2.—*Types of shift differentials in collective agreements*

Type of differential	Agreements		Employees	
	Number	Percent	Number	Percent
Total	743	100.0	3,913,540	100.0
General night differential	313	42.1	1,427,537	36.5
Monetary, only	299	40.2	1,319,515	33.7
Time, only	11	1.5	98,962	2.6
Combined monetary and time	3	.4	9,060	.2
Third shift differential higher than second	400	53.8	2,386,527	61.0
Monetary, only	360	48.4	2,190,649	56.0
Time, only	9	1.2	36,278	.9
Combined monetary and time	31	4.2	159,600	4.1
Third shift only (monetary)	30	4.1	99,476	2.5

[3] For purposes of classification in this report, the first shift was considered the regular day shift, while the second and third were considered evening and night shifts.

TABLE 3.—*Amount of shift differential, by type of payment and number of employees affected* [1]

Type and amount of differential	General night differential		Graduated differentials				Third-shift differential only	
			Second-shift premium		Third-shift premium			
	Number of workers	Percent	Number of workers	Percent	Number of workers	Percent	Number of workers	Percent
Total	1,427,537	100.0	2,386,527	100.0	2,386,527	100.0	99,476	100.0
Monetary differential	1,319,515	92.5	2,190,649	91.8	2,190,649	91.8	99,476	100.0
Cents per hour:								
2 cents	300	[2]	10,175	.4				
3 cents	65,660	4.6	23,026	1.0	5,425	.2		
4 cents	5,385	.4	565,897	23.7	4,750	.2		
5 cents	117,317	8.2	186,831	7.8	21,288	.9	30,206	30.4
6 cents	21,454	1.5	404,182	16.9	521,178	21.6		
7 cents	135,514	9.5	34,908	1.5	58,223	2.4	41,770	42.0
7½ cents	33,075	2.3	23,825	1.0	36,517	1.6		
8 cents	16,156	1.2	19,375	.8	36,965	1.6		
9 cents	27,190	1.8	11,191	.5	383,601	16.1	12,000	12.0
10 cents	57,484	4.0	48,300	2.0	167,846	7.0	10,000	10.1
11–15 cents	22,000	1.6	3,540	.1	78,492	3.4		
Over 15 cents	1,165	.1	1,135	.1	18,100	.8		
Percent of regular rate:								
5 percent	11,868	.8	651,362	27.4	250	[2]	1,000	1.0
7 percent	39,642	2.8	7,860	.3	998	[2]		
7½ percent	7,113	.5	5,200	.2	609,415	25.7		
10 percent	507,551	35.6	8,958	.4	48,559	2.0		
12½ percent	7,000	.5			5,200	.2		
15 percent	8,569	.6			8,958	.4	4,500	4.5
Specified amount per shift or week [3]	152,384	10.7	174,319	7.3	174,319	7.3		
Other [4]	82,688	5.8	10,565	.4	10,565	.4		
Time differential	98,962	6.9	36,278	1.5	36,278	1.5		
Combined money and time differential	9,060	.6	159,600	6.7	159,600	6.7		

[1] Includes all employees in the bargaining units covered by the agreements providing for shift differentials.

[2] Less than 0.1 percent.

[3] The majority of the employees in this category are in the telephone industry, where the amount of the daily or weekly differential is usually graduated according to the weekly wage rate of the employee, and in some agreements, according to the ending time of the shift.

[4] Includes agreements which provided premium pay for night work but did not specify the rate clearly enough to classify. Also includes agreements which established different premium rates for different groups of employees, e. g., incentive and hourly paid employees, rotating- and non-rotating-shift workers, kitchen and dining room employees, etc.

sum equivalent to eight (8) times the regular hourly rate with no premium.

Second shift: An eight (8) hour period less 30 minutes for meals on employee's time. Pay for full second shift period shall be a sum equivalent to eight (8) times the regular hourly rate plus ten (10) percent.

Third shift: A seven and one-half (7½) hour period less 30 minutes for meals on employee's time. Pay for full third shift period shall be a sum equivalent to eight (8) times the regular hourly rate plus fifteen (15) percent.

Amount of Differential

Although the amount of premium pay for night work varied greatly, substantial numbers of the workers affected were concentrated in a relatively few categories (table 3). For example, a 10-percent premium was specified for over one-third of the workers covered by nongraduated differentials, and for one-fifth the premium was within the range of 5 to 7½ cents. Among the agreements which established graduated differentials, the most common second shift premiums were 5 percent, 4 cents, and 6 cents. Altogether, these 3 categories accounted for more than two-thirds of the workers under second-shift differentials. Similarly, for seven-tenths of the workers under graduated plans, the third shift differentials were 6, 9, or 10 cents or 7½ percent.

The most frequent combinations of second and third shift premiums, in terms of number of workers involved, were 4 and 6 cents, 5 and 10 cents, 6 and 9 cents (mostly steel workers), 5 and 7½ percent (mostly in the automobile industry).

Among the time differentials, the most common provisions were 8 hours' pay for 7 or 7½ hours of work.

Split Shifts

A few agreements, covering about 1 percent of the workers, had provisions relating to split shifts, i. e., two or more periods of duty in one day separated by off-duty periods. Most of the workers affected were in the hotel and restaurant industry; a few others were in transportation and trade. Some of these agreements provided for a

wage rate differential over and above the regular rate of pay. Others merely regulated the number of splits permissible and the number of hours over which work may be spread. For example:

> At stations where the spread of hours between schedules necessitates establishment of split shifts, the company may assign station employees to two separate periods of duty with one off-duty period within a spread of 12 hours, where regular assigned hours are 8 hours per day; where less than 8 hours, the two separate periods of duty are to be within a spread of 10 hours.

On the other hand, many agreements prohibit split shifts, in effect, by stipulating that the hours of work shall be continuous and consecutive.

Other Shift Provisions

Workers on night shifts are sometimes given privileges not accorded to other employees. For example, a number of agreements provided paid lunch periods and/or rest periods for night workers. Typical of such clauses is the following: "On each shift other than the regular day shift there will be a 30-minute lunch period and one 15-minute relief period without pay deduction."

Although details concerning the scheduling and assigning of shift work were often not included in the agreements, some contained provisions designed to lessen the inconvenience to workers of abnormal working schedules. Such agreements included provisions that changes in the starting and ending time of shifts be made only by mutual consent of management and union, or that employees so affected receive advance notice of proposed changes. Others specified the number of hours off between shifts and the frequency and continuity of days off or required rotation of shifts.

Choice of shifts in order of seniority was frequently permitted, as in the following example:

> Vacancies which may occur in any operation which is operated on a shift basis shall be filled by employees in accordance with their seniority rating as follows: Should a vacancy occur on the first shift, the worker on the second shift having the highest seniority for that operation who desires to make the transfer shall be assigned to the job; Should a vacancy occur on the second shift, the same procedure shall be followed, and the assignment shall be made from amongst the third-shift workers; The order in cases of shift transfer shall be from the third shift to the second shift to the first shift.

Some of the agreements permitting shift preference authorized management to overrule the shift choices of senior employees if necessary for purposes of training new employees or otherwise maintaining efficiency. A few agreements permitted employees to exchange shifts temporarily for their own convenience after receiving the consent of management.

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Arbitration Provisions in Collective Agreements, 1952

AN EFFICIENT PROCEDURE for settling disputes over the interpretation and application of the collective-bargaining agreement is one of the most important factors in peaceful labor-management relations. Such disputes often come up because the language of the agreement is unclear or difficult to apply to specific cases, or because situations arise which were not anticipated when the agreement was negotiated.

The grievance-settlement procedure usually includes a series of steps, with a higher level of union and management authority participating at each step, and terminates in submission of unsettled grievances to an impartial third party for final and binding decision. In a study of 1,442 collective agreements in effect during 1952, the Bureau of Labor Statistics found that 89 percent of the contracts, covering workers in 29 broad industry categories, contained provisions relating to the arbitration of grievances.

Grievance arbitration relates to the "rights" rather than the "interests" of the parties, i. e., the interpretation and application of an existing agreement rather than the determination of the basic terms to be incorporated in the agreement. Thus, it is not a substitute for but often is a continuation of collective bargaining, as Dr. George W. Taylor has pointed out:

> An important key to understanding grievance arbitration is in realizing that, while collective bargaining starts with the negotiation of an agreement, it necessarily continues in settlement of many grievances. They are the difficult grievances. Negotiation or arbitration of grievances should not "add to" the labor agreement in the sense that new basic terms are incorporated; nor should a clear agreement of the parties be modified. During the life of an agreement, however, grievance settlements will inevitably add important substance and significant meaning to the terms that are in the agreement. Grievance settling, by its very nature, fills out the understandings expressed in the contract which are inherently incomplete.[1]

Most agreements providing for arbitration prohibit strikes or lockouts during the term of the agreement. Even in the absence of a definite prohibition, an arbitration provision implies that there will be no strikes or lockouts over issues which are subject to arbitration.[2] The reason for the widespread acceptance of arbitration as a substitute for force in settling disputes is perhaps indicated by a statement in a report to the 1952 convention of the Printing Pressmen and Assistants' Union (AFL) recommending another 5-year extension of the arbitration agreement first negotiated by the international in 1902 with the American Newspaper Publishers Association: "Records manifest the fact that the only winner in contractual warfare (through strikes) is an emotion which soon dissolves when the economic loss is figured."

Some employers and unions are reluctant, however, to allow vital decisions to be made by an outside party who might be biased or not fully informed. On the other extreme, disputes may be referred to arbitration too frequently and without a bona fide attempt by the parties to settle them by negotiation. Despite these imperfections, arbitration provisions have been in effect for a half century or more in a few industries with a long history of mature labor-management relations (e. g., printing and apparel), and are now common in most industries. Two relatively recent factors which account in part for the increasing use of arbitration were the National War Labor Board's policy of requiring that collective-bargaining agreements make some provision for arbitration of "interpretation and application" disputes, and the recommendation of the President's Labor-Management Conference of 1945 that such disputes be arbitrated.

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[1] The Voluntary Arbitration of Labor Disputes, Michigan Law Review, April 1951 (p. 795). Dr. Taylor is professor of labor relations at the Wharton School of the University of Pennsylvania and former chairman of the Wage Stabilization Board.

[2] See Work Stoppage Provisions in Union Agreements, Monthly Labor Review, March 1952 (p. 272).

Frequency of Provisions

In 1944 and 1949 Bureau studies, arbitration provisions were found in 73 percent and 83 percent of the agreements,[3] respectively, compared with the 89 percent in 1952. The contracts analyzed in 1952 totaled 1,442 and covered 5,581,500 workers;[4] arbitration provisions applied to 91 percent, or 5,066,000 of these workers. In 1952, arbitration was most prevalent in the following industries in which 90 percent or more of the workers were covered by such provisions: food and kindred products, textile-mill products, apparel, paper and allied products, printing and publishing, chemicals, petroleum and coal products, rubber, leather and its products, primary metal industries, machinery (except electrical), transportation equipment, mining, electric and gas utilities, transportation, trade, hotels and restaurants, construction, and services. The only industry groups where less than half of the workers were covered by arbitration provisions were tobacco, lumber, furniture, and finished wood products.

Types of Machinery

Arbitration machinery may consist of a single impartial arbitrator or a tripartite board composed of an equal number of arbitrators designated by the employer and union (usually only one for each side, but sometimes two or more) with an impartial member acting as chairman. The individual arbitrator or board may be chosen each time a dispute arises (commonly called "ad hoc" arbitration), or the person or board may serve continuously during the life of the agreement or for some other specified period ("permanent" arbitration).

Each type of machinery has certain advantages and disadvantages. An arbitration board, for example, gives employers and unions the opportunity of having arbitrators familiar with their problems and sympathetic to their interests participate in formulation of the decision. A decision of a tripartite board, if it is unanimous, may be more acceptable to both parties than the decision of a single arbitrator. On the other hand, arbitrators appointed by the employer and union may take extreme positions on issues; in such an event, the impartial chairman, against his better judgment, may have to agree with one of them if a majority decision is required. Some agreements, however, permit the impartial chairman to make the decision without the concurrence of either of the other arbitrators.

Among the advantages sometimes cited in favor of permanent arbitrators are the following: Permanent arbitrators, through their decisions over a period of time, establish precedents for the guidance of management and labor when similar cases arise; permanent arbitrators can also become familiar with the practices and problems of an industry and have a better opportunity to obtain the full confidence of the employer and union representatives than ad hoc arbitrators. The latter advantage may be particularly significant if the arbitrator adopts a "mediatory" approach, i. e., he tries to help the parties settle the dispute during arbitration hearings and makes the decision only if they do not reach an agreement. Many unions, employers, and arbitrators, however, feel strongly that arbitration should have little or no element of mediation. They take the position that it is a quasi-judicial process and that attempts to mediate reduce the arbitrator's usefulness as a judge.

Several advantages may also be cited in favor of ad hoc arbitration: Many employers and unions want each case decided strictly on its merits without regard to precedents and feel that such decisions are more likely to be achieved if the arbitrator is not permanent. Also, selection on an ad hoc basis permits designation of specialists to arbitrate different types of cases. Even though an agreement establishes ad hoc arbitration machinery, the same individual or board may be selected again and again as long as both union and management are satisfied. Thus, the parties secure some of the advantages of permanent arbitration and at the same time retain their freedom to change arbitrators at any time.

A permanent single arbitrator was provided by 12 percent of the 1,290 agreements which had arbitration clauses in effect in 1952.[5] These agreements, however, covered 27 percent of the

[3] See Arbitration Provisions in Union Agreements, BLS Bulletin No. 780 (this survey covered agreements in 14 selected manufacturing industries), and Arbitration Provisions in Union Agreements in 1949, Monthly Labor Review, February 1950 (this survey included agreements in all major industry groups except railroads and airlines).

[4] All of these agreements required unresolved disputes to go to arbitration automatically, or permitted either party to invoke arbitration. Does not include a few agreements which permitted arbitration only by mutual consent of the parties each time a dispute arises.

[5] Includes a few agreements that named a panel of arbitrators from which a single arbitrator is designated for each case.

5,066,000 workers under arbitration clauses, because a high proportion of the agreements of large employers and associations of employers designated permanent single arbitrators. An additional 5 percent of the agreements, involving 10 percent of the workers, established permanent boards of arbitration. Usually, all the members of such boards were permanent appointees, but in some instances, either the impartial chairman or the arbitrators representing the union and the employer served on an ad hoc basis.

Permanent arbitration machinery was most prevalent in apparel, transportation equipment, and primary metal industries, where such machinery was established for over two-thirds of the workers under arbitration agreements (see table). Industries in which this type of machinery was applicable to at least half of the workers were food and kindred products, rubber, hotels and restaurants, and services.

An ad hoc board was the most prevalent type of arbitration machinery, and was specified by 46 percent of the agreements containing arbitration provisions in effect in 1952. These agreements, however, represented only 26 percent of the workers, since many covered small companies. Usually, the arbitration provisions in these contracts called for the selection of all members of the board before the arbitration hearings began, but, occasionally, they instructed the members representing the employer and union first to attempt settlement of the dispute; only if such attempts were unsuccessful, the impartial third man was to be added in order to make a decision possible.

Another 30 percent of the agreements, involving 32 percent of the workers, provided for selection of a single arbitrator as the need arises. Ad hoc arbitration machinery, either a board or a single arbitrator, was most prevalent in the following industries in which it was established for between 75 and 100 percent of the workers covered by arbitration agreements: Chemicals; petroleum and coal products; lumber and timber basic products; furniture and finished wood products; fabricated metal products; electrical machinery; mining, crude petroleum and natural gas production; communications; electric and gas utilities; and construction.

Four percent of the agreements, with arbitration provisions in effect in 1952 (covering 3 percent of the workers), allowed the employer and union the option of using either a single arbitrator or a board for any particular case. The bulk of these workers were concentrated in a few industries—textiles, rubber, and machinery. Most of these agreements provided that the single arbitrator or board would serve on an ad hoc basis. In a few cases, however, the agreement designated a single arbitrator to serve during the term of the agreement, but permitted the parties to refer some or all cases to temporary boards instead of the permanent arbitrator.

The remaining 3 percent of the agreements did not specify whether a single arbitrator or board would be used, or whether the arbitrator would serve on an ad hoc or permanent basis. Most of these agreements merely stated that disputes would be referred to a State board, the American Arbitration Association (AAA), or some other designated agency.

In addition to the regular arbitration machinery, some agreements provided special procedures for certain isssues. For example, a few agreements designated permanent arbitrators to handle all issues except those relating to workloads and wage rates on new or changed jobs; the excepted issues were referred to ad hoc arbitrators with special technical qualifications.

Selection of the Arbitrator

Thirty percent of the arbitration agreements studied, covering 51 percent of the workers under such agreements, failed to provide a predetermined means of breaking a deadlock over the selection of an arbitrator. The majority of these agreements, however, designated permanent arbitrators, and the possibility of deadlocks over selection is therefore not a constantly recurring problem.

Agreements, affecting the remaining 49 percent of the workers covered by arbitration clauses, provided for the assistance of governmental or private agencies or individuals in selecting impartial arbitrators. The degree of control which the parties to these agreements retained over choice of the arbitrator varied widely. In some instances, the outside agency was authorized to appoint the arbitrator immediately, without the employer and union first attempting to make the

selection themselves. More frequently, however, the outside agency acted only in the event of a deadlock between the parties. Often its participation was limited to submission of a list of arbitrators from which the actual selection was made by the employer and union. Since a deadlock was still possible under these circumstances, some agreements authorized the outside agency to make the appointment if none of the individuals on the panel were mutually acceptable to the parties.

The Federal Mediation and Conciliation Service was the agency designated by agreements covering 19 percent of the workers under arbitration clauses.[6] An additional 16 percent were covered by agreements naming the American Arbitration Association, a nonprofit private organization. Other outside agencies designated were various State and local governmental boards or officials (named by agreements covering 8 percent of the workers); judges (4 percent); and private individuals and organizations other than the AAA (2 percent).

[6] This includes a few agreements which allowed the parties the option of using the FMCS or some other designated agency.

Jurisdiction of the Arbitrator

A special analysis of one-third of the arbitration provisions in effect in 1952 was made to determine what matters were within the scope of arbitration. Eighty-two percent of these clauses provided for arbitration of disputes over the interpretation and application of the agreement. This basic area was restricted in some agreements by specific exclusion of certain subjects from arbitration even though they were included in the agreement. Among the issues sometimes excluded were grievances relating to management rights, union membership, production standards, rates on new or changed jobs, and health, welfare, and pension benefits.

The scope of arbitration was stated in very general terms in the remaining 18 percent of the

Types of arbitration machinery established by collective agreements, 1952

Industry	Number of workers covered by arbitration provisions	Single arbitrator		Board of arbitrators		Single or board [2]	Details of machinery not specified
		Permanent	Temporary (ad hoc)	Permanent [1]	Temporary (ad hoc)		
		Percent of workers					
Total	5,066,600	27	32	10	26	3	2
Manufacturing	3,260,600	39	25	10	19	5	2
Food and kindred products	295,800	28	10	27	33	1	1
Tobacco	10,600	2	68	30			
Textile mill products	212,700	28	31		18	23	
Apparel and other finished textile products	362,200	90	5			5	
Lumber and timber basic products	8,900	4	8	4	81	3	
Furniture and finished wood products	27,500	5	40		55		
Paper and allied products	81,700	8	9		61	1	21
Printing and publishing	42,200		41	22	25	7	5
Chemicals	66,700	13	35		48	4	
Petroleum and coal products	61,100	2	14	16	66		2
Rubber products	123,300	51	2	6	10	31	
Leather and leather products	47,800	42	11	1	7	14	25
Stone, clay, and glass products	54,000	42	14		44		
Primary metal industries	391,900	17	27	53	1	1	1
Fabricated metal products	91,600	8	52	1	32	1	6
Machinery, except electrical	274,900	36	30	2	21	10	1
Electrical machinery	237,000	3	64		30	3	
Transportation equipment	800,100	70	18	1	11		
Instruments and related products	35,600	18	29	4	36	11	2
Miscellaneous	35,000	2	44		45		9
Nonmanufacturing	1,806,000	6	43	10	38	1	2
Mining, crude petroleum, and natural gas production	394,500		99		1		
Transportation	337,100	8	15	16	53		8
Communications	311,100		37		63		
Utilities: electric and gas	106,500	3	15		82		
Wholesale and retail trade	121,600	2	41	12	33	3	9
Hotels and restaurants	92,800	32	34	27	7		
Construction	326,700		35	23	41		1
Services	106,400	47	9	8	35		1
Miscellaneous	9,300	4	77		19		

[1] Includes a few agreements which established boards composed of both permanent and temporary appointees

[2] Consists of agreements allowing the employer and union the option of a single arbitrator or board for any particular case.

agreements which were specially analyzed. In this category were such clauses as "any grievances, disputes, or controversies between the parties" and "all disputes and grievances which arise over this agreement as well as those on matters not specifically covered by this agreement." Under such general clauses, arbitrable issues might include disputes over interests as well as rights.

Arbitration of interests [7] was specifically provided for in some of the agreements studied in 1952. Eleven percent of these agreements authorized arbitration of general wage increases or decreases during the life of the agreement and 2 percent required arbitration of deadlocks over the terms of a new or revised agreement.

Cost of Arbitration

Three-fourths of the arbitration agreements indicated how the fees and expenses of the arbitrator were to be allocated, and, with few exceptions, required equal division between the employer and union. Where a tripartite board of arbitrators was employed, each party usually paid the cost of its representative and one-half of the cost of the impartial member.

About 1 percent of the agreements either specifically required the party losing the arbitration decision to bear the entire cost, or allowed the arbitrator to levy the cost against the loser at his discretion. One agreement required the employer to pay the full cost of arbitration, and another specified that he pay 60 percent. A few others provided that damages assessed for violation of the agreement be used to defray the expenses of the office of the permanent impartial arbitrator.

Some agreements, which provided for equal division of the arbitrator's fees and expenses, required each party to pay for its own incidental expenses.

Provisions in Union Constitutions

Provisions relating to arbitration of collective-bargaining matters were found in a fifth of the 130 constitutions of national or international unions in the files of the Bureau of Labor Statistics [8] in 1952.

The most common provision was a general policy statement either endorsing arbitration as a method of settling disputes or at least affirming the right of local unions to have disputes arbitrated if they so desired. The constitution of the United Cement, Lime, and Gypsum Workers International Union (AFL), for example, reads as follows:

> It shall be the established policy of the International Union, District Councils, and all affiliated local unions and the membership thereof, in case of misunderstandings or controversies with any employers or their representatives, to always invoke the principle of voluntary mediation, conciliation and arbitration before resorting to any other methods whatsoever.

A specific requirement that all local union contracts with employers contain arbitration clauses was found in the constitutions of two unions: the International Brotherhood of Bookbinders (AFL) and the United Brewery, Flour, Cereal, Soft Drink, and Distillery Workers of America (CIO). Some of the AFL building-trades unions required local affiliates to set up boards of arbitration to settle disputes with employers. The constitutions of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers (AFL) and the Brotherhood of Painters, Decorators and Paperhangers (AFL) gave their general executive boards the authority to order local unions to submit disputes to arbitration if the employer offered to do so.

Restrictions on arbitration were specified by a number of constitutions. Arbitration of international union laws was prohibited by the International Jewelry Workers' Union (AFL), International Stereotypers' and Electrotypers' Union (AFL), Bookbinders (AFL), and International Typographical Union (AFL). The constitutions of the American Newspaper Guild (CIO) and Stereotypers (AFL) specified that no contract may provide for arbitration of the terms of its renewal. The Guild constitution also prohibited arbitration of the union's right to represent employees within its jurisdiction. The Brotherhood of Railroad Signalmen (AFL) required the approval of the national union president before submission of controversies to arbitration.

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[7] Arbitration of interests often occurs, of course, by mutual agreement of the parties when the need arises, even though there is no provision for it in the collective agreement.

[8] Current constitutions of a number of unions were not available, but the 130 analyzed represented unions with an aggregate membership of some 13,800,000 and included nearly all of the large unions.

Union-Status Provisions in Collective Agreements, 1952

THE terms of three-quarters of 1,653 collective agreements in effect in 1952[1] provided for some form of union security, according to a Bureau of Labor Statistics analysis. In addition, almost as many agreements, 71 percent, provided for checkoff of union dues, as well as various union assessments in some instances. Nearly half of the agreements had both union-security and checkoff provisions, while less than 5 percent had neither.

In the Bureau analysis, union-security provisions were classified into two major catagories: those providing for (1) union shop and its various modified forms, wherein all employees (or specified groups) in the collective bargaining unit are required to be members of the union, and (2) maintenance of membership, which does not compel employees to join the union, but requires those who are presently members, or later become members, to maintain their membership for the duration of the agreement.

Labor-Management Negotiations During 1952

Union security was a key issue in the 1952 contract negotiations between the United Steelworkers of America (CIO) and basic steel companies. The Wage Stabilization Board recommended that the parties negotiate some form of union shop, but the companies rejected this recommendation. The clause finally agreed upon by the union and major steel companies reads:

> All employees who on the date of this Agreement are members of the Union in good standing in accordance with its constitution and by-laws and all employees who shall become members after that date shall, as a condition of employment, maintain their membership in the Union in good standing for the duration of this Agreement; provided, however, that this provision shall not apply to any employee who, within the 15 days next preceding the end of this Agreement, shall withdraw from the Union.
>
> For the purposes of this Section an employee shall not be deemed to have lost his membership in the Union in good standing until the International Secretary-Treasurer of the Union shall have determined that the membership of such employee in the Union is not in good standing and shall have given the Company a notice in writing of that fact.
>
> Each new employee shall sign and furnish to the Company at the time of his employment an application card, in duplicate, for membership in the Union, in a form agreed to in writing by the Company and the Union. A copy of such card shall be furnished to the employee. Such application card shall provide that it shall not become effective until the expiration of 30 days after the date of his employment and that it shall not thereafter become effective if such employee shall mail to the Company a written notice of his election not to become a member of the Union, which notice shall be postmarked not less than 15 days and not more than 30 days after the date of his employment. The Company shall promptly furnish to the Union a copy of each such notice received by it. If such application shall become effective at the expiration of such 30 days, one signed copy of it shall then be turned over to the Union. The Union shall be given reasonable opportunity to inspect all such notices which shall be received by the Company.[2]

An interesting modification of a union shop was negotiated in 1952 by the Western Union Co. and the Commercial Telegraphers' Union (AFL). It requires employees to pay dues to the union but does not compel them to join. This type of provision is often referred to as the "agency shop."

Federal and State Legislation

The Defense Production Act of 1952 withdrew from the Wage Stabilization Board its authority to settle disputes, including those involving union-security provisions. Other than this, no new Federal or State legislation affecting union security was enacted during 1952.

The Labor Management Relations (Taft-Hartley) Act of 1947, applicable to industries affecting interstate commerce, bans the closed shop, but permits union-shop and maintenance-of-membership agreements if the signatory union has complied with certain requirements of the act regarding filing of financial reports and non-Communist affidavits by officers.

In 1952, 17 States had statutes or constitutional provisions regulating or prohibiting union-security provisions. Closed and union shops and maintenance-of-membership provisions are banned in Arizona, Arkansas, Florida, Georgia, Iowa, Ne-

[1] The agreements were in effect during all or part of 1952. Several important agreements which formerly provided only sole bargaining recognition (and are so classified in this analysis) were renegotiated in the latter part of 1952 and now contain union-shop or modified union-shop provisions. Notable examples are the agreements between Westinghouse Electric Corp. and the International Union of Electrical Workers (CIO) and between International Harvester Co. and United Electrical Workers (Ind.).

[2] This clause has often been termed a modified union shop but has been classified as maintenance of membership in this Bureau analysis. Under the definition of modified union shop used in classifying agreements for this analysis, new employees are required to join the union.

braska, Nevada, North Carolina, North Dakota, South Dakota, Tennessee, Texas, and Virginia. Agreements requiring union membership as a condition of employment are prohibited by Colorado, Kansas, and Wisconsin, unless an election has been held and a specified percentage of employees favored the agreement. In Massachusetts, an employee may be discharged for nonmembership in a union having a closed shop agreement only if his nonmembership is because he does not qualify occupationally or has violated union discipline; any other such discharge is an unfair labor practice.

Types of Union-Security Provisions

Union Shop. Union-shop clauses were found in 1,045, or 63 percent, of the 1,653 agreements analyzed by the Bureau and covered 62 percent of the 5,549,000 workers involved.[3] (See table 1.) The most common of the several types of union-shop provisions required present employees to be union members and newly hired workers to join within a specified time after the date of hiring.[4]

TABLE 1.—*Types of union-status provisions established by collective bargaining agreements, 1952* [1]

Type of union status	Agreements		Workers covered	
	Number	Percent	Number	Percent
Total studied	1,653	100	5,549,000	100
Union shop	1,045	63	3,448,000	62
Maintenance of membership	201	12	756,000	14
Sole bargaining	407	25	1,345,000	24

[1] Sample of agreements studied did not include agreements in the railroad industry.

This provision was found in 63 percent of the 1,045 union-shop agreements.

Six percent of the 1,045 union-shop agreements required employees to be members of the union before beginning work;[5] in another 15 percent, some degree of preferential consideration to union members in filling vacancies was indicated, although usually not specifically required; for example:

> All employees covered by this agreement shall become and remain members in good standing of the Union as a condition of employment. When new or additional employees are needed, the Employer shall notify the Union of the number and classification of employees needed. The Union shall have 24 hours from receipt of such notice to nominate members for such jobs. The Employer shall choose between any nominees of the Union and any other applicants on the basis of their respective qualifications for the job. No applicant will be preferred or discriminated against by the Employer because of membership or non-membership in the Union. Applicants hired by the Employer shall report in person to the Union, and shall require written evidence of having so reported which evidence shall be examined by the Employer before the new employee starts to work. All new non-union employees shall complete their affiliation and membership in the Union no later than 30 days after their date of hire.

The remaining 16 percent of the agreements in the union-shop category provided for a modified form of the union shop, i. e., employees who were not union members when the agreement became effective were not required to join; in a few instances, the exemption was limited to employees with relatively long company service. These agreements required employees who were union members at the effective date of the agreement to maintain their membership and required new employees to join. A variation found in agreements covering the majority of the workers under modified union-shop clauses permitted new employees to withdraw from the union after maintaining membership for 1 year.

Union shops were most common in the following industry groups where at least three-fourths of the workers under the agreements analyzed were covered by such clauses: apparel; furniture and wood products; paper; printing and publishing; rubber; leather and leather products; stone, clay, and glass products; transportation equipment; mining and crude petroleum production; wholesale and retail trade; hotels and restaurants; services; and construction. Union-shop provisions were found in almost three-fourths of the agreements signed by unions affiliated with the American Federation of Labor, compared with three-fifths of the agreements of Congress of Industrial Organizations affiliates and a third of the agreements of independent unions. (See table 2.)

Maintenance of Membership. This type of union-security provision, found in 12 percent of the 1,653 agreements, covering 14 percent of the

[3] For comparable figures in previous years, see Union Status Under Collective Agreements, 1950-51, Monthly Labor Review, November 1951 (p. 552) and Union-Security Provisions in Agreements, 1949-50, Monthly Labor Review, August 1950 (p. 224).

[4] The time allowed was most commonly 30 days, which is the minimum specified by the Labor Management Relations Act of 1947.

[5] These agreements were concentrated in local trade and service industries not covered by the Labor Management Relations Act of 1947, which bans such requirements.

workers, has declined in importance since the end of World War II. Maintenance of membership was adopted by the National War Labor Board as a compromise solution of the union-shop issue during the war. It is now most prevalent, in the modified form previously described, in the steel industry.

Sole Bargaining. The remaining 25 percent of the 1,653 agreements did not provide the protection of a union-shop or maintenance-of-membership clause, but recognized the union as sole bargaining agent. Nine of the 407 agreements in this category contained a "harmony" clause, i. e., a pledge by the company to encourage its employees to join the union, as in the following example:

> For the purpose of stabilizing the Employer and employee relationship and to make possible more effective cooperation between the Employer and the Union, and to insure the efficient execution of the terms and conditions of this agreement, it is agreed as follows:
>
> The Employer recommends that employees who are members of the Union should remain members for the duration of this agreement; that employees who are not members of the Union should become members and remain members for the duration of

TABLE 2.—*Union-status provisions of collective agreements, by industry and union affiliation, 1952*

Major industry group and union affiliation	Total in sample		Type of union status						Checkoff	
			Union shop		Membership maintenance		Sole bargaining			
	Agreements	Workers [1]	Percent of agreements	Percent of workers	Percent of agreements	Percent of workers	Percent of agreements	Percent of workers	Percent of agreements	Percent of workers
	By industry									
Major industry group: Total	1,653	5,549,000	63	62	12	14	25	24	71	78
Manufacturing	*1,178*	*3,753,000*	*65*	*61*	*14*	*18*	*23*	*21*	*79*	*83*
Food and kindred products	121	314,000	64	62	7	3	29	35	67	79
Tobacco	14	35,000	29	18	21	10	50	72	93	87
Textile mill products	130	226,000	54	70	11	7	35	23	97	96
Apparel and other finished textile products	57	373,000	95	96	2	[2]	3	4	47	33
Lumber and timber basic products	32	23,000	56	71	3	[2]	41	29	59	31
Furniture and finished wood products	34	62,000	70	87	9	4	21	9	76	34
Paper and allied products	55	87,000	78	88	9	6	13	6	65	54
Printing and publishing	55	50,000	91	93	4	4	5	3	20	19
Chemicals and allied products	55	75,000	36	27	20	29	44	44	98	96
Petroleum and coal products	20	65,000	25	6	35	17	40	77	85	85
Rubber products	24	128,000	92	97	4	2	4	1	92	95
Leather and leather goods	26	40,000	62	84	19	9	19	7	88	83
Stone, clay, and glass products	49	82,000	67	83	12	8	21	9	92	94
Primary metal industries	55	442,000	55	11	29	87	16	2	91	96
Fabricated metal products	85	112,000	68	73	17	15	15	12	79	77
Machinery (except electrical)	134	295,000	54	49	20	16	26	35	83	94
Electrical machinery	67	319,000	63	28	10	5	27	67	84	96
Transportation equipment	95	948,000	65	76	20	10	15	14	85	94
Professional, scientific, and controlling instruments	22	37,000	50	48	32	27	18	25	82	78
Miscellaneous	48	40,000	60	57	17	14	23	29	85	83
Nonmanufacturing	*475*	*1,796,000*	*64*	*65*	*8*	*6*	*28*	*29*	*51*	*69*
Mining and crude petroleum production	28	401,000	[3] 36	97	7	1	57	2	79	99
Transportation [4]	97	300,000	69	68	3	3	28	29	47	45
Communications	58	441,000	5	8	19	13	76	79	100	100
Utilities, electric and gas	41	120,000	54	57	17	10	29	33	76	91
Wholesale trade	34	25,000	65	92	6	1	29	7	62	78
Retail trade	81	116,000	85	86	5	10	10	4	32	55
Hotels and restaurants	19	65,000	84	90	5	8	11	2	21	12
Services	66	109,000	83	78	8	1	9	21	42	60
Construction	41	210,000	85	93			15	7	2	[2]
Miscellaneous	10	9,000	50	68	10	[2]	40	32	40	14
	By union affiliation									
Union affiliation: Total	1,653	5,549,000	63	62	12	14	25	24	71	78
American Federation of Labor	824	1,953,000	74	79	10	9	16	12	50	46
Congress of Industrial Organizations	602	2,627,000	60	54	14	20	26	26	92	96
Independent	227	969,000	35	52	13	6	52	42	91	97

[1] Includes workers covered by 1,615 agreements for which employment data are available.

[2] Employment data not available.

[3] Includes the national anthracite and bituminous-coal *mining* agreements, which provide for a union shop "to the extent and in the manner permitted by law."

[4] Does not include agreements in the railroad industry. The Railway Labor Act was amended in 1951 to permit negotiation of union-shop agreements in this industry and about 500,000 railroad workers are now reportedly covered by such agreements.

this agreement, and that all future employees should become members and remain members of the Union for such duration.

Agreements providing only for sole-bargaining recognition were most common in the tobacco, petroleum products, and communications industries. Agreements of independent unions had a higher proportion of such provisions than agreements of AFL and CIO affiliates.

Checkoff Provisions. Deduction of union dues from the member's pay by the employer is usually called checkoff.[6] Provision for checkoff was made in 71 percent of the agreements in effect in 1952. Checkoff of initiation fees as well as dues was provided for in 37 percent of the agreements, while 20 percent included general assessments among the items to be checked off. (See table 3.)

Checkoff provisions were found in nine-tenths of the agreements which had no union-security clause; among agreements providing for some form of union security—either union shop or maintenance of membership—only slightly more than three-fifths had checkoff clauses. Generally, the industry and union-affiliation data reflected this relationship between checkoff and union security. For example, all of the agreements analyzed in the communications industry had checkoff clauses but few had union-security clauses, while in the construction industry the situation was reversed. (See table 2.) Union-security clauses were more frequent in agreements of AFL unions than CIO and independent unions, but checkoff clauses were less prevalent.

TABLE 3.—*Checkoff provisions, by type of payment covered, 1952*

Item	Agreements		Workers covered	
	Number	Percent	Number	Percent
Total studied	1,653	100.0	5,549,000	100.0
Dues only	494	29.9	1,323,000	23.9
Dues and initiation fees	339	20.5	894,000	16.1
Dues and assessments	48	2.9	124,000	2.2
Dues, initiation fees, and assessments	249	15.1	1,905,000	34.3
Dues, initiation fees, fines, and assessments	27	1.6	97,000	1.7
Other	9	.5	9,000	.2
No provision for checkoff	487	29.5	1,197,000	21.6

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[6] This method of dues collection is permissible under the Taft-Hartley Act, if a checkoff authorization has been signed by the individual employee. The authorization may not continue for more than a year or the duration of the agreement, whichever is shorter, without an opportunity for withdrawal. An interpretative opinion by the U. S. Department of Justice in 1948 held that the authorization may be automatically renewed from year to year unless revoked by the employee during an "escape period" at the end of each annual period.

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