

A Guide to

**Labor-Management Relations
in the United States**

Bulletin No. 1225

**UNITED STATES DEPARTMENT OF LABOR
James P. Mitchell, Secretary**

**BUREAU OF LABOR STATISTICS
Ewan Clague, Commissioner**



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March 1958



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Special Note

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Preface

The reports included in this bulletin were originally requested and prepared to furnish a brief guide to labor-management relations in the United States for visiting trade unionists and management representatives of other countries. Their principal purpose was to provide a larger perspective into which individual observations, reading, or experience might be fitted. The reports have also proved useful in various ways abroad, wherever brief and relatively simple descriptions of union and union-management activities in the United States were needed. Many of the reports have been translated into other languages for wider distribution.

Similar needs exist at home. As evidenced by the requests received by the U. S. Department of Labor, there appears to be a continuous demand from students, workers, union members, and others, for brief descriptions and explanations of various facets of union activity and labor-management relations. Many who seek to learn or to understand do not have, near at hand, a well-stocked labor library or other source from which answers to their questions might be obtained.

The U. S. Department of Labor's Bureau of Labor Statistics, whose regular program in the field of industrial relations is geared largely to the needs of Government and of specialists in labor-management affairs, has always regretted its inability, because of staff limitations, to be of greater service to the inquiring worker or student. Thus, the opportunity first to prepare these reports and then to make them generally available was welcomed by the Bureau.

Labor-management relations in the United States are complex and dynamic. To scholars and to the people who participated in the developments described in these reports, it will be immediately apparent that the goal of brevity sought in these reports might have been achieved at the cost of oversimplification. In order to concentrate on the current scene, and thus to fulfill the purpose of a guide, the evolution of particular aspects of labor-management relations and the historic struggles to gain union recognition are not accorded the attention they would merit in detailed histories. An annotated bibliography, now in preparation, will be added to these reports to enable the reader to examine more extensive sources in the field.

The initial audience for these reports, it must be remembered, were people of other countries. The topics were selected primarily with their needs and interests in mind. Except for the deletion of appendices containing data already available in greater volume and detail in the United States, and the changes necessary to

Preface - Continued

bring the reports reasonably up to date, the reports have not been significantly revised for domestic use.

The 31 reports included in this volume are divided into four sections: (1) trade union activities; (2) collective bargaining; (3) labor-management relations in selected industries; and (4) general. Additional reports now in preparation will be issued later for insertion in this volume.

These reports were prepared in the Bureau's Division of Wages and Industrial Relations by or under the direction of Joseph W. Bloch. Theodore W. Reedy and Gwen V. Bymers prepared the initial drafts of most of the reports in this series; Earl C. Smith, Harry P. Cohany, and Patricia B. Smith also made valuable contributions.

Contents

1. Trade union activities:
 - 1:01 Growth of the trade union movement
 - 1:02 Structure of the trade union movement
 - 1:03 Administration of national unions
 - 1:04 Administration of local unions
 - 1:05 The unionization of white-collar workers
 - 1:06 Workers' education
 - 1:07 Trade union uses of economic data

2. Collective bargaining:
 - 2:01 The development of collective bargaining
 - 2:02 Grievance procedures
 - 2:03 Voluntary arbitration
 - 2:04 Mediation and conciliation
 - 2:05 Union adjustment to technological change
 - 2:06 Sharing productivity gains through collective bargaining
 - 2:07 Union-management cooperation
 - 2:08 Union participation in safety programs
 - 2:09 Fringe benefits under collective bargaining

3. Labor-management relations in selected industries:
 - 3:01 The automobile industry
 - 3:02 The basic steel industry
 - 3:03 Coal mining
 - 3:04 The railroad industry
 - 3:05 The apparel industries
 - 3:06 The textile industries
 - 3:07 The meatpacking industry
 - 3:08 The petroleum industry
 - 3:09 The construction industry
 - 3:10 Electric and gas utilities
 - 3:11 The local transit industry
 - 3:12 The maritime industry
 - 3:13 Nonferrous metals mining
 - 3:14 Agriculture

4. General:
 - 4:01 Glossary of current industrial relations terms

1. Trade Union Activities

The growth and coming of age of the American labor movement is linked in a very direct way to the economic, geographic, and political development of the United States. In the Nation's formative years, many factors worked together to retard the growth of unions, including the predominance of small industries, the existence of the frontier and of free land for homesteading, a legislative and judicial climate frequently unfavorable to labor organization, and a widespread hostility among employers.

As the Nation grew, most of these obstacles to unionization disappeared. The frontier and free tillable land disappeared early in the present century as a real or potential way of escape for the dissatisfied or footloose worker. Factories grew into larger and larger units and, as management became more remote, workers felt the need for strong union representation to protect their interests. On the legislation front, laws favorable to the development of unions were enacted. As a result of these and other factors, unions have had a spectacular increase in membership, particularly in the last quarter century.

The first unions to appear in the United States were small independent organizations, concerned primarily with problems arising within their immediate environment. However, even from the formative days of the Nation, these isolated unions moved to combine with similar organizations, first in their own communities to increase their strength in dealing with mutual problems. The formation of community labor councils followed as a natural step. These councils never attained any position of major importance in the labor movement, although they did encourage local organizations to work together.

Development of National Unions

The organization of national unions of workers in specific trades began shortly before the Civil War. By 1859, the stonecutters, hat finishers, molders, and machinists had formed such organizations. Other national unions were organized during the war years (1861-65), notably the locomotive engineers, plasterers, bricklayers, masons, and cigarmakers.

¹/ Other chapters in this series deal in more detail with the development of collective bargaining, the structure of the trade union movement, and other matters which are part of the story of growth of the trade union movement.

National unions continued to increase in number and strength after the Civil War. In transportation, the Railway Conductors and the Firemen and Enginemen formed unions originally as mutual benefit associations, but which soon became collective bargaining organizations. In other fields, the machinists and printers formed new national unions, while others, previously organized, extended and strengthened their jurisdictions. Between 1870 and 1873, nine new national unions were formed. By 1879, 50 or more national unions were in existence.

A conflict between "uplift" unionism and trade union activities directly concerned with worker welfare on the job was common to many early labor organizations. Before the organization of the American Federation of Labor in the 1880's, "pure and simple" unionism was frequently sidetracked while other issues were explored. These included political action for the election of labor candidates and for legislation to improve the workers' lot, producers' and consumers' cooperatives, utopian schemes such as cooperative communities, and efforts to obtain free land for potential settlers (later realized in the Homestead Act). These drives were frequently products of depressions; in good times, improvement in wages and hours generally took precedence.

Development of Federations

The first federation to make a lasting impact on the American labor scene was the American Federation of Labor, which was itself organized by a merger of unions from two other federated organizations.

The Federation of Organized Trades and Labor Unions, which the AFL considered as its true beginning, was established in 1881 by six craft unions--the printers, iron and steel workers, molders, cigarmakers, carpenters, and glassworkers--and a few other labor groups. Although it did not exist for long, the FOTLU served as a source for leadership, notably Samuel Gompers who headed the AFL until his death in 1924.

Another organization which rose to prominence just prior to the AFL was the Knights of Labor. This organization, founded in 1869 as a secret society, attained its greatest development after it abandoned its secrecy in 1881. By 1886, it claimed a national membership of 700,000 workers.

The Knights of Labor was essentially a social reform organization in which the "job consciousness" type of unionism played a secondary role. When the Knights at their 1886 convention refused

to agree to respect the jurisdiction of the large craft unions, several of these unions formed the AFL. The FOTLU, meeting at the same time, joined immediately with the new organization. After the formation of the AFL, the Knights lost ground rapidly and soon ceased to be an important part of the labor movement.

The AFL was founded with certain ideas and principles which it maintained to present times. To quote from Samuel Gompers and Adolph Strasser, first leaders of the organization: "We are going on from day to day. We are fighting only for immediate objects--objects which can be realized in a few years," and further, "The primary essential in our mission has been the protection of the wage worker, now; to increase his wages; to cut hours off the long workday which was killing him; to improve the safety and sanitary conditions of the workshop; to free him from the tyrannies, petty or otherwise, which served to make his existence a slavery." These goals were to be achieved principally through collective bargaining.

After the decline of the Knights of Labor, union leaders avoided too much preoccupation with political aims, especially those concerned with the hope of radical transformation of society. These leaders tried, and still try, to use the power of their unions to persuade the Governments of the Nation and the States to bring about changes which are considered desirable. At the same time, they have generally followed a policy of "voluntarism" or "antigovernmentalism," opposing government regulation of those things which they feel should be left for union control or for union-employer negotiation.

Between its formation and World War I, the AFL grew slowly and irregularly, reaching a total of 2 million members by 1916. This increased to 4 million by 1920 as a result of the war's impact, but quickly declined to less than 3 million. Membership dropped to 2.1 million during the depths of the depression in 1933. Several factors account for the slow growth, or actual decline in membership, of unions before the mid-1930's. There was widespread employer opposition. Of nearly equal importance was worker indifference or resistance to organization, which was due to a variety of causes, including the workers' traits of independence, ambition for self-employment, and the feeling that unions were not essential to their welfare.

Throughout this period, the AFL had 70 to 80 percent of all organized workers in its membership. The remainder were in unaffiliated unions, the most important of which were the four railroad brotherhoods.

The passage of the National Industrial Recovery Act in 1933 marked the beginning of the greatest period of expansion in the American labor movement. One section of this act guaranteed the right of the employees to organize into unions of their own choosing and to bargain collectively with employers. A rapid increase in membership of established unions followed the passage of this act. Even more marked was the organization of workers in establishments in many mass-production industries which had previously resisted unionization. Although the NIRA was invalidated by the courts in May 1935, the National Labor Relations Act of July 1935 (Wagner Act) took its place and served to guarantee the workers' right to organize and to bargain collectively.

Organization of the CIO

The organization of mass-production industries brought jurisdictional problems to the AFL over the issue of industrial versus craft unionism. Union organization by crafts was admittedly difficult, if not impossible, in these industries because of the predominance of unskilled or semiskilled workers. Despite this, several of the older craft unions of the AFL insisted that they be given jurisdiction over workers in certain occupations, wherever lines of demarcation were distinguishable. Other union leaders felt differently. As a result, 6 affiliated unions and the officers of 2 additional unions formed a Committee for Industrial Organization within the framework of the Federation. Four additional unions joined the Committee shortly after its organization.

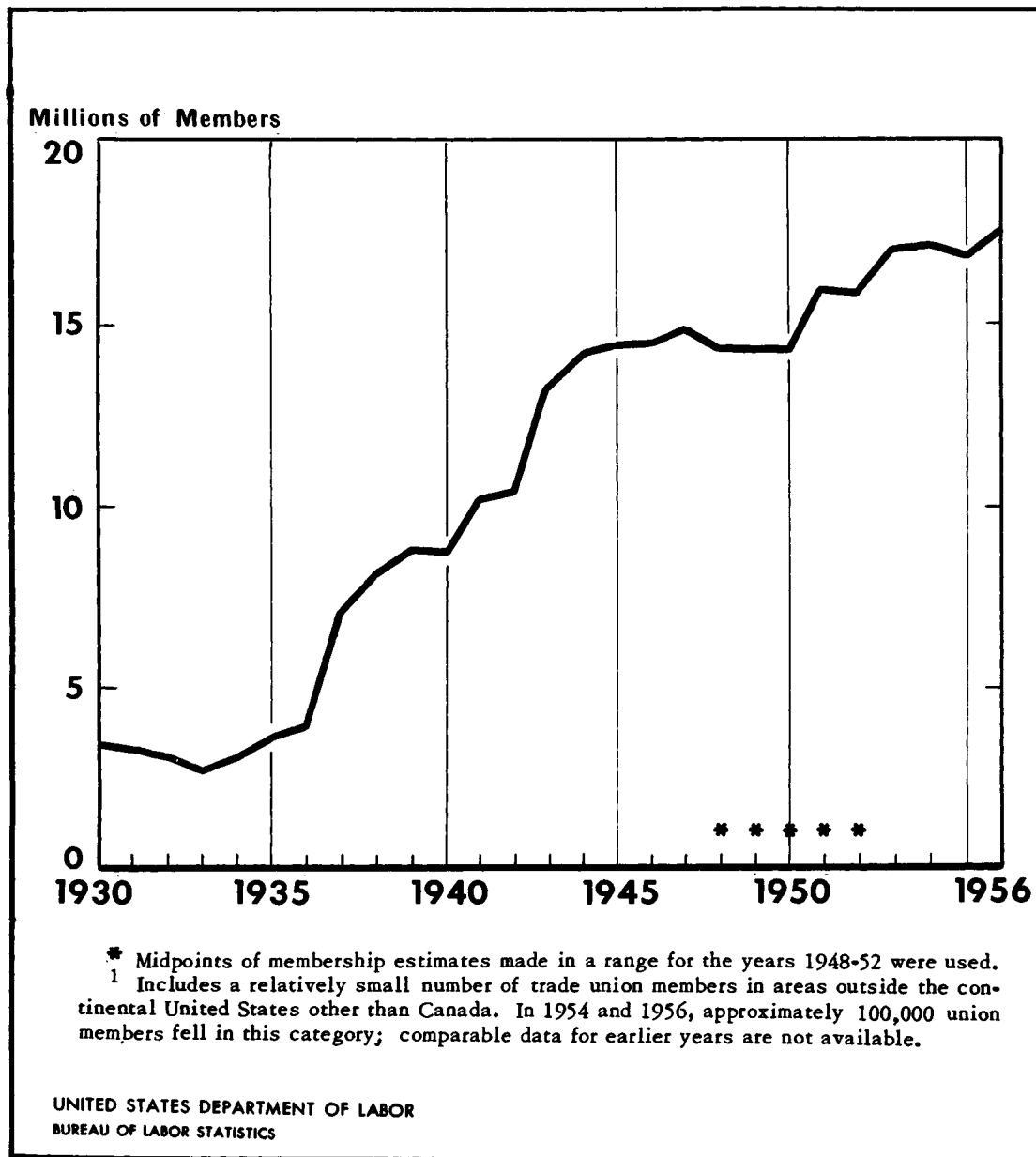
In January 1936, the AFL Executive Council declared that the activities of the Committee constituted "dual" unionism, and requested it to disband. The request was rejected. The unions participating were suspended by the Executive Council in the fall of 1936. That action was upheld by the AFL convention in November 1936. Final expulsion of nine of these unions came in the spring of 1938. The unions which the AFL expelled held a convention in November 1938 and formed the Congress of Industrial Organizations. Thirty-two organizing committees were set up to recruit workers in various additional industries.

Despite the difficulties between the AFL and CIO, the growth of unionism continued at an accelerated pace, with rivalry between the two federations stimulating organizing efforts. By 1941, estimated total union membership was between 10 and 11 million. This represented a growth of more than 7 million in less than a decade (chart 1).

The World War II period was marked by a steady and rapid increase in union organization and influence. Although few new

Chart 1.

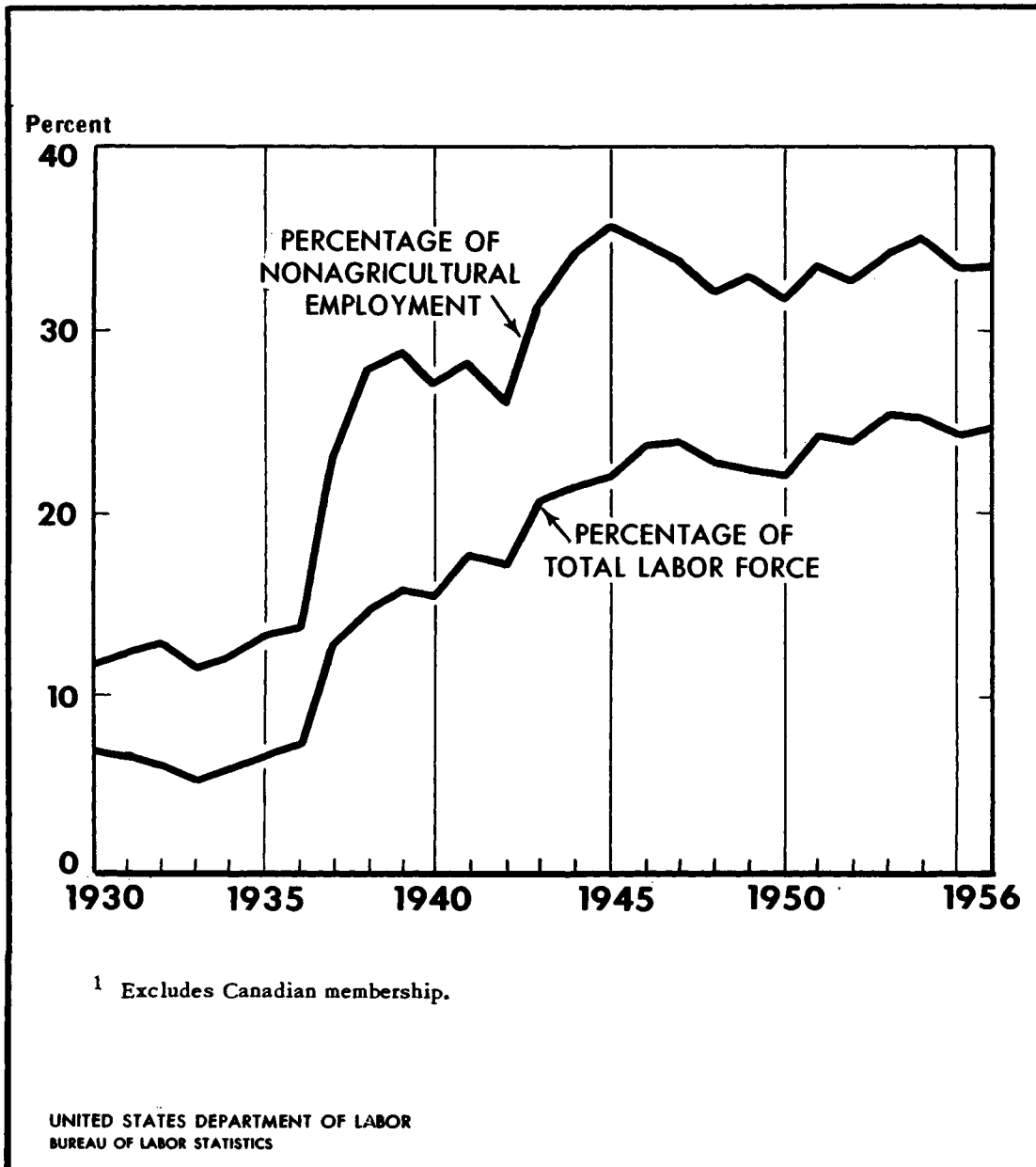
**MEMBERSHIP OF NATIONAL AND
INTERNATIONAL UNIONS, 1930-56**
(EXCLUSIVE OF CANADIAN MEMBERS)¹



1:01

Chart 2.

**MEMBERSHIP¹ AS A PERCENTAGE OF TOTAL LABOR
FORCE AND OF EMPLOYEES IN
NONAGRICULTURAL ESTABLISHMENTS**



unions were formed, many already in existence expanded their coverage of workers. Wages were held in check by the Government's stabilization policy; however, workers made many gains in welfare and pension plans, paid vacations and holidays, shift differentials, and other benefits.

The war also gave impetus to the elimination of barriers to membership which existed in some unions. Extension of membership to workers without regard to race, creed, or nationality was greatly accelerated. As the races worked together, prejudices diminished.

Unions continued to grow and prosper throughout the post-war years, although somewhat more slowly (chart 2). By the end of World War II, most workers in readily organizable industries and occupations were members of unions so that the recruitment of new members became more difficult. In addition, unions have repeatedly maintained that the Taft-Hartley Act (see below) placed obstacles in the way of the extension of organization into new fields. However, in the decade following World War II, total union membership increased from 14.6 million to 18 million. This compares with a growth of more than 11 million in the preceding 10 years.

The growth of individual national and international unions was more spectacular. In the 25 years following 1929, membership in the 10 largest unions increased from 1,532,000 to 7,649,000. Two of the largest (the Automobile Workers and Steelworkers) were organized after 1929. Forty-three unions had membership in excess of 100,000 in 1956 (table).

Labor Legislation and Political Action

Throughout the years, the developing pattern of unionism has been deeply influenced by the attitude of the Government and the courts and the legislation designed to regulate the relationships between employers and union organizations.

Before 1926, the attitude of the law and the courts was often restrictive. The Railway Labor Act of 1926 was an early example of a reversal of the trend of legal opposition to union activity. It was based on the idea that peaceful labor relations could be attained through free collective bargaining between employers and unions.

The Norris-LaGuardia Act of 1932 eliminated the major judicial restrictions on strikes, picketing, and boycotts. The

National and international unions with 100,000 or more members, 1956 ¹

Union ²	Members	Union ²	Members
Automobile	1,320,513	Musicians	256,851
Bakery	³ 160,000	Oil	183,000
Boilermakers	150,750	Packinghouse	150,000
Bricklayers	153,564	Painters	217,000
Building Service	230,000	Plumbing	243,763
Carpenters	850,000	Printing Pressmen	104,000
Clothing	385,000	Pulp	165,000
Communications Workers	259,000	Railroad Trainmen (Ind.)	⁶ 217,462
Electrical (IUE)	397,412	Railway Carmen	129,804
Electrical (UE) (Ind.)	100,000	Railway and Steamship Clerks	350,000
Electrical (IBEW)	675,000	Retail Clerks	300,000
Engineers, Operating	⁴ 200,000	Retail, Wholesale	117,668
Garment, Ladies'	450,802	Rubber	178,017
Hod Carriers	465,923	State and County	150,000
Hotel	441,000	Steel	1,250,000
Iron	146,918	Street, Electric Railway	143,680
Letter Carriers	108,000	Teamsters	³ 1,368,082
Machinists	949,683	Telephone (Ind.)	100,000
Maintenance of Way	225,000	Textile, United	100,000
Meat	310,000	Textile Workers	202,700
Mine, Mill (Ind.)	100,000	Transport Workers	130,000
Mine (Ind.)	(⁵)		

¹ The merged United Papermakers and Paperworkers joined the ranks of unions with 100,000 or more members in March 1957.

² All unions not identified as (Ind.) were affiliated with the AFL-CIO.

³ Expelled by the AFL-CIO in December 1957.

⁴ Per capita payments to the AFL-CIO (June 30, 1956).

⁵ Membership figure not reported.

⁶ Became affiliated with the AFL-CIO in 1957.

SOURCE: Directory of National and International Labor Unions in the United States, 1957, BLS Bull. 1222.

National Industrial Recovery Act of 1933, and the National Labor Relations Act (Wagner Act) which replaced it, provided Government recognition of the right of workers to form unions and to bargain collectively.

The National Labor Relations Act was replaced in 1947 by the Labor Management Relations Act (Taft-Hartley Act) as the basic Federal law for the regulation of labor-management relations. Under this law, which applies to industries engaged in interstate commerce, the closed shop is banned. A list of "unfair labor practices" (covering certain union activities) is a part of the act, supplementing the list of unfair employer practices enumerated in the 1935 legislation. Special rules govern strikes which imperil the national health or safety. The restrictions placed upon union activity by the Taft-Hartley Act did not alter the right of workers to organize for collective bargaining or to strike to improve wages or working conditions.

Other labor legislation has been enacted in recent years which provides many benefits for workers. Probably the most important of the Federal laws, from the standpoint of the number of workers covered, are the Fair Labor Standards Act, which establishes a minimum wage and overtime pay provisions for workers whose activities are related to interstate commerce, and the Social Security Act, which provides old-age, disability, and survivors' insurance, unemployment insurance, and other benefits. Amendments to these acts in recent years have greatly extended their scope and influence.

Leaders of the labor movement have long realized that legislation favorable to their cause will most likely be passed by legislators friendly to labor. Many years ago, Samuel Gompers, then president of the AFL, suggested that workers "reward labor's friends and defeat labor's enemies." In recent years, both the AFL and CIO, and the AFL-CIO since the merger (see below), as well as a number of individual national unions, have sponsored political action groups to promote the interests of candidates friendly to labor. Supported by contributions from workers, these organizations generally bring the voting records of candidates before workers and friends of labor. Labor groups also maintain representatives in Washington, D. C., and in State capitals, to indicate their attitude toward legislative proposals and urge passage of those considered desirable.

Unity in the Labor Movement

Passage of time and changes in the patterns of industry and of union organization lessened the differences which existed

between the AFL and the CIO. The two organizations were never as far apart as the heat of their controversy made it appear; both were similar in structure and objectives. Their affiliated unions operated in the same general manner and generally sought the same goals. There was probably as much diversity of outlook and approach within each federation as between the federations. Even the conflict between industrial or craft unionism tended to fade with the years, particularly after many AFL unions broadened their base of organization to include all workers in the plant.

In 1953, the two organizations negotiated a "no-raiding" pact which was the foundation upon which eventual merger was consummated. After that agreement, it was possible to proceed with the unity talks which culminated in the formation of a reunited federation in December 1955.

The founding of the AFL-CIO promised a new era in American labor history. Although this was essentially a merger of top structures and a reconciliation of broad outlook and policies, the first convention of the new Federation expressed confidence that the consolidation of unity throughout the entire organization would be successful, that the many internal problems facing the new federation would be solved, and that the benefits of trade unionism would eventually be brought to millions of unorganized workers.

The American trade union movement in 1956 claimed about 19 million members. Of these, approximately 16.9 million were members of unions affiliated with the AFL-CIO. ^{2/} Somewhat more than 1 million of these workers were outside continental United States, mainly in Canada. The approximately 18 million union members in the United States represented a little more than one-third of the total number of employees in nonagricultural establishments, the source of union membership (except for executives, managers, and similar groups).

Labor's Participation in Foreign Affairs

The interest of the American labor movement in international affairs has deepened and broadened during the past decade. Prior to World War II, the ties of United States unions to the world labor movement were intermittent and tenuous, although the AFL had established fraternal relations with the British Trade Union Congress as early as 1895. For many years between 1910 and World

^{2/} The 3 unions expelled in December 1957 accounted for 1.6 million members.

War II, the AFL was affiliated with the International Federation of Trade Unions, but this relationship was an uneasy one and never on a scale commensurate with the AFL's strength.

Between the beginning of World War II and the present time, the rivalry between the two major federations in American had a strong influence on the activities of United States labor organizations in foreign affairs. When the World Federation of Trade Unions was formed in 1945, the AFL refused to join because the organization included the Soviet unions. The CIO gave the WFTU its support. In 1949, however, the CIO, the British TUC, and some other national organizations, withdrew from the WFTU, charging that it had become a tool of international communism.

The International Confederation of Free Trade Unions, formed in 1949, united the American labor movement in its approach to world labor affairs. The AFL, CIO, and unaffiliated United Mine Workers cooperated in the ICFTU's formation, and have continued to support it to the present time. The International Labor Organization (ILO) is also strongly supported by the American trade union movement.

The merger of the AFL and CIO was hailed by the ICFTU as a development which would substantially increase the influence of American labor abroad. The present goals of the AFL-CIO are based on the premise that two world forces, democracy and totalitarianism, are competing for supremacy. To the American labor movement, the first need is to strengthen the forces of political democracy throughout the world. The second is to help create conditions favorable to the growth of free trade unions everywhere.

1:02 Structure of the Trade Union Movement

About 18 million ^{1/} workers in the United States are members of unions. They pay dues, participate in varying degrees in union affairs, and work under the terms of collective bargaining agreements negotiated by the unions. They are members of, and pay dues to, union locals; the locals are affiliated with and pay per capita taxes to national or international unions; the national or international unions are affiliated with and finance a federation, or are independent. Nearly 90 percent ^{1/} of union members, most of the local unions, and most of the national or international unions come within the orbit of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO). The rest of the unions are usually designated as independent or unaffiliated.

The composite of members and unions is frequently termed the labor movement, or organized labor, or even labor. Such terms are convenient in describing the central purpose and growth of trade unionism in the United States; but they are often misleading characterizations when used in connection with the structure, organization, and operation of American trade unions at any given time. Diversity; a large degree of self-autonomy; a distaste for formulas, theory, and regimentation; a basically nonpolitical orientation--these are key characteristics of the system of trade union organization functioning in the United States. For want of a better term to signify the whole, this chapter deals with the structure of the trade union movement and the interrelationships among its components.

The base of a trade union structure is, of course, the membership. The total number of employees in nonagricultural establishments--the source of union membership except for executives, supervisors, and similar groups--averaged close to 52 million in 1956. Of these, about 35 percent were union members. The proportion of union members was higher in mining, contract construction, manufacturing, transportation, and public utilities; and lower in wholesale and retail trade, finance, insurance, and real estate, services, and government. The latter categories accounted for about half of total employment in nonagricultural establishments.

Union members belong to more than 70,000 union locals, each with its own officers and rules. Locals vary in size from a few members to tens of thousands of members; they may include workers from one establishment or from hundreds, one craft or all occupations, etc.

^{1/} As of 1956.

Almost all of the local unions are affiliated with one or another of approximately 190 national or international unions. ^{2/} Eighteen unions accounted for 40,000 locals, or more than half the total number. Seventy-five unions had fewer than 100 locals each. Membership was similarly concentrated in the larger unions. Six unions, with more than 500,000 members each, had one-third of the total membership, and 15 unions with more than 300,000 members had more than half of the total. About 90 national or international unions had fewer than 25,000 members each.

When the AFL and the CIO merged in December 1955, 141 national and international unions became affiliated with the new federation. In addition, about 1,000 small federal labor unions and local industrial unions (local unions formerly affiliated directly with the AFL and the CIO without the intermediate relationship with a national union) were absorbed by the merged Federation. Total membership of the affiliated unions amounted to 16.9 million in 1956, of whom about 1 million were outside continental United States.

The December 1957 biennial convention of the AFL-CIO expelled the Teamsters, Bakery Workers, and Laundry Workers, with a combined membership of approximately 1.6 million. As a result of these expulsions and of mergers, the AFL-CIO at the end of 1957 had 136 affiliated unions, with a total membership of about 15.6 million. Outside the AFL-CIO were 50 unaffiliated unions with a total membership of 2.9 million, including the three expelled unions listed above. Other prominent independent national unions were two major railroad brotherhoods (engineers and conductors), the coal miners, longshoremen, and some groups of public employees. In addition, there were a large number of unaffiliated local or single-firm unions with at least 500,000 members.

^{2/} A national union, as defined by the Bureau of Labor Statistics, is a union with collective bargaining agreements with employers in 2 or more States. An international union is a national union which claims jurisdiction and organizes workers beyond the continental limits of the United States. In 1956, unions with headquarters in the United States had approximately a million members outside continental United States, distributed as follows: Canada, 987,000; Puerto Rico, 45,000; Hawaii, 35,000; Alaska, 21,000; Canal Zone, 2,000; elsewhere, 2,000. These members are not included in the estimate of total union membership in the United States.

The Local Union

The basic organization in the trade union movement is the local union. Although it can function alone as a single-company union, it generally is affiliated with other local organizations in the same craft or industry as a part of a national union.

There is no fixed pattern for the formation and jurisdiction of local unions. National unions may charter locals for particular companies, for types of products or work in a community, for geographical areas, etc. For example in New York City, the Amalgamated Clothing Workers of America maintains approximately 50 locals, bearing such designations as journeymen tailors; clothing cutters; coat makers; buttonhole makers; boxing and shipping; laundry, family division; and retail clothing salesmen. In Buffalo, N. Y., the United Steelworkers of America has about 55 locals, each one confined to a specific plant under contract. In Nassau and Suffolk Counties, N. Y., the carpenters' union maintains a local covering members in each small community. Thus, local unions vary widely in size and jurisdiction.

The functions of a local union center upon such objectives of trade unionism as: Negotiating and/or administering collective bargaining contracts, adjusting grievances and complaints, finding jobs for unemployed members, conducting educational programs, collecting dues, etc. In many instances, the national union provides assistance to the local, particularly during the process of contract negotiations.

Local union officers are usually elected from the local's membership, generally for 1-year terms. As a rule, any member in good standing may run for office. Election rules ordinarily require notice to all members of the pending election, open nominations, and secret ballots. In small locals, elected officers usually continue to work at their trade and receive no regular salary for their services. In larger organizations, full-time officials may be needed. The amount paid to the various officers for their services generally depends upon the size of the local and complexity of the duties the officers must perform. In most cases, the secretary-treasurer of a local is paid a stipulated amount for keeping the books. In many locals, the activities of the paid officers are reviewed weekly by an executive board of working members, and monthly meetings provide an opportunity for all members to participate.

The shop community, or union activities within the plant, is a fundamental part of local union life. Whether or not they

attend meetings, members usually keep abreast of union affairs by way of the shop-talk of the active members. More formally, however, the shop community is usually represented in the local union through the shop stewards or shop committeemen. The larger the local (in terms of membership and number of establishments represented) the smaller the influence of shop community becomes; correspondingly, the need for more formal types of representative government grows with size.

The conduct of local officers is usually subject to control by the national union. If officers violate the provisions of the national union's constitution or the rules laid down by the parent organization's convention, they may be expelled. In such cases, local affairs may be supervised by the national union.

Representatives elected by the members of the local union attend the regular conventions of the national union and, as delegates, have a voice in its affairs. Between conventions, contact is maintained through reports submitted by the local union and by visits of representatives of business agents of the national union.

The primary sources of revenue for the support of the union and its activities are the dues, initiation fees, and assessments collected from the members. (See chart 1.) The amount of dues and assessments may vary widely from union to union, depending largely upon the skill and earning power of the members, or upon the amounts needed by the union for strike funds, or for payment of disability, unemployment, or old-age or death claims, if such benefits are provided. Assessments are generally levied for a specific purpose. Initiation fees also vary among unions. The national union generally exercises some control over the amounts of all dues and fees charged to the members, especially since it receives its principal support from a portion of these collections by the local.

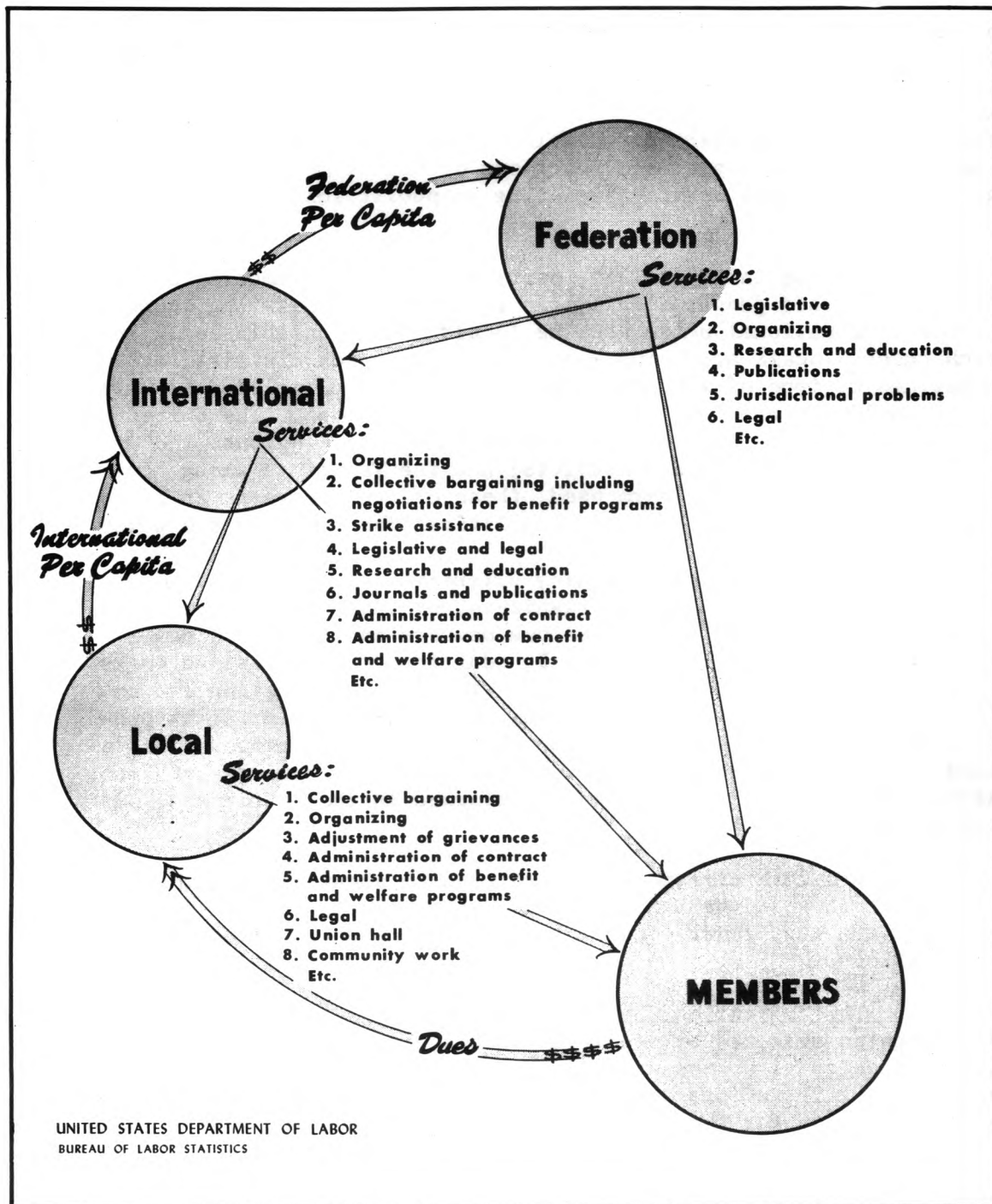
The National or International Union

The national or international union consists of a group of local unions banded together in a formal organization. Its aims are, broadly, to extend and protect the organization of an industry or a craft; to increase the bargaining power of the local unions and the workers they represent; to deal with the problems of widening markets and migratory workers; and to advance the more general economic interests of its members.

In the process of working toward these goals, the national union, particularly if it is of any considerable size, has developed

Chart 1.

FLOW OF UNION REVENUES AND SERVICES



a variety of functions and services. These include; Direct aid in organization and negotiation; legal assistance; providing information through research and publication of news of interest to workers; and health, insurance, and pension plan services. Representation before government agencies and with other labor organizations are also nearly always functions of the national union, as are the less direct services relating to public relations activities.

In the larger unions, particularly where membership is widely dispersed geographically, an intermediate operating agency between the national union and the locals may be established. In such cases, locals are grouped by region, area, or district, or sometimes by type of industry, and report to an official designated by the national union or by the locals in the group. The United Automobile Workers divides its jurisdiction among regions; the United Mine Workers among districts; and the Teamsters among conferences. Whatever the term used, these offices serve as an arm of the national union and often as a political force within the union.

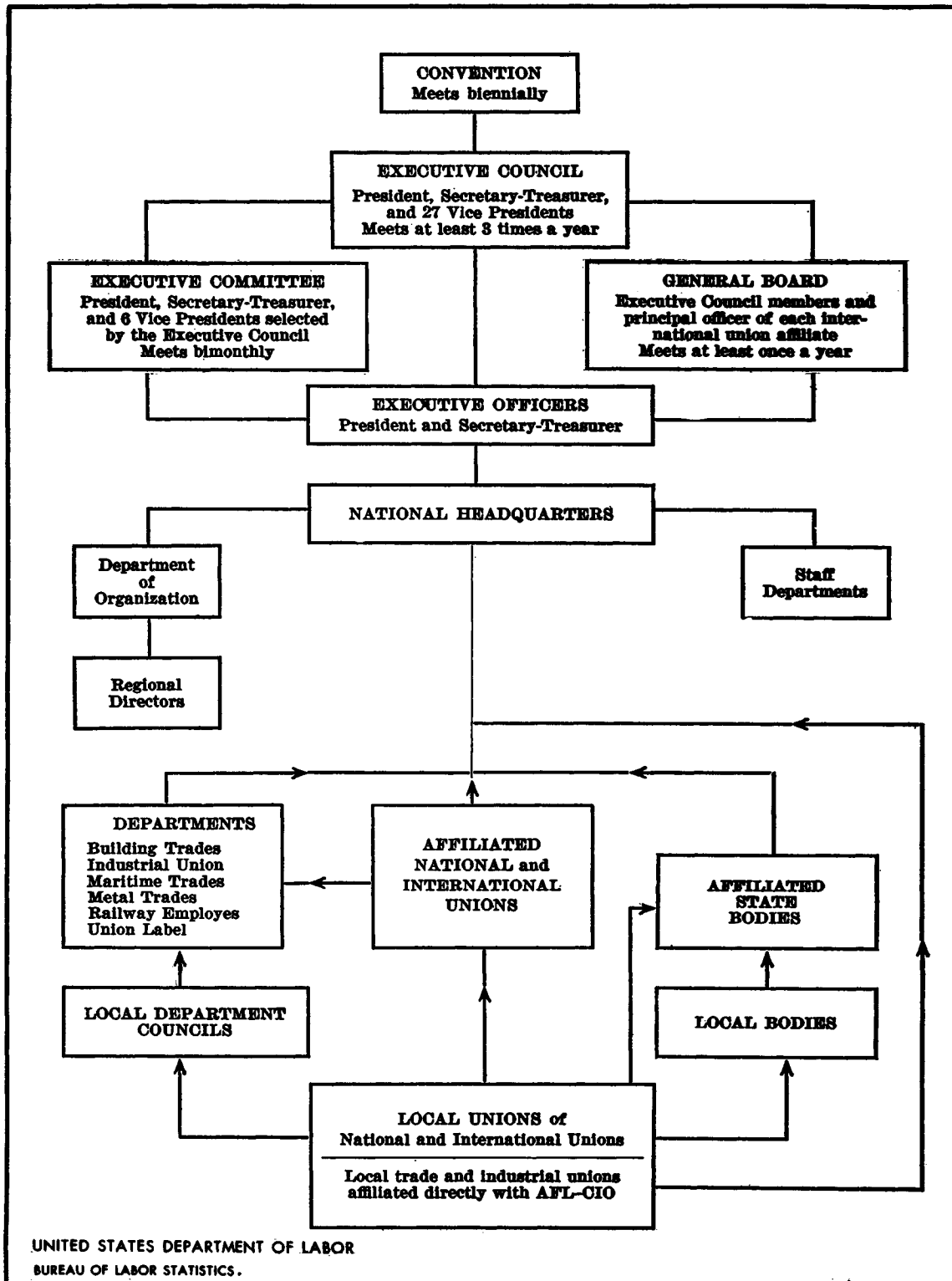
Larger unions may employ extensive staffs of paid workers to carry on their business. Organizers, or international representatives, are hired to solicit new members and establish new local unions wherever possible. In addition, they act as advisers to established organizations and assist in the preparation and enforcement of contracts. Research directors and statisticians prepare materials for collective bargaining or other purposes. Education directors are employed to increase workers' knowledge of labor affairs and to keep union stewards informed in the performance of their duties.

Research directors are employed by about half of the national unions in the United States. Educational directors are found in somewhat fewer unions. Almost all national unions issue publications.

The convention, which, as has been indicated, is made up of delegates selected by the local unions, is the governing body of the most national unions. Meeting periodically, the convention elects officers, adopts or amends the constitution and bylaws, and sets the policy for the union to follow in all its affairs. It may also decide appeals from local or national union actions.

Officers are elected by the convention delegates in about three-fourths of the unions, whereas approximately one-fourth elect their officers by referendum vote of the general membership. These officers carry on union affairs between conventions. National

STRUCTURE OF THE AFL-CIO



union officers nearly always include a general president, a secretary-treasurer, and an executive board. The president generally has authority, subject to approval by the executive board and appeal to the convention, to decide questions of interpretation of the union constitution; to issue and revoke local union charters; to appoint or dismiss union employees; to remove or suspend local union officers; to approve strikes; and to allocate strike benefits. He also has great influence in determining matters to be discussed at meetings of the executive council and at the convention. His decisions and course of action usually have a marked effect on all of the organization's internal affairs, and also on public opinion regarding the union.

The principal source of income for the national union is the per capita tax which is paid by the local union each month on the basis of a specified amount for each member. Other sources of income include charter fees, a share of the initiation fee, reinstatement fees, and assessments. Some additional receipts may be obtained from union investment of surplus funds.

The Federation

Most national unions became members of a single federation in December 1955, when the AFL and CIO merged. The AFL and CIO were each largely similar in structure to the new Federation, the AFL-CIO. This structure, in turn, is very much like the organization of most large national unions (chart 2). The convention is the primary governing body, and the president and secretary-treasurer have essentially the same responsibilities as their counterparts in the large national unions, on a substantially broader scale, of course. The Executive Council consists of the president, secretary-treasurer, and 27 vice presidents, mostly presidents of national unions. Large staffs of professional assistants are employed.

The AFL-CIO has only such powers and engages in such activities as are assigned to it by its affiliates and granted in its constitution. It has no direct authority to regulate the internal affairs or activities of its member unions, so long as they do not impinge on the jurisdiction of other affiliated unions. Although the Federation has a great deal of influence with its member unions, its actual power is the power of suspension or expulsion from the Federation, which must be approved by vote of the convention.

Each union is entitled to representation in the AFL-CIO convention according to the membership upon which per capita taxes are paid to the Federation. The convention meets every 2 years.

Between conventions, the officers, the Executive Council, the Executive Committee, and the General Board manage the affairs of the Federation.

The objectives and principles which guide the Federation are set forth in its constitution, as follows:

1. To aid workers in securing improved wages, hours, and working conditions with due regard for the autonomy, integrity, and jurisdiction of affiliated unions.
2. To aid and assist affiliated unions in extending the benefits of mutual assistance and collective bargaining to workers and to promote the organization of the unorganized into unions of their own choosing for their mutual aid, protection, and advancement, giving recognition to the principle that both craft and industrial unions are appropriate, equal, and necessary as methods of union organization.
3. To affiliate national and international unions with this Federation and to establish such unions; to form organizing committees and directly affiliated local unions and to secure their affiliation to appropriate national and international unions affiliated with or chartered by the Federation; to establish, assist, and promote State and local central bodies composed of local unions of all affiliated organizations and directly affiliated local unions; to establish and assist trade departments composed of affiliated national and international unions and organizing committees.
4. To encourage all workers without regard to race, creed, color, national origin, or ancestry to share equally in the full benefits of union organization.
5. To secure legislation which will safeguard and promote the principle of free collective bargaining, the rights of workers, farmers, and consumers, and the security and welfare of all the people and to oppose legislation inimical to these objectives.

6. To protect and strengthen our democratic institutions; to secure full recognition and enjoyment of the rights and liberties to which we are justly entitled; and to preserve and perpetuate the cherished traditions of our democracy.

7. To give constructive aid in promoting the cause of peace and freedom in the world and to aid, assist, and cooperate with free and democratic labor movements throughout the world.

8. To preserve and maintain the integrity of each affiliated union in the organization to the end that each affiliate shall respect the established bargaining relationships of every other affiliate, and that each affiliate shall refrain from raiding the established bargaining relationship of any other affiliate and, at the same time, to encourage the elimination of conflicting and duplicating organizations and jurisdictions through the process of voluntary agreement or voluntary merger in consultation with the appropriate officials of the Federation; to preserve, subject to the foregoing, the organizing jurisdiction of each affiliate.

9. To aid and encourage the sale and use of union-made goods and union services through the use of the union label and other symbols; to promote the labor press and other means of furthering the education of the labor movement.

10. To protect the labor movement from any and all corrupt influences and from the undermining efforts of the Communist agencies and all others who are opposed to the basic principles of our democracy and free and democratic unionism.

11. To safeguard the democratic character of the labor movement and to protect the autonomy of each affiliated national and international union.

12. While preserving the independence of the labor movement from political control, to

encourage workers to register and vote, to exercise their full rights and responsibilities of citizenship, and to perform their rightful part in the political life of the local, State, and national communities.

To carry out these objectives, the Federation has established programs: (1) To extend union organization, both directly and by assisting the affiliated unions; (2) to provide research, legal, and technical assistance to their member unions; (3) to publish periodicals and other literature dealing with problems of interest to labor; (4) to represent and promote the cause of labor before the various branches of government and before the general public; (5) to determine the jurisdictional limits of the affiliated unions and to protect them from dual unionism; (6) and to serve as their spokesman in international affairs, especially international labor movements.

The AFL-CIO has established six trade and industrial departments which operate as separate organizations within and subordinate to the Federation. Their functions are to facilitate interunion relations and to promote the organized activities of specific groups of workers. These departments include the Building and Construction Trades Department, Metal Trades Department, Union Label and Service Trades Department, Maritime Trades Department, Railway Employees Department, and an Industrial Union Department. With the exception of the Industrial Union Department, these departments were carried over from the AFL. The Industrial Union Department was established at the time of the merger to provide central guidance to unions organized in whole or in part on an industrial basis. Unions affiliated with the departments pay a per capita tax on the basis of the number of members coming within the jurisdiction of the department.

The departments of the AFL-CIO are expected to take an active part in the prevention of jurisdictional disputes and in their settlement, if and when they do arise.

The Federation's concern with the problem of jurisdiction is noted in item 8 (p.10), quoted from the AFL-CIO constitution. In addition, the agreement for merger provided that machinery was to be set up to implement this provision, and that each member union was to have the same organizing jurisdiction as it had before the merger. Since this latter provision will continue the existence of duplicate organizations, elimination of conflicts by "agreement, merger, or other means, by voluntary agreement in consultation with the appropriate officials of the merged Federation"

is proposed. The procedures for settling jurisdictional disputes in the AFL (the internal disputes plan) and in the CIO (the organizational disputes agreement), which were binding only upon unions choosing to abide by their terms, were carried over into the new Federation.

The AFL-CIO constitution makes provision for 15 standing committees to guide the work of the Federation in various fields of activity. In addition, permanent staff departments provide professional aid in research, education, organizing, political action, and similar activities. The State and local bodies affiliated with the AFL-CIO carry on Federation activities in various geographical areas of the Nation.

The Federation permits the direct affiliation of local unions in those crafts of industries in which no appropriate national union is chartered. Organizing committees are established when it is deemed advisable to bring together related locals as a preliminary step to the creation of a new union.

The main source of support for the AFL-CIO is provided by a per capita tax, levied upon the paid-up membership of each affiliated national union. Additional funds are received from investments, rentals, subscriptions to publications, and similar sources.

Although not a department of the AFL-CIO, the Railway Labor Executives Association is composed of executives of 22 labor organizations, all but 2 of which are Federation affiliates. It functions as a policymaking body on legislative and other matters of mutual interest to railroad workers.

Independent or Unaffiliated Unions

About 3 million members, 50 national unions, and a large number of single-firm or locality unions, are not part of the AFL-CIO structure. These unions arrived at their independent or unaffiliated status by various routes. Some, such as the railroad brotherhoods, never joined a federation. Some joined and later withdrew; the United Mine Workers is probably the best known example of this group. Some were expelled; for example, in 1949 and 1950, the CIO expelled 11 unions on charges of Communist domination. Of this latter group, only 4 remained in existence as independent unions in 1957. Late in 1957, the AFL-CIO also expelled 3 unions on charges of domination by corrupt influences.

In the area of unaffiliated unions, there are three organizations which have some of the characteristics of a federation;

that is, they issue charters to, or maintain affiliation among, labor organizations in more than one industry. These are the Confederated Unions of America, the National Independent Union Council, and the Engineers and Scientists of America. These organizations also have some of the characteristics of national unions in that they accept into membership local unions representing a single organization.

1:03 Administration of National Unions

National unions, frequently called "internationals" if they also have members in Canada or elsewhere outside continental United States, comprise the chief controlling or guiding mechanism of the trade union movement. There are approximately 190 now in existence, ranging in size from a few hundred members to such giant organizations as the Automobile Workers, the Steelworkers, and the Teamsters, each with well over a million members and from 1,000 to 2,500 affiliated local unions (locals). About three-fourths of the national unions, accounting for nearly 90 percent of all union members in the United States, were affiliated with the AFL-CIO in mid-1957.

National unions first came into prominence during the latter part of the 19th century; they have grown extensively since then. In terms of organizational structure, the larger national unions have much in common, but differences in methods of operation are often great. The nature of the industry in which they operate (e. g., the size of the employer units or the degree of organization among employers) may be a factor influencing the functions of national unions. For example, the national officers of the Automobile Workers, Steelworkers, and Mine Workers assume much of the responsibility for negotiating the major collective bargaining agreements. On the other hand, in such unions as the Teamsters and the Carpenters, where the emphasis is on local agreements, collective bargaining is rarely a function of national headquarters. The history of the organization, the type of leadership, even the type of membership, are additional factors which help to shape each national union and give it unique qualities.

This report attempts to describe briefly, and in general terms, the manner in which national unions are governed.

It must be emphasized that unions are voluntary organizations, relatively free of government restraints. They are also largely autonomous in the sense that, although affiliated with a Federation (notably the AFL-CIO), each national union maintains substantial freedom and independence of action. The constitution of the AFL-CIO states that "each affiliated national and international union is entitled to have its autonomy, integrity, and jurisdiction protected and preserved."

At the same time, the Federation is determined "to protect the labor movement from any and all corrupt influences," hence its Executive Council has the authority to investigate any affiliate accused of corrupt practices, to make recommendations or give direction to the affiliate involved, and to suspend an affiliate. This authority was called into use within the year following the formation of the AFL-CIO.

Historically, unions have cherished the principles of constitutional government and the democratic aspirations which have nourished their formation and growth. That these ideals have been disregarded at times by some union officials is acknowledged by the labor movement itself. The extent to which particular unions exhibit some of the tendencies of other voluntary organizations, including a gradual reduction of active membership participation in the government of their organization, an increasing concentration of authority and responsibility in the hands of elected officials, and a weakening of channels of communication between officers and members, is an aspect of union administration that cannot be accounted for in a report of this type.

Union Government

Each union has its own constitution or set of laws and rules which establishes the structure of the organization and the legal framework for its government and administration. The constitution fixes the relationship between the national union and the locals. It typically sets forth the minimum amount of dues (and sometimes the maximum) that members are required to pay to the locals, the portion of dues that locals must transmit to the national union (the per capita tax), the general qualifications for membership, the functions of union officers and the method of their election, the frequency of conventions and the authority of the convention, the composition of the union's executive body, and disciplinary and appeals procedures. The constitution may also deal with the collective bargaining activities of local unions by requiring national union authorization to strike and national union approval of agreements, or it may prescribe certain procedures which local unions are to follow in strike situations.

Conventions.--The right to change the union's constitution is typically vested in the union convention, the periodic assembly of officers and delegates representing the local unions. Thus, the convention is the law-making body in the union. In addition, in most unions, the convention nominates and elects the president and other principal officers. The convention may act as the final court of appeal in disciplinary matters, or even institute disciplinary actions as in removing an officer for conduct detrimental to the union.

About two-fifths of the national unions in the United States hold conventions every 2 years; about a fifth meet every year. A number of large unions hold conventions every 4 years. Under certain conditions, a union may call a special convention to consider a particularly crucial problem. Occasionally, conventions

are postponed or canceled, usually by membership referendum. Conventions last for a week or so and involve substantial costs for the unions, especially large unions which may bring together, from all parts of the country, 2,000 or more delegates.

Most unions nominate and elect their presidents by the vote of delegates to the convention, generally according each delegate voting strength proportionate to the number of members he represents. Some unions provide for nominations at the convention, but for a membership referendum rather than delegate vote. ^{1/} Few constitutions provide for secret ballots in convention voting; most depend on a "roll call" vote or a show of hands. The election of other officers generally follows the same practice used for the presidency.

The role of the convention as the governing, policy-making, and electoral body is not the only reason for assembling the representatives of affiliated local unions. Most conventions also seek to stimulate union spirit, solidarity, and morale. Official views on policy matters are explained to the delegates for transmittal to the locals they represent. Resolutions are adopted, many to express the union's views on domestic and international affairs and on political issues of the day. Persons of note, frequently Government officials and visitors from abroad, are heard.

In large conventions, most of the important decisions are shaped by committees which may explore the problems at hand in considerable detail. The committees' reports are often given perfunctory approval by the assembled delegates; in the older unions, opposition or disagreement seldom arises from the convention floor. Factionalism is becoming increasingly uncommon among national unions. Only one union, the International Typographical Union, has a formal system of separate "parties."

Executive Boards.--In terms of constitutional authority, the union's Executive Board, sometimes called "international council," "grand lodge," etc., ranks second to the convention in most

^{1/} The major type of election method which does not involve use of convention procedures consists of allowing locals or other groups of union members to make nominations. The candidates named are then voted upon by the membership as a whole. More than 30 unions follow this practice.

unions. The 5 types of executive boards, in order of their prevalence, 2/ are:

1. Executives only, that is, president, secretary-treasurer, and some or all of the vice presidents or district directors, but no direct representation from the membership.
2. Officers plus membership representatives.
3. Membership representatives only.
4. Double executive boards--usually a combination of 1 and 2 above.
5. Multiple boards--3 or more executive bodies, usually with a division of functions.

Although executive boards are granted supervisory powers by union constitutions, their specific duties vary among unions. In most cases, the board authorizes strikes proposed by local unions. In some unions, the board passes upon collective bargaining agreements negotiated by the local union; in other unions, this is one of the president's functions. The board may have the power to issue or revoke local union charters and repeal local bylaws if not in agreement with the national constitution, or even take charge of local union affairs, if necessary, for the protection of the union. The board may pass on all local grievances and appeals, supervise the keeping of records and reports, provide direction to the union's publications, and prepare for conventions. In general, the board decides all major issues dealing with union operation, subject only to limitations set forth in the union constitution and the approval or disapproval of the convention. Responsibility for day-to-day administration rests with the individual union officers, who report on their activities to the board and to the convention.

Officers.--The chief elected officials of national unions usually are the president, one or more vice presidents, and the secretary-treasurer. Union constitutions usually describe the duties of the president somewhat as follows:

2/ See Handbook of Union Government, Structure, and Procedures, National Industrial Conference Board, Inc., New York, 1956 (p. 82).

The general president as chief executive officer shall have full authority to direct the working of the organization within the provisions of the constitution; he shall convene and preside at all general executive board and convention meetings and between sessions execute their instructions; he shall be an ex officio member of all committees and appoint all committees not otherwise provided for; he shall supervise and be responsible for the work of all organizers and levy assessments according to the provisions of the constitution and make a full report of all union activities to the general executive board and the convention.

In most unions, the duties of the president are more extensive in practice than in the constitution. He is generally the representative and, frequently, the personification of the union to employers, the government, and the general public. Within the union, he may take a broad view of the scope of his powers under the constitution.

Union presidents may have the responsibility for negotiating agreements covering thousands of workers, for managing and investing large funds, for directing the various activities in which national unions engage, for administering the operations and the staff of the union, and for dealing with government officials. Such responsibilities require extensive knowledge, experience, and leadership abilities. Salaries of national union presidents, which vary widely among unions, reflect, in part at least, an appraisal of the responsibilities of the office, a criterion perhaps more commonly accepted in connection with the salaries of corporation executives. A few union presidents earn \$40,000 a year or more, but these cases are not typical. In general, salaries are higher in the larger unions. Among unions with 25,000 members or more, relatively few union presidents receive less than \$10,000 a year. Among the larger unions (100,000 members or more), most presidential salaries fall in the range of \$15,000 to \$40,000.

Subordinate officers, such as the secretary-treasurer, usually receive lower salaries. Union executive officers also receive allowances to cover expenses incurred in the performance of union business.

Union Activities and Programs

As the trade union movement grew from small local organizations, dealing with local employers, to larger unions, national

in scope, the activities and services offered by unions also expanded. The basic activities which the national union undertakes are, of course, associated with the immediate problems of unionization and with the welfare of the worker on the job. These activities include the organization of workers into local unions, assisting locals in collective bargaining and the writing of contracts (or dealing directly with employers), coordinating the activities of the locals, working out jurisdictional problems, strike control and assistance, and, in varying degrees, assistance in contract administration, administration of health, insurance, and pension plans, and the settlement of grievances.

Partly as an outgrowth of the development of these activities and partly to offer other forms of direct and indirect aid to their membership, many national unions have developed a number of related programs, such as: 3/

1. Research, statistical, legal, and engineering services, first undertaken principally as an aid to collective bargaining and now extended to many other fields of union interest.
2. Publication of papers, magazines, bulletins, and other materials to inform the membership about labor affairs, and for public relations purposes.
3. Workers' education programs, designed primarily to help union officials, stewards, and the membership to conduct union affairs more efficiently and to be better union members.
4. Political activity to encourage workers to register and to vote for favored candidates.
5. International labor matters in which national unions participate independently.
6. Relations with government agencies, such as the U. S. Department of Labor and the National and State Labor Relations Boards, and

3/ Most of these activities will be discussed in more detail in other chapters of the Guide.

activities designed to promote legislation favorable to labor.

7. Activities relating to community services, such as cooperation in charity drives and other community fund-raising activities.

8. Activities relating to the health and well-being of individual members, including promoting and financing low-cost housing, establishing and operating vacation facilities, maintaining clubs or communities for retired workers, operating training and apprenticeship programs, etc.

Discipline and Appeals

An important function of the national union is to enforce its constitution--that is, to require local unions and individual members to conform to national union rules and policy, and also to protect their rights as expressed in the constitution. The power to discipline by reprimand, fine, suspension, or expulsion, is thus an essential part of union operation. The right of a union to prescribe its own rules for membership is not impaired by legislative restrictions protecting the job rights of workers against union discrimination.

The constitutions of many national unions specify the causes for which an individual member may be disciplined. More common, however, are provisions permitting discipline for any act unbecoming a union member or detrimental to the interests of the union. Generally, the constitution outlines the procedure for bringing charges and the steps which must be taken to ensure that members' rights to hearings and appeals are protected. With few exceptions, national union constitutions provide for open hearings during trials at the local union level and at least a majority, or more generally a two-thirds, vote before a penalty is imposed. Progressive steps for appeal are also provided to the national president, the general executive board, and the national convention, in that order. In a few unions, the entire membership may be polled on a referendum vote.

Of relatively recent origin is the widespread adoption of constitutional provisions barring Communists, Fascists, and other subversives from membership or from holding union office. Many unions with no specific constitutional provisions banning subversives have made their feelings evident in other ways. Most

of the constitutional provisions are enforceable through local union trial machinery when members are involved, and through trials held at the national union level if national union officers are involved; under both procedures, the rights of the individual to a fair hearing are usually set forth.

Financing the Union

The maintenance of a large national union and its various activities obviously requires substantial funds, most of which, if not all, must come from its members by way of the local unions. The local unions generally set the level of dues, initiation fees, and assessments (when necessary), frequently within limits established by the national constitution. ^{4/} In turn, the national union levies a per capita (membership) tax on the locals, an amount usually fixed in the constitution. Thus, membership contributions are divided between the local and the national union.

Per capita taxes paid to the national organizations out of members' dues to the local unions range from less than 25 cents a month to more than \$2. A recent analysis of 115 constitutions specifying the per capita tax showed the following distribution: ^{5/}

<u>Monthly per capita tax paid to national unions</u>	<u>Number of unions</u>
\$0.25 and under	8
\$0.26 to \$0.50	19
\$0.51 to \$0.75	25
\$0.76 to \$1.00	22
\$1.26 to \$1.50	17
\$1.51 to \$1.75	3
\$1.76 to \$2.00	2
Over \$2.00	7

On the average, approximately \$1.10 a month of members' contributions went to the support of their national unions, excluding other possible contributions in the form of initiation fees and assessments. It is probable that local unions retain at least an equal amount for their own needs. On the whole, it would seem that union members contribute about 1 percent (or less) of their gross annual income to the support of their unions (local and national) in the form of dues. Some additional income is also obtained from initiation fees and returns on union investments in

^{4/} See 1:04, Administration of Local Unions.

^{5/} National Industrial Conference Board, op. cit. (p. 32).

property or bonds. Assessments are irregular and usually are levied for a specific purpose, such as building a strike fund in advance of important negotiations.

The money received from union locals as per capita taxes goes to pay the administrative expenses of the national union, the per capita tax which the national union is obliged to pay to the AFL-CIO (if it is affiliated), strike benefits, death benefits or other types of insurance for members in some unions, and many other expenses. Moreover, as unions grow older and larger, they tend to accumulate assets in the form of cash, securities, and real estate (frequently the building housing national headquarters). The 1955 balance sheet of the Steelworkers, for example, listed \$3.8 million in cash, \$12.5 million in securities, \$2.3 million in office funds and other receivables, and \$1 million in fixed assets (land, building, and furniture and fixtures). Although this grouping of assets and the amounts are not necessarily typical, they characterize the desire of many large unions to have cash or readily negotiable (usually Government) securities at hand as a cushion against bad time or other contingencies. However, in a large union such as the Steelworkers (with over 1.2 million members), relatively small expenditure per member (as in paying nominal strike benefits) would quickly deplete available resources.

Union Records and Reports

The activities of a national union cannot be carried on successfully without an adequate system of records. This typically requires an extensive array of accounts and reports--financial, operating, and statistical.

From its affiliated local unions, the national union receives reports on the local's finances, operations, dues, and per capita taxes. Regional officers and organizers submit reports on operations and expenditures.

Within the national union itself, national officers report on their activities and operations to the executive board, the membership, and the convention.

Each national union headquarters, of necessity, keeps records concerning the conduct of the union's business. In most unions, these records have tended to increase in volume as the size of the union has increased and as information about the many phases of the union's activities has become essential to successful operation. In many of the larger unions, recordkeeping requires a large staff of trained personnel.

The greater part of the recordkeeping burden falls to the secretary-treasurer's department. This department usually has the responsibility for receiving all of the union income, including dues, initiation fees, returns on investment, and other items. It makes all disbursements for payroll, donations, purchases of supplies, maintenance expense, convention expense, and the many other costs incident to operating the union.

Modern tabulating equipment is usually needed to keep membership records readily available and up to date, and to make them available for use in supplying statistical data for research and union organization. Most unions distribute one or more periodicals or other publications, financial reports, etc., to their membership, hence mailing lists must be maintained and kept current.

The recording and analysis of agreements is another type of recordkeeping many unions find essential. These and other data, such as strike reports, are processed for information to union officials and members, and for use in contacts with government agencies. The development of health, welfare, and pension plans and supplementary unemployment benefit programs has increased the work load of national union headquarters. Many unions have established separate departments to handle problems relating to employee benefit plans.

Most unions provide regular financial reports to their membership. Labor union accounting has developed without centralized control, hence wide differences in these reports are noticeable. National unions generally arrange for annual or semiannual audits of their books by public accountants, both to insure accuracy and as an aid in interpreting financial operations. These audit reports frequently include the following:

1. Statement of assets and liabilities, including a comparison with previous periods.
2. Statement of receipts and disbursements.
3. Comparison of receipts and disbursements, by divisions, sections, regions, or locals of the union.
4. Statements of per capita tax payments.
5. Analysis of membership standing by divisions.

6. Statement of investments and their allocation to various funds.

7. Statements of various fund accounts, where applicable.

Under the Labor Management Relations (Taft-Hartley) Act, all unions wishing to use the services of the National Labor Relations Board must file a detailed report with the U. S. Department of Labor showing, among other things, its receipts and disbursements by type, and its assets and liabilities. This financial report must also be furnished to union members.

1:04 Administration of Local Unions ¹

The foundation of union organization in the United States rests upon the local unions or "locals," sometimes designated by such traditional terms as "chapters" or "lodges." Almost all of the more than 70,000 locals in the United States hold a charter from, and are affiliated with, a national union and are therefore subject to some degree of authority or control exercised by the central body. However, many factors, including their origin, history, and membership and leadership characteristics, influence the function, scope, and administration of local unions.

The conduct of labor-management relations, including collective bargaining and handling employee grievances, helping unemployed members find work, and assisting members in getting the maximum protection of State and Federal legislation enacted in their behalf, constitute the backbone of local union activities. However, additional activities not so directly related to the workers' welfare on the job are also important aspects of union life at the local level. Many of these activities are purely social in nature--for example, providing a place for members to congregate, or sponsoring recreational affairs such as dances, picnics, or bowling contests. Local unions may also provide special services to members such as legal advice, conduct education centers and training schools, issue a periodical, participate in charitable drives and other community activities, and engage to some degree in local politics.

Although locals have increased in number and size with the growth of the trade union movement, legal and collective bargaining developments of the past two decades have tended, in some ways, to diminish their status. For example, the expansion of multiplant and multiemployer bargaining, a method of negotiation which often results in a master agreement covering a number of locals, has given each local involved a smaller voice, and sometimes none, in formulating contract terms for its members. In other ways, too, the widening influence of national unions and their regional or industry subdivisions in collective bargaining has correspondingly reduced the influence of some local unions.

In certain industries with a high degree of seasonal or casual employment, union locals have traditionally served as

^{1/} Certain aspects of control and administration of local unions are discussed in 1:03, Administration of National Unions. The position of local unions in the structure of the trade union movement was covered in 1:02, Structure of the Trade Union Movement.

employment centers, referring members to job openings and, in many cases, maintaining an order of priority so as to assure equal opportunity to each unemployed member. However, this function of locals was substantially weakened by the ban on the closed shop enacted in the Labor Management Relations (Taft-Hartley) Act of 1947. Many locals continue to assist unemployed members in finding jobs, but an employer need not, as a rule, hire union members only.

On the other hand, the development and spread of check-off provisions in union agreements, whereby the employer agrees to deduct union dues and assessments from members' pay (usually upon written authorization from each member) and regularly to transmit the amount to the local, strengthened the financial position of the locals involved. This practice has also freed local union officers and staff from the time-consuming job of soliciting members for dues.

Because local unions vary greatly in terms of size, jurisdiction, autonomy, and functions, their problems and methods of administration and government also differ considerably. For example, large locals of skilled craftsmen in the printing and construction industries, which negotiate and administer an agreement with many employers in an area, and enforce a number of shop rules that are part of their constitutions and bylaws, necessarily handle their affairs in a different manner than an equally large local in a mass-production industry covered by terms of a multiplant agreement. However, locals have some administration features in common. These are discussed below.

Constitutions and Bylaws

The constitution or bylaws under which local unions operate are generally formulated by the locals, subject to the approval of the national organization to which they are affiliated.

Frequently, the constitution opens with a preamble which stresses, in recognition of the aims of many locals, the social as well as the economic purposes of the union. The constitution commonly defines the jurisdiction of the union, the duties and powers of officers, the qualifications for holding office, the composition of the executive board and its duties, frequency of membership meetings, dues, discipline procedures, and rules of order. Depending on the type of local, the constitution may also cover such issues as traveling cards (i. e., right of workers to transfer from one local to another), sick and death benefits, duties of shop chairmen (stewards), and rules applying to the work and workplaces of the local's members. The booklets containing the constitutions

and bylaws that the locals print for distribution to members range in size from less than 10 pages to more than 50, a fairly rough indication of the wide differences among local unions in the scope of their activities.

Union Officers

Local unions follow a more or less standard pattern so far as titles and duties of officers are concerned. Usually, there are a president and secretary-treasurer, and, unless the local is very small, a sergeant-at-arms, trustees, and members of an executive board. Business agents, key figures in many local unions, are generally elected annually and are paid regular salaries. Shop stewards, who act as union representatives in workplaces, are not generally regarded as officers.

The chief officers of many locals, particularly the smaller ones, are not full-time administrators; rather, they continue to work at their trades, serving the union during their off hours. In many locals, only the secretary-treasurer receives regular pay for his work. Other officers may be paid for attendance at meetings of the entire union membership or of the executive board. All officers are usually elected by the membership.

Local union officials who continue to work in the plant and who represent and act for the union in the plant may be accorded, by the collective bargaining agreement, certain privileges or benefits that they might not otherwise have. For example, they frequently enjoy special protection in the event of layoffs, which their seniority standing alone may not merit, in order to provide uninterrupted representation for the remaining workers. Many agreements also provide that the employer pays the union representatives, in whole or in part, for the time they spend on union business, such as grievance settlement, safety committee work, and the like, during working hours.

Union Meetings

In constitutional terms, the local union meeting is the sovereign body in the management of the local's affairs. Just as the union convention exercises authority over the national or international union, so the local meeting elects officers, determines policy, and sets up rules of government for the membership. Meetings are usually held once a month, unless special business necessitates that they be held more often.

In practice, a large part of the union meeting's power is reserved for extraordinary developments. Over the years, problems of day-to-day administration have tended to center in the hands of officials. Attendance at union meetings, for example, is typically low. Meetings frequently are attended only by a group of regular participants, including the local leaders, a few "one time" or occasional attendants, and members with a grievance or problem to bring to the union's attention. However, when subjects of major importance, such as election of officers, contract negotiations, strike votes, or changes in dues are to be brought before the meeting, a much larger attendance is assured.

Efforts on the part of many local unions to increase member participation through attendance at meetings have not been conspicuously successful. One method that some unions have adopted is fining members who fail to attend. In some instances, several meetings, arranged for different times of the day or evening, or at different locations, are held to encourage member interest or to act upon important policy matters.

Despite attendance problems, the local union meeting still has a definite function to perform in union affairs. It serves to bring membership dissatisfaction to the attention of the officers and, in turn, gives the officers a means of communication with the rank and file, thereby supplementing the day-to-day contacts within the shops. The meeting is also a time for decision-making and for demonstrating the common purpose for which workers are organized. It is sometimes the only occasion at which officers and members get together outside of the company environment to discuss mutual interests and problems.

International unions are fully aware of the participation problems facing local unions and make efforts to aid them to attract members to meetings. Bulletins on the conduct of local union meetings are widely circulated. Posters, meeting aids such as publications or motion pictures, and even personal assistance may be provided.

Membership Rules and Union Discipline

Nearly every union has established rules to regulate the rights and duties of workers within the union and to prescribe their conduct while on the job. For example, a member may violate union rules by working for less than the wage scale prescribed by the union; by working overtime without permission or at less than the overtime rate; by defaulting on his dues; by crossing a picket line; by fighting on the job; or by failing to carry out his work properly

or otherwise acting in a manner unbecoming a union member. Violations of these rules may subject the member to union discipline.

Certain procedures and penalties are generally set up to compel obedience or impose punishment if members are charged and found guilty of violating established rules. Generally, charges must be filed in writing, signed by the complaining member or members. A copy of the charges must be presented to the accused member. The charges are generally referred to a trial committee which holds hearings. If the committee sustains the charges, the penalty may be fixed by the local in a secret ballot. A two-thirds majority is commonly required for any severe punishment, such as suspension from the union.

Action taken at the local level may be only the first step in the trial procedure. Members ordinarily have the right to appeal to higher bodies in the union organization, and, in most unions, to the national convention if the penalty is sustained by lesser union bodies. Members generally are aware of, or are informed of, their rights, and appeals are not too difficult. In practice, a sufficient number of penalties are reversed or modified on appeal to make the step desirable for the wrongly accused worker. ^{2/}

International officers in most unions have the power to step in and take over the affairs of the local if there is any indication or suspicion of irregular action on the part of the local officers or the local as a whole, or of secession or revolt. Actions by locals calling for intervention may include financial irregularity; failure to handle agreement procedures properly; striking without approval; toleration of racketeering; internal conflict to the detriment of the union; or other failure to conduct union affairs properly. The international union's direct control usually ends when the causes of intervention are removed.

Union Dues and Finances

Union activities must be financed and union administrators must be paid. The primary source of income is the membership, mainly through initiation fees and dues. Other less important sources of funds include assessments, reinstatement fees, and income from investments.

^{2/} See Philip Taft, *Structure and Government of Labor Unions*, ch. IV.

In each local, membership dues are used to pay administrative costs or strike benefits, and to build up the union's financial strength against emergencies. In addition, in some unions, a portion of the dues goes to pay for sickness, old-age, and unemployment benefits, or other insurance carried by the union, or to provide services not directly related to basic union operation. No information is available on average dues paid by union members. Dues levels vary from less than \$1 a month to more than \$6; probably the range of \$2 to \$4 would include most locals.

National unions generally exercise some jurisdiction over the amount of dues to be charged by their affiliated locals. A fixed amount, or maximum or minimum limits, or both, may be prescribed. In some cases, a range or a sliding scale of dues is provided in national constitutions, to allow for variations in dues structure among locals because of differences in occupational skill, sex, and coverage under union-financed benefit programs. In any case, the per capita tax payable to the national union generally places an effective lower limit on local dues. This per capita tax is the amount a local union remits each month for each member to the national with which it is affiliated. 3/

The amounts charged by the unions for admission to membership also vary widely, ranging from a nominal charge of \$1 to \$100 or more. High initiation fees have, on occasion, been used as a deterrent to new workers desirous of entering a trade. In recent years, however, initiation fees have more generally been considered as an item of revenue, reflecting the union's desire to offset a portion of the costs incurred over the years in building the local. A strong deterrent to high admission charges is found in the Labor Management Relations (Taft-Hartley) Act of 1947 which provides that the levying of excessive or discriminatory initiation fees shall be punishable as an unfair labor practice.

Assessments are sometimes levied by the union to provide funds for extraordinary expenditures, such as strike aid, organizing, legislative purposes, or financing a convention or special benefits. These assessments usually must be approved by the membership, although in some instances they can be initiated by the executive body of the union. Assessments may generally be levied at either the local or national union level. The national union often exercises some control over the frequency and amount of local assessments.

3/ See 1:03, Administration of National Unions.

The collection of money from the members, and the need for providing information about how it is spent, makes some sort of accounting record essential for every local union. Records of local unions are generally geared to those of the national unions with which they are affiliated. Whether the local is a large one, with an extensive accounting system, or a small one with rudimentary records, it usually must provide the national with a detailed monthly report of income and expense, and must remit its per capita payments. Moreover, compliance with the Taft-Hartley Act requires a degree of financial disclosure to members. Along with other nonprofit associations, labor unions are exempt from the Federal income tax but are required to file an annual return covering receipts and expenditures and assets and liabilities.

1:05 The Unionization of White-Collar Workers

White-collar workers, the fastest growing segment of the labor force, remain the largest group of workers outside of the American trade union movement. It is estimated that, in 1956, trade unions had enrolled only about one-sixth of the 15 million nonsupervisory white-collar (salaried) employees in the United States, primarily in such fields as railroading, communications, gas and electric utilities, entertainment, and the postal service.

White-collar (salaried) workers can be classified into three broad categories:

1. Professional, semiprofessional, and technical workers, who numbered about 4-1/4 million in the 1950 census. This group includes salaried architects, accountants, chemists, engineers, teachers, nurses, and various other specialists and technical personnel. Many are employed in administrative jobs.
2. Clerical and kindred workers, approximately 6-3/4 million, are by far the largest group in the white-collar work force. Secretaries, typists, file clerks, business-machine operators, and related occupations are found in this category.
3. Sales workers, about 3.5 million, who sell goods and services to other business organizations and to the consumer.

In proportion to other groups, white-collar occupations have grown tremendously since the first decade of this century. In 1910, professional, clerical, and sales personnel accounted for 15 percent of the total labor force, and, in 1950, 27 percent. The clerical group has grown fastest, followed by the professional and technical group.

The more rapid growth of the white-collar groups--or the "new middle-class" as they are frequently referred to in current literature--can be attributed to the vast organizational and technological changes which have reshaped the American business scene. Intricate production methods have led to greater reliance on trained professional and technical personnel. A greater amount of planning, scheduling, and control operations within industry has required an increasing number of clerical workers, as have many new or expanded activities of Federal, State, and local governments.

Whether this rapid rate of growth will continue has recently been questioned. The spreading utilization of electronic data-processing machines and the installation of vending machines and self-service techniques in stores are among the current factors which may affect the future composition and size of the white-collar force.

The Right to Organize

Freedom of association is a fundamental right guaranteed by the Constitution of the United States. The right of employees to form and join labor organizations is encompassed within the concept of freedom of association. Further protection of this right is provided to virtually all workers in the United States, including professional, clerical, and sales workers, by Federal legislation. The relatively few types of workers (e. g., supervisors, government workers, farm workers, domestic servants) who are not given the right to use the special procedures established under Federal laws nevertheless retain their general right under the Constitution.

The most important Federal law dealing with the right to organize is the National Labor Relations Act, as amended by the Taft-Hartley Act of 1947. This law extends to all categories of workers under its jurisdiction, manual or nonmanual, special legislative protection of the right to organize and to bargain collectively, or to refrain from such activities. Under this law, however, the inclusion of professional employees in a bargaining unit with nonprofessionals is permissible only if a majority of the professional workers vote for inclusion in such a bargaining unit. Otherwise, professional employees are entitled to a separate bargaining unit.

Although it is not illegal for supervisors to form unions and bargain collectively, if they so desire, they are not given the special protection of this Federal act. The exclusion of supervisors from the act reflects a view that they are essentially representatives of the employer. Thus, although the law does not prohibit companies from recognizing unions of supervisors and making agreements with them, it does not require them to do so.

As for employees of the Federal Government, the Lloyd-LaFollette Act of 1912 is regarded as a general expression of congressional sentiment in favor of the right of government employees to organize without interference. However, extensive and full-fledged collective bargaining as usually practiced in private industry, covering such matters as wages and hours of work, reduction-

in-force procedures, and retirement benefits, has not, for a variety of reasons, been considered feasible for most Government agencies. But organizations of Federal employees still have a role to play. Where a Government agency itself has the authority to establish the wages of its employees, there is some participation by the employees and their representatives in the wage fixing process. This participation ranges from individual to formal union representation before agency wage boards and the Civil Service Commission. Where the wages of Government employees are determined through the legislative process rather than by the Government agency employing the worker, it is not possible, as a practical matter, for trade unions to participate so directly in the wage fixing process. Even here, however, representatives of Government workers' unions are free, as are other citizens, to promote legislation dealing with wages, civil service, and other laws affecting conditions of employment, to participate in public hearings held by legislative committees on such matters, and to be heard in the press and other communications media. Their organization and numerical strength are factors which give weight to programs they promote for the benefit of their members. Agency heads may also consult with employee unions regarding personnel practices, grievances, and working conditions. Unions also serve as channels of communication and discussion, and in this fashion contribute to employee morale and to improved public administration.

The Taft-Hartley Act prohibits strikes in the Federal service. In addition, recognizing the need for uninterrupted service to the public, virtually all Federal employee organizations have written "no strike" clauses into their constitutions. They have done so voluntarily because, as one union leader put it, the strike question has "never for a moment . . . been a live subject" in the Federal service.

State, county, and municipal governments in the United States are free to develop their own systems of labor relations, which may differ from Federal practices; some nonfederal government units have negotiated collective bargaining agreements.

Extent of Unionization in Private Industry

Out of a union potential of approximately 15 million workers, about one-sixth, or 2.5 million salaried employees, were union members in 1956. Many unions organize both manual and non-manual workers in a variety of industries. For instance, the Retail, Wholesale and Department Store Union has organized not only white-collar workers in retail and wholesale establishments, but also manual workers in light manufacturing industries. The Teamsters, though predominantly a union of drivers and warehousemen,

includes among its members public employees and office clerical workers.

Professional and Technical Employees.--The extent of unionization among engineers, scientists, architects, and draftsmen is small. Of the approximately 850,000 employees in these fields, not more than 60,000 are organized. Of these, the unaffiliated Engineers and Scientists of America claims 42,000 and the American Federation of Technical Engineers (AFL-CIO), 12,000. Several thousand engineers and other technical personnel are represented by industrial unions or by several local independent organizations.

A high degree of unionization, however, is the pattern in the entertainment industry. The American Federation of Musicians, with a membership of more than 250,000, and the Associated Actors and Artistes (38,000) represent the vast majority of performing artists in this country.

The newspaper and related industries employ a sizeable number of union members. About 29,000 white-collar workers are members of the American Newspaper Guild (AFL-CIO). In addition to editors and reporters, the Guild has among its members office employees in the advertising, circulation, and business departments of newspapers.

Another professional group with a high degree of organization are writers for stage, screen, radio, and television. The Writers Guild of America (Ind.), has a membership of 2,400.

Office Clerical.--The number of unionized office clerical employees in nongovernmental employment has been estimated at approximately 600,000, or 14 percent of the estimated 4.3 million union potential in this segment of the labor force. This overall figure, however, hides significant interindustry differences. For instance, a large proportion of the clerical work force in the railroad industry are members of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees. In the communications industry, the Communications Workers of America and several unaffiliated labor organizations bargain for large numbers of office workers employed by telephone companies. Other sectors of the communications industry are organized by the Commercial Telegraphers' Union and by the Order of Railroad Telegraphers.

On the other hand, in the so-called white-collar industries such as banking, insurance, and real estate, the extent of unionization is negligible. Although some insurance agents are members of unions, few clerical workers in insurance companies are members.

In manufacturing, more than 250,000 of the 1.6 million clerical employees are estimated to have joined unions. In this area, unions of wage earners, notably the United Automobile Workers, the United Steelworkers, and the International Union of Electrical Workers, have enrolled substantial numbers of salaried workers.

Sales Employees.--Of the approximately 3.5 million sales employees, about a half million are believed to be organized. Union strength is centered in the retail field in major eastern and western cities, primarily in department stores and grocery chains. More than half (300,000) are members of the Retail Clerks International Association. The Amalgamated Meat Cutters is represented in food stores where, in addition to butchers, it has sometimes organized all store employees.

Union membership among insurance agents approaches the 30,000 mark, primarily in the industrial life insurance field. Since there are about 250,000 agents in this country, these figures indicate that most agents have not joined labor organizations.

Government.--In the Federal Government, Post Office employees are the most highly organized group. There are about 500,000 Post Office employees, or about 20 percent of all Federal personnel. The vast majority are members of AFL-CIO affiliates and several unaffiliated unions. Major unions are: National Association of Letter Carriers (108,000 members); National Federation of Post Office Clerks (97,000); National Rural Letter Carriers' Association (36,000); and the National Postal Transport Association (27,000). Employees in supervisory grades are represented by the National Association of Postal Supervisors (20,000) and the National League of Postmasters of the United States (26,000).

The overwhelming majority of the more than 1 million clerical and professional Federal employees are not union members. The two major unions in this area--the American Federation of Government Employees and the independent National Federation of Federal Employees--have a combined membership of about 160,000. Adding the membership of several small unaffiliated unions, it is unlikely that more than 20 percent of Federal white-collar workers belong to employee organizations.

Of the more than 5 million employees in nonfederal public employment, fewer than 10 percent are believed to be organized. The largest union is the American Federation of State, County, and Municipal Employees. In 1956, the Government and Civic Employees

Organizing Committee merged with the AFSCME, bringing the total membership of the combined unions to about 150,000.

Only a small fraction of the 1,200,000 school teachers are affiliated with the American Federation of Teachers. Unionization among public social workers is also the exception.

Problems in White-Collar Unionization

The question is often asked: Why has the unionization of white-collar workers lagged behind that of industrial workers in the United States? Unions, employers, sociologists, and others have suggested diverse reasons for this development, some of which are mentioned below.

For part of the answer, it seems necessary to consider the nature of white-collar work and certain attitudes and motivations which are often attributed, in a general way, to white-collar workers. The duties and functions of office occupations are designed to carry out administrative and technical decisions of management. The daily tasks of office workers, it is claimed, bring them in close contact with management and lead to a stronger identification with company views and policies than may be the case for plant workers. This may act as a deterrent to unionization.

Many white-collar workers, it is suggested, have an aversion to being grouped with blue-collar workers. This feeling on the part of white-collar workers may rest on claims of superior education, their middle-class backgrounds, and pride in outward symbols of status--a white collar, well-appointed places of work, telephones on the desks, etc. Many office employees also believe that they can more effectively forge ahead on individual merit--rather than by collective action--and ultimately reach a top position in business.

Many business spokesmen claim that management has developed a program designed to retain the loyalties of their white-collar employees, has learned to communicate effectively with white-collar workers, and has improved personnel policies in order to retain the undivided allegiance of this group.

Additional reasons which, it is argued, have retarded the unionization of white-collar workers are (1) the great number of women in this group and (2) the existence of many small offices. Many women consider their employment as temporary. Workers in small units are usually difficult and costly to organize.

However, it is also claimed that the inability to organize salaried workers in large numbers rests in no small measure with the labor movement. During the 1930's and 1940's, union organizing drives concentrated on manual workers in manufacturing, construction, and transportation. Thus, unions have not always been available to professional and clerical workers. Moreover, where unions have attempted to enroll white-collar employees, their techniques were sometimes unsuited--a misapplication of methods used to organize plant workers. Jurisdictional conflicts between unions may also have been a contributing factor.

Special problems have limited the unionization of two large groups of white-collar workers--professional and government employees.

Many professionals, notably engineers and chemists, have raised the question whether union membership can be reconciled with professional standing. Some professional societies feel that union membership is not compatible with a professional code of ethics (including the concept of confidential relationships between the professional and his client or employer), and they have opposed trade union activities among their members. This point of view is reflected, in part, in the Taft-Hartley Act which prohibits the inclusion of professionals in a bargaining unit with production workers unless a majority of professional employees desire such inclusion.

In public employment, because of the nature of the employer-employee relationship, unique problems arise which have an effect on union membership. The following statement by President Franklin D. Roosevelt in 1937 sums up the Government's position:

All government employees should realize that the process of collective bargaining, as usually understood, cannot be transplanted into the public service. It has its distinct and insurmountable limitations when applied to public personnel management. The very nature and purposes of government make it impossible for administrative officials to represent fully or to bind the employer in mutual discussion with government employee organizations.

As matters now stand, Federal employees have the right to form unions but agency heads are not required to recognize or to bargain with them.

Factors Affecting Future Organization

The point of view which foresees greater unionization of white-collar workers in the future may be summarized as follows:

1. In recent years, labor unions have operated and grown under a favorable legal and political climate. Organized labor has attained a position of importance not only in industrial matters but also in political and community affairs. Labor leaders can now be found on the boards of colleges and civic organizations. The views of prominent union officials are reported in leading newspapers and magazines. In short, unions have become socially acceptable.

2. Many white-collar workers now have more personal contact with union members and frequently live in communities where union members predominate. They are thus better acquainted with the objectives, accomplishments, and status of unions and the thought of joining may become more attractive to them.

3. Unions are also counting on economic factors to bring salaried workers into the fold. They lay great stress on the claim that differences in incomes between clerical workers and plant workers have been diminishing, and that many of the supplementary benefits (e. g., paid vacations) which clerical workers have traditionally enjoyed are now available to the wage earner.

4. A closely related factor is the matter of job security. It is claimed that this has come to occupy the minds of clerical workers more and more as automation has entered the office. Will the installation of giant electronic computers lead to loss of jobs? Some believe that the fear of displacement by machines will make office workers more susceptible to unionization. Union spokesmen are quick to claim that provisions for job security, namely, seniority and transfer rights, or opportunities for retraining, are meaningful only when they are spelled out in a collective bargaining contract.

5. Unions now attempt to present unionism in terms which appeal to a salaried worker's outlook. For example, the grievance committee is often called the office relations committee. Some unions have used a career-centered approach by setting up workshops to prepare employees for better paying jobs.

6. Greater unionization in the future may also result from efforts of factory unions to enroll salaried employees in their particular industries. Such unions enter the field with a knowledge of wages and working conditions in that particular industry or company; at the same time, these industrial office employees are familiar with the union's activities in collective bargaining for manual employees.

7. It is also necessary to take into account the recent AFL-CIO merger. The announced goal of the merged Federation is to "organize the unorganized" including the white-collar groups. Greater financial resources and more organizers may become available. Jurisdictional disputes and other interunion rivalries, which in the past may have thwarted organization, may be overcome more readily.

Collective Bargaining Provisions for White-Collar Employees

No recent studies are available which are limited to white-collar agreements or which compare such agreements with those for production workers. To illustrate some of the contract similarities or differences between these two occupational groups, a major clerical workers' agreement is compared with one for production workers negotiated by the same company and union. The negotiating parties were a large metalworking company and one of the major industrial unions. Both contracts went into effect in August 1956, provide for deferred wage increases in 1957 and 1958, and are due to expire in June 1959.

Highlights of the major sections of the two agreements, their similarities and differences are briefly discussed below.

The "scope of the agreement" clause defines the various categories of workers included (or excluded) in the bargaining unit.

In the contract for plant workers, all production and maintenance jobs, as well as hourly rated nonconfidential plant clerical jobs are covered. The white-collar agreement represents all salaried clerical and technical employees, with the exception of the following categories: Supervisory and administrative employees, professionals, and employees in confidential and other jobs directly associated with management. Among the jobs in the last group are students, technical apprentices or management trainees, cost and methods analysts, secretaries, management payroll clerks, and telephone and teletype operators. As required by the Taft-Hartley Act, watchmen and guards are excluded from both bargaining units.

The type of union-security clause is identical in the two agreements and provides for the union shop.

Procedures for the settlement of grievances, defined as complaints which involve the interpretation and application of or compliance with the contract, are virtually identical for plant and office workers.

Slight differences between the two agreements occur in the section on rates of pay, but these are due to the method of compensation. The salaried contract does not, as can be expected, contain any references to piecework or other incentive plans. In both contracts, however, provision is made for hourly differentials of 6 and 9 cents, respectively, for work on the second and third shifts; Sunday premium payments at one and one-tenth the employees' regular rate of pay; and a semiannual cost-of-living adjustment.

The agreement sections specifying hours of work provide-- although in terminology to reflect differences in operations--a normal 40-hour workweek, to be scheduled on 5 successive days. A reporting or call-in allowance is found in the plant agreement only. Paid jury duty leave is granted to both groups. However, hourly workers receive only the difference between the fees paid for jury service and their average straight-time hourly earnings for an 8-hour day, whereas salaried workers are permitted to retain such fees in addition to their salary.

Overtime pay at time and a half after 40 hours a week or 8 hours a day is a feature of both agreements. Seven holidays are observed without loss of pay, and work on these days is compensated at double time for both plant and office workers.

The vacation provisions for salaried employees are more liberal than those for hourly workers. For instance, office workers are entitled to 1 week's vacation after 6 months' service;

for plant workers, the service requirement is 1 year. Production workers have to be employed for 5 years to qualify for 2 weeks' vacation; clerical workers earn such leave after 1 year. A maximum of 3 weeks' vacation is specified for both groups--for clerical workers after 12 years, and for plant workers after 15 years of employment.

Length-of-service rights in layoff, recall, and promotion are, in both agreements, qualified by two requirements: (1) Ability to perform the work and (2) physical fitness. Only where these qualifications of competing employees are relatively equal is seniority the determining factor.

Both contracts provide for severance payments to workers who lose their jobs because of plant or departmental shutdowns, and for supplementary unemployment benefits to workers who are laid off.

A clause on automation is limited to the clerical agreement and reads as follows:

When the installation of mechanical or electronic equipment will have an effect on the job status of employees, management shall review the matter with the local union grievance committee in advance of such installation.

In the event such mechanical or electronic equipment is installed, management shall provide reasonable training arrangements for the employees affected by such installation in order that such employees may have an opportunity to become qualified for available jobs.

A very brief section dealing with employee safety is included in the clerical agreement. It states that the company will "continue to make reasonable provisions" and, where needed, install proper heating, lighting, and ventilating systems. By contrast, the plant agreement established joint safety committees, requires the company to furnish special wearing apparel and other protective devices, and spells out the procedure to be followed in settling disputes in this area.

Payment to employees on sick leave is an exclusive feature of the white-collar agreement. To an office worker who submits reasonable evidence of disability, salary payments are continued for from 1 to 13 biweekly pay periods, depending on length of service.

Workmen's compensation benefits, where applicable, are deducted from these payments. However, hourly employees are covered by a sickness and accident insurance plan which provides up to 26 weekly payments for any one disability.

Identical pension, hospital, and surgical plans are provided for in separate agreements. Life insurance payments differ according to earnings levels.

1:06 Workers' Education

Workers' education (as the term is used in this chapter) attempts to fulfill the educational needs of workers which arise from their membership in a trade union. That is, its function is to provide instruction designed to help union members toward a better understanding of, and closer and more effective participation in, their union, their community, and the society in which they live, and to train potential union leaders.

This concept of workers' education does not include formal courses taken for scholastic credit in recognized educational institutions, training for a vocation or trade, or adult education projects open to the general public. Basic free education, which is compulsory in the United States for young people and is generally available to adult immigrants, is, of course, the foundation upon which workers' educational programs are based.

In this framework, the scope and methods of workers' education vary from time to time and from place to place. However, workers' education in the United States does not aim at fundamental changes in the economic and social order as is the case in certain other countries. With relatively infrequent and short-lived exceptions, workers and their organizations have accepted the dominant political and economic philosophies which have developed in this country and have planned their educational programs to increase their ability to deal with existing realities at home and abroad.

The educational needs of union members generally vary according to their position in the union and the community in which they live. Obviously, union officers and representatives need more highly specialized training than rank-and-file members. For example, in connection with understanding the collective bargaining contract, which is an important element of most workers' educational programs, union officers and representatives need to learn more about contract preparation, negotiation and interpretation, the legal aspects of the various clauses, grievance procedures and arbitration, and the financial intricacies of special provisions such as those dealing with health, welfare, and pension plans. On the other hand, the union member may want to know what the contract means to him in terms of wages, hours, and working conditions, and what security he and his family can derive from it.

The training of members qualified to carry on the work of the union is an important part of workers' education. David Dubinsky, president of the International Ladies' Garment Workers' Union and a leading advocate of workers' education, expressed the needs of the labor movement in these terms: "Labor leadership is no longer a hit-or-miss avocation at which anyone with some

qualifications can become a success. The feeling in the world of organized labor is growing ever stronger that, just as the young lawyer and doctor spend years of effort to attain a career, so should the young man or woman, eager for a career in the trade union movement, be ready to sacrifice time and energy for the required preparation."

Although worker interest in education as a community responsibility is almost as old as the labor movement itself, organized effort in workers' education as a part of union activity is of comparatively recent origin. Principal developments in the field date from the end of World War I, when the 1918 American Federation of Labor convention set up a committee to study workers' education. In the following year, the Federation decided to sponsor workers' education as an integral part of the labor movement. The Workers' Education Bureau was established in 1921 to promote and serve the interests of workers' education. In 1923, by convention action, it was approved as the formal educational arm of the AFL, although maintaining operating autonomy. In 1924, the AFL convention recommended that its affiliates provide financial support to the Bureau on a per capita basis. Over the years, AFL support increased and, in 1950, the AFL convention voted to take over the Workers' Education Bureau entirely and integrate it into its official structure as the AFL Department of Education.

The establishment of resident labor colleges, offering a full curriculum of labor-related courses, was another method of worker education which came into prominence soon after World War I. However, much of the need for such institutions was eliminated when unions and recognized colleges took over the teaching of subjects of interest to workers. The "leftist" tendencies of certain schools also threw this phase of worker education into disrepute and hastened its decline.

At different times, Federal, State, and local government agencies also have had an impact on workers' education, principally during the depression of the early thirties, when an Emergency Education Program was set up to provide jobs for unemployed teachers, financed by funds for adult education under the Federal Works Progress Administration. In addition, a number of private groups have offered general and specialized educational services for union members.

Within the trade unions, workers' education is steadily growing in importance. In October 1956, John D. Connors, Director of the Department of Education, AFL-CIO, stated:

Only a dozen years ago, not a single State federation of labor or State industrial union council had an education department. Today, 19 State central organizations have education directors.

Twelve years ago, only a handful of the national and international unions had education directors. Today, fully one-half of the 139 international and national unions affiliated with the AFL-CIO have education departments, with most of the others assigning to a top officer responsibility for union education.

Methods Used in Workers' Education Programs

Projects and problems dealt with in workers' education programs are handled with a flexibility not usually found in more formal courses of instruction. Techniques are generally adapted to the subject matter, the worker students, and the organization conducting the training, rather than to a rigid curricular pattern. For several reasons, it is believed that educational programs for workers are carried on most effectively under union direction. For example, the subject matter is generally specialized and courses are directed to the workers' particular needs and interests. Moreover, many workers with limited educational backgrounds may tend to feel uncomfortable in a more formal educational system.

Educational programs may take many forms. An early method of training consisted of one or more classes a week over a period of several weeks. At present, this is being superseded by more concentrated forms of instruction. Two- or 3-day conferences and weeklong schools have been found to be a more effective method of arousing and retaining interest and bring about group participation. Directors of workers' education activities are constantly experimenting with new methods. They arrange debates, lectures, open forums, panel discussions, conferences, and seminars. They attempt to represent actual situations through role-playing techniques, particularly in steward training courses; for example, students take on the role of supervisor, steward, and worker in a mock grievance case. Visual and auditory aids, including films and filmstrips, records and tape recordings, and graphs and posters are used. Timely and interesting publications are widely distributed for home study.

For the training of stewards and officers, summer schools are sponsored by unions throughout the United States, generally on

college grounds, with a special staff from the college and union officials participating in the program.

Types of Subjects Taught

In theory, the variety of subjects which could be taught in workers' education courses is unlimited. Practically, however, there must be certain well-defined areas of instruction, and these deal mainly with the trade unionist's relation to his union, his job, his community, and the Nation. As indicated earlier, the scope or depth of the subject matter may vary, depending upon the students' positions in the union--representative, official, labor education specialist, or rank-and-file worker. At all levels, however, most of the subjects now taught in workers' education projects are of the "bread-and-butter" type--the preparation and administration of labor agreements, union functioning, and economic, social, and political subjects as they directly affect the worker. 1/

At the beginning of workers' education programs, texts, course outlines, and experienced teachers were lacking. Many of the present instruction courses have been prepared by union officials and education directors. In recent years, however, universities have given extensive aid both in teaching and providing course materials.

The subjects taught in workers' education programs at the present time, or for which training programs are planned, generally fall in the following categories:

1. Contract preparation, content, and interpretation, grievance procedure, mediation, conciliation, and arbitration.
2. Legislation which affects union operation or relationships, such as the Labor Management Relations Act, State "right to work" laws, minimum wage legislation, and the like.

1/ In addition to practical courses in labor and economic affairs, some unions offer instruction in cultural pursuits through theater groups, musical shows, orchestras, choirs, book clubs, outings, and athletic programs. These programs are aided and encouraged principally as morale builders, organizing aids, and part of the social activities of local unions.

3. Social security legislation, unemployment compensation, and retirement problems.

4. Industrial safety legislation, shop practices, and first aid training.

5. Conduct of union meetings, parliamentary law, public speaking, and union administration.

6. Labor history and union structure.

7. Automation, adjustment to technological change, and training for new skill requirements.

8. Employer and shop relationships, determination of wages and hours, job evaluation, and time and motion study.

9. Consumer economics, installment buying, cooperatives, insurance, credit unions, and budget management.

10. Citizenship, political action, politics, civil rights and liberties, political parties and pressure groups, lobbying, elections and voting, problems of democracy, responsible citizenship, and operation of government.

11. Relation of wages, prices, profits, and productivity.

12. International affairs, foreign labor organizations, tariffs, and labor's stake in world affairs.

13. Community relations, participation in community affairs, training for community action, how to use community agencies, and counseling.

14. Health problems and health and welfare insurance programs.

15. Special educational courses, such as classes in reading and writing English for foreign members, and general training in literacy for uneducated groups.

Impressive as the above list is, it may be expanded into other areas as workers' interests develop. At the same time, this list should not be thought of as a catalog of courses, such as would be offered by a university. The "rule of thumb" still applies in much that is being done in workers' education. Good instructors try to offer just as much as they think the students will absorb with interest. Since there are no scholastic standards to be met, no rigid curriculum is prescribed.

Examples of Union-Operated Education Programs

Workers' education is still largely in the formative stage. Many unions have only elementary programs and others, none whatever. However, several unions have developed their education programs far beyond the experimental stage. A brief summary of what three unions are doing is presented below:

The Ladies' Garment Workers' Union.--One of the oldest and most active unions in the field of workers' education is the International Ladies' Garment Workers' Union. Its program has continued to grow since its start in 1914.

Educational activities are maintained on three levels: (1) Mass education, which includes lectures, excursions, and visits to museums, art galleries, and other places of interest, and other types of recreational and cultural activities; (2) classroom education, which provides new members' classes, and courses in union history, current events, labor problems, languages, journalism, parliamentary law, and public speaking; and (3) a training institute for members likely to assume positions of responsibility in local unions. The union has 24 full-time educational directors in the larger population centers, as well as a staff training institute and a varied program ranging from individual counseling to mass meetings of area membership.

Programs intended for the rank-and-file members include:

1. New members' classes. In some areas, attendance is compulsory. Ranging from a single lecture to a series of 4 to 6 planned talks, these classes cover such topics as rights and responsibilities of new members, why members pay dues and what they get in return, welfare agencies available to union members, etc.

2. Cultural and recreational classes in handicraft, art, music, dramatics, and choral

singing. An annual spring festival exhibits work done by students in sculpture, painting, and ceramics.

3. A special course, English for Hispanics, which grew out of the large influx of Puerto Ricans into the garment industry. The specially developed textbook and homework assignments are built around trade union and shop experiences.

4. Organized tours of the United Nations building. These have become increasingly popular in locals surrounding the New York City area.

5. In Pennsylvania and Massachusetts, musical revues produced by the unions are presented to raise funds for local charitable and relief agencies.

Programs for local officers include:

1. Officers' qualification course. This is carried on mainly in the New York metropolitan area where completion of the 17-week, 2-night-a-week course is a prerequisite for new candidates for full-time office. The course includes such subjects as ILGWU history, trade union techniques, economics of the garment industry, etc.

2. Refresher courses for shop stewards, usually conducted at local level, weekly or in weekend institutes.

3. One-day, weekend, 7- and 10-day institutes for officers and active members. Some 45 such institutes were run in 1955. Some are conducted in conjunction with a university labor program. Included in these programs are economics, political action, and labor and international affairs.

4. Spanish language course for business agents and staff--mainly in New York City area.

The ILGWU Training Institute, now in its seventh year, puts approximately 25 qualified students a year through a 12-month full-time study-work training program. Qualified applicants are ILGWU members or members of other unions; some come from outside union ranks. Those successfully completing the course are offered staff jobs in the ILGWU.

Divided into 5 periods, the students' training includes an initial 12-week study period at the Institute in the union's headquarters in New York City followed by a period out in the field on an organizing drive or working in a local union. Another 12 weeks of study at the Institute leads to a second period in the field followed by a final period of study at union headquarters.

The curriculum includes history of the ILGWU, labor history, labor law, economics for workers, structure and operation of the ILGWU, economics of the garment industry, problems in organizing, comparative labor movements, comparative economic systems, and local union administration. In addition, skills in mimeographing, leaflet writing, operation of film projectors, etc., are developed in workshop sessions.

General services of the Education Department include:

Extensive publication of pamphlets, books, outlines, songs and records, a film library with 60 items available to union and community groups (including the widely used, ILGWU-produced film *With These Hands*), a book sales division, packet mailing service of education aids to education directors and committees, and a lecture program at Unity House, the union's summer vacation center.

The national Education Department spends much time on talks and film showings to foreign labor delegations and public school groups visiting the union's headquarters. It provides speakers for schools and religious and community

groups. Monthly meetings of education directors in the New York City area serve to discuss new ideas, coordinate programs, preview new films, and develop new materials.

The Automobile Workers.--The United Automobile, Aircraft & Agricultural Implement Workers operates an extensive education program staffed by full-time educational personnel at its national headquarters and in each region. Three cents of each member's monthly dues payment is allocated to a special educational fund; each local union is required to set aside the same amount of dues into a local education fund. The establishment of local educational committees is required, with the local union determining each committee's size and method of selection.

Staff training is carried on at regional meetings, weekend conferences, evening classes, and summer schools. Topics generally discussed include problems and techniques of collective bargaining; grievance procedure; technical developments and automation; and political, legislative, and economic issues. In the more extended courses, such subjects as labor history, foreign affairs, farm problems, and civil rights may be included.

In addition to these continuing activities, the union holds a biennial International Education Conference for the education staff, to bring them together for interchange of ideas and problems and to assist in presenting the union's views and aims on topics of interest to labor in general. In addition, special programs are held, frequently inspirational in nature. In 1956, for example, the conference put on a pageant, We Remember Our Past--The UAW Is Twenty Years Old.

The job of the educational staff is, basically, to train and inform union officials and members, particularly those in positions of leadership or control. The various programs reach more than 60,000 UAW members annually in the various union-sponsored schools. Subject matter is usually geared to current problems. In 1956, for example, the programs placed particular emphasis on a study of political issues, in view of the presidential election during that year. Since the courses are not restricted by formal curricular limitations, flexible programs are followed.

The national union publishes an educational magazine, *Ammunition*, which is sent to more than 50,000 leaders in local unions. Special issues discussing problems of general interest are frequently given wider circulation, both within and outside of the union. Films and filmstrips dealing with union topics

and problems are also produced and distributed for showing at local union meetings. Union-prepared pamphlets receive wide distribution. In 1956, these included statements on pensions, farm problems, automation, and UAW history. A revised steward's guide and suggestions for the improvement of union meetings were also published.

The union sponsors a daily radio program of news and interviews for its members and the general public. This program is now presented by more than 35 stations.

One of the more ambitious educational programs to be undertaken by the national union is the establishment of a permanent resident education center. A building and property adjacent to union headquarters in Detroit has been purchased for this purpose. The labor university planned for UAW staff and officers, and eventually for members, will be designed to broaden their understanding of the history, philosophy, and morality of the union movement and to offer advanced training in union administration and collective bargaining.

The various regional divisions of the union carry on their own educational programs. Although these follow the national union's program and are generally similar in all regions, sufficient latitude exists so that problems unique to specific areas can be discussed.

In many regions, speakers are made available to schools and community organizations to present the union's story and influence public opinion favorably.

At the local union level, local educational committees see that the educational program prescribed by the national union is presented properly. In addition, local activities are carried on independently in many areas. Efforts are made to negotiate with management for the right to distribute union literature through pamphlet racks. Current publications are generally made available at union meetings, and at the union hall. Cooperation with other local unions in the community is encouraged, particularly in efforts to place publications presenting the unions' viewpoint in schools and libraries.

International Brotherhood of Pulp, Sulphite and Paper Mill Workers.--An education program incorporating many unique features is carried on by the Pulp, Sulphite and Paper Mill Workers with the cooperation of the United Papermakers and Paperworkers. This program is distinguished from other union education projects because (1) the training classes are an integral part of the union

structure and are a function of the regional officers of the unions, and (2) actual teaching in local unions is done by instructors chosen by the locals themselves.

The use of rank-and-file instructors was undertaken primarily because of insufficient budget and staff to carry on an extended program from national union headquarters. It is now realized, however, that the local instruction program is the only method by which the unions can reach large numbers of members not otherwise within the range of ordinary educational programs.

Selection of local instructors is left entirely to the local unions, with guidance in the form of criteria suggested by the education department. This department does not reject the local's choice, however, even if the criteria are not met. Financing of the program is carried on jointly by the locals and international unions, with the internationals paying for the training of instructors and for work materials, and the locals paying for instructors' time and expenses during training and for the setting up of local classes.

Instruction is carried on by discussion from prepared questionnaires and "acting" (role playing) followed by further discussions. The initial subject matter in the training program is covered by eight units for each course:

1. What is the steward's job?
(questionnaire).
2. Greeting the new employee (acting).
Union accomplishments (questionnaire).
3. How the union is run--constitution,
finances, majority rule, minority rights
(questionnaire).
4. Grievances (questionnaire; acting).
5. The contract (questionnaire).
6. Grievances (questionnaire--acting--
grievance record).
7. Information for the steward--Taft-
Hartley Act, Wagner Act, pension plans and
social security, reading list (questionnaires).
8. Grievances (acting).

These first eight units constitute the basic training course for officers, stewards, and committeemen. It covers the ground most familiar to the local instructors at the time when much of their attention must be devoted to consideration of the methods and techniques of teaching. Additional units (9 through 12) deal with the subject of seniority. An advanced course dealing with the economics of the pulp and paper industry is planned.

Education in the Local Union

The types of workers' education programs offered by most local unions other than those described immediately above, depend upon many factors, such as the size of the local, the interests of the officers, and the pressures for various types of action. The needs and aims of workers' education in locals are essentially the same as those of national unions. In practical application, the first purpose of the local program is the development of well-informed union members. To carry out this plan, national unions and other agencies furnish various types of aids for the use of the local.

Specific subjects to be taught will usually be determined by questioning local officers and members. Some favorite topics include the conduct of union meetings, the history of labor unions, labor economics, labor laws and their enforcement, and the operation of health and welfare plans. Labor education directors warn locals to plan carefully for a small project and to avoid huge failures at all costs.

Federation Education Activities

Following the merger of the AFL and CIO in December 1955, the educational programs operated by the separate federations were combined and carried forward with augmented intensity. As was the case with both organizations before the merger, the Federation is concerned primarily with giving aid to the educational programs of member unions by providing guidance and by furnishing printed materials, films, and other aids.

An extensive program of summer schools and institutes, conducted by national and international unions and State central bodies, plays a large part in the Federation's educational work. These schools generally offer intensive courses designed primarily to aid local officers, shop stewards, and key members of local unions in providing service to the union's membership. Grievance procedures, legislative programs that require understanding and participation, interpretation of the contract, developing collective

bargaining programs, steward training, and similar subjects are given special attention. Other workshops and conferences may deal with such subjects as political education, labor law, health and welfare programs, and community relations. The Federation also conducts periodic conferences of education directors of national and international unions and State central bodies and also holds regional conferences on problems of the particular region.

The Department of Education maintains a large library of films and filmstrips on labor subjects and general subjects of interest to labor, which are rented to labor and community groups. Many labor organizations participate in a Film-a-Month plan.

The Department is actively interested in public education, including vocational education and apprentice training, and promotes and advises on scholarship contests for high school students sponsored by State and city central bodies.

Another phase of the Department of Education's program is its cooperation with the ICFTU and other international organizations such as UNESCO, representation on the Fulbright and Ruskin Scholarship selection committees, and cooperation with other programs bringing trade unionists from other countries to the United States.

The Department of Education issues a monthly publication, AFL-CIO Education News and Views, which keeps member unions and State and local organizations informed about new developments in education. Federation and international union programs are announced, and reported on when completed. New books, pamphlets, and films of interest to labor are also listed and discussed.

1:07 Trade Union Uses of Economic Data

Trade unions, like many other organizations and institutions in the United States, make extensive use of economic data for policy guidance and as the basis of reasoning and persuasion in the statement of their positions. With the expansion in the scope of their interests and responsibilities over the past few decades, unions in general have devoted an increasing amount of attention to economic data. Increasingly, the process of collective bargaining revolves around the presentation of economic facts and their interpretation. Thus, economic facts and their use have become an important resource of the trade union movement.

Most formal research work in the trade union movement dealing with economic data is undertaken at the level of the national union and in the AFL-CIO. Almost half the national unions employ full-time research directors who, in some unions, also serve as directors of education. Other national unions generally assign an officer or staff member to research work as the need arises. The AFL-CIO maintains a central research staff which makes wide use of economic data for policy purposes and provides similar services to the Federation's affiliates. Research personnel often have professional (university) training as well as some background in union activities. Many have also had experience in industry, government, or in teaching.

Economic research activities were long regarded by many persons, including some union officials, as being outside the main stream of union activity--interesting and informative, but not essential to union operation. However, this concept changed as unions turned more and more to the use of economic data to advance their collective bargaining and other operating programs. It is now widely acknowledged that local union leaders and others who engage in collective bargaining must familiarize themselves with the economic information that may enter into negotiations or that may serve as a guide in formulating demands. Although needs vary, depending on the situation, the types of data most frequently required include (not necessarily in order of importance): (1) Information on general economic conditions, as well as conditions in the industry; (2) information on levels of wage rates and fringe benefits; (3) a measure of changes in the cost of living; (4) studies of family needs and budgets; (5) information on changes in productivity; and (6) information on company profits.

Trade unions are necessarily resourceful in their search for and use of data; some go to great trouble and expense in obtaining data not otherwise available. However, it must be emphasized that the availability of economic data helps explain their extensive use by unions.

Making facts available is a traditional and highly respected responsibility of the Federal Government. Obviously, reliable and useful economic data do not come into existence automatically. For each of the innumerable aspects of economic activity for which data are sought, information must be collected, tabulated, explained, and published--systematically and repeatedly, so that data are reasonably current. These are typically costly undertakings. In addition to the varied types of economic data collected and issued by the Federal Government, the States contribute a limited amount and a few private organizations also produce some primary data. Universities and endowed research organizations also participate in increasing the flow of information, mainly in terms of analyzing and interpreting available statistics. Corporation financial reports constitute another basic source of information. Almost all of these data are available to the unions, as well as to others, free or at a nominal cost.

This chapter deals primarily with the ways in which unions use economic data. The following summaries of activities of certain unions in the collection and use of such data indicate the extent to which union research departments at national union headquarters will go in the preparation of factual information and the wide variety of ways in which it is used. The unions which are used as illustrations are only a few of many whose research departments carry on similar programs. On the other hand, some national unions and undoubtedly a substantial number of local unions make little or no systematic use of any type of economic data.

Economic Data for Collective Bargaining

The most intensive and sophisticated use of economic data usually arises when a third party is involved--whether a public board or agency, or an arbitrator--particularly in major situations. ^{1/} In 1951, for example, when an emergency Federal wage stabilization program was in effect, the United Steelworkers of America began negotiations for a wage increase with steel companies. Early in 1952, after negotiations between the union and the companies broke down, the case was referred to the Wage Stabilization Board for action. The union's research department prepared materials documenting the union's demands, justifying these demands in economic terms as well as in terms of wage stabilization regulations and policies, and analyzing the equities involved. A few of the principal exhibits presented to the Board are described on the following page.

^{1/} The railroad unions, periodically faced with the necessity of preparing extensive briefs for emergency board hearings, often find it desirable to employ consultants or private research companies to assist in the preparation of economic exhibits.

Wage Policy in Our Expanding Economy was a 60-page exhibit prepared by the research department of the former Congress of Industrial Organizations, to which the union was affiliated, for the Steelworkers' case. Included in this report were 18 charts and 22 tables, designed to justify a dynamic wage policy in general and steel wage increases in particular. The economic arguments were presented under the following headings: The Expanding Economy; Wages, Profits, and the Price Spiral; The Movement of Inventories and Sales; The Pattern of Consumer Income, Expenditures, and Saving; Rising Productivity; and CIO Proposals to Strengthen the Stabilization Program.

Another exhibit, prepared by the research department of the Steelworkers' union, was entitled "The Economic Documentation of the Steelworkers' Demands." To bolster the argument that "the union's economic demands are both reasonable and justifiable" the union presented a substantial amount of testimony dealing with productivity, profits, sales, prices, dividends, and wage trends.

Another union exhibit presented Fact Sheets Showing the Financial Positions of Individual Companies as Compiled by the Research Department of the United Steelworkers of America. This exhibit contained a compilation of information, from published reports to stockholders and general financial or industry publications, on 51 steel companies. The following economic data were reported for each company:

- Ingot capacity
- Number of employees
- Selected measures of operations (for each year, 1939-51)
 - Operating rate (percent of capacity)
 - Profits before taxes
 - Net profits (amount and index, 1939=100)
 - Sales (amount and index, 1939=100)
 - Net worth
 - Long term debt
 - Common stock cash dividends
- Significant ratios (1939-51)
 - Net profits as a return on net worth
 - Profits before taxes as a return on net worth
 - Sales dollar percentages
 - Net profit
 - Wages and salaries
 - Materials

Percent changes, selected periods compared to 1951
 Net profit (stated)
 Profits before taxes
 Sales
 Net worth

In addition to these exhibits, an analysis of union and company contract proposals and a special survey of holiday, vacation, and other "fringe" practices of leading companies in major industries were assembled and presented. Rebuttal testimony to answer the economic arguments offered by the companies was also prepared.

Although this was a special case, the normal work of the Steelworkers' research department is scarcely less demanding. In addition to the type of activity illustrated above, the department supplies assistance and advice to local unions on wage data, financial reports, and other matters.

The research department of the United Rubber, Cork, Linoleum and Plastic Workers Union also carries on a broad program of collection and compilation of economic data for the use of its local unions as well as national headquarters. In the department's report to the 1954 convention of the union, the following items were mentioned: Wage information was collected from local unions; wage surveys for key occupations were made on a district-by-district basis, and according to the various industries organized by the union; and studies of the key provisions of union agreements in force in the industry were made to show gains and to bring lagging areas of the industry up to standard.

In addition, a series of releases dealing with economic trends in rubber and allied industries were prepared to aid union officers and committees to establish union policy and guide union action.

For collective bargaining purposes, the department prepared briefs for use in the negotiations with the Big Four rubber companies (Firestone, Goodrich, Goodyear, and U. S. Rubber) and with other companies in the industry. Reports on finances of individual companies were prepared to assist bargaining committees in situations in which companies claimed inability to pay. Studies were also made of guaranteed annual wage plans to prepare for bargaining on that subject in the rubber industry.

In addition, financial, wage, and economic data for industries and areas were prepared for use in organizing drives.

The report of the General Executive Board to the 1953 convention of the International Ladies' Garment Workers' Union called the research department of the factfinding agency of the union, and charged it with the responsibility of "gathering and analyzing the economic and statistical information on our industries as well as the functioning of our economy as a whole." The department maintains a comprehensive library of current and historical material about the industry and the union. It not only utilizes available statistics from government and private agencies but makes firsthand surveys of subjects of interest to the union.

The research department of the Amalgamated Clothing Workers carries on a similar program for the officers and members of the union.

The research department of the Textile Workers' Union described itself in the officers' report to the 1956 convention of the union as the analyst and interpreter of developments in the industry, shaping new courses of action to deal with the depressed condition of textile manufacturing, the wave of mergers, and the movement of mills to nonunion areas of the South. The report goes on to say:

In addition to these special tasks, the department carried on its regular function of compiling and analyzing information and preparing reports to assist in the day-to-day operation of the union. These reports included data on wages and fringe benefits; company profits, dividends and executive compensation; affiliation of plants with parent companies; plant labor relations; elections; strikes; agreements; contract analysis; pension plans; arbitration issues.

Preparations for wage negotiations in the various industry divisions required extensive analyses of economic conditions, including profits, costs, prices, production, trends, etc. When negotiations eventuated in strikes, research activities were intensified in the effort to exert maximum leverage on the struck companies. When arbitration was used as the means of settling wage deadlocks, the research department prepared the briefs and presented the arguments.

One of the notable projects of the Textile Workers' research department was the preparation of a 214-page Textile Workers'

Job Primer, which serves as a technical guide for union workers who have to deal with work assignment and production standard problems. It has had wide distribution both inside and outside the union. Supplementary material has been provided through technical memoranda and bulletins, as well as articles on specific problems.

In many cases, the most effective data that a union can use are derived from its own activities. For example, the International Association of Machinists and the International Chemical Workers' Unions maintain central files of agreements negotiated by local affiliates and regularly analyze these agreements. The information and statistics thus derived are quickly available to local unions for use in collective bargaining.

Other Uses of Economic Data

The uses of economic data described above are based primarily on immediate collective bargaining needs. There are other uses of economic data which have developed through the years, as unions have increased in size and maturity. Some of these uses are summarized below.

General Information to Aid Union Officers and Members.-- Economic data are collected and published in bulletins and union publications to build up an informed membership. In addition, some of the larger international unions publish bulletins and reports designed to influence thinking and action on the part of the general public.

Long-Range Planning.--An important use of economic data is to plan the long-range program of the union. In many organizations, studies are made of wage rates, employment, industry structure, prices, inflation tendencies, and the like; these are used to evaluate future trends, to chart a course for forthcoming contract negotiations, and to lay down a general pattern of action.

Liaison With Statistical Agencies of the Government, Educational Institutions, and Research Associations and Societies.-- Persons in charge of union research and collection of economic data often work closely with other users of data and with private and governmental agencies which collect and publish data.

Public Relations.--Unions find it desirable to present their case to the public, particularly when labor disputes are impending or taking place. Quite often economic data are prominent features of this program, usually to demonstrate the workers' need for increased wages and company ability to pay.

The AFL-CIO Economic Research Program

Briefly, the major functions of the AFL-CIO research department are as follows:

1. Appraisal of trends in employment and unemployment, wages, productivity, and other key aspects of the economy, and evaluation of government fiscal, monetary, credit and other policies.
2. Service, in an economic advisory capacity, to union officials and to other groups.
3. Review of the Government's statistical programs and provision of technical advice necessary for their improvement through the Joint Labor Research Advisory Committee to the Bureau of Labor Statistics and the Labor Advisory Committee to the Office of Statistical Standards of the Bureau of the Budget.
4. Furnishing of background information to affiliated unions for collective bargaining purposes.
5. Supplying organizers with various types of factual information required for handling specific organizing or bargaining problems, and
6. Maintaining contact with research directors of the different national and international unions, coordinating activities in areas of common interest, and facilitating exchange of information.

The AFL-CIO research department issues two monthly publications dealing with economic or collective bargaining subjects--**Labor's Economic Review** and **Collective Bargaining Report**. Both make extensive use of economic data. The first publication deals with broad economic issues of interest to labor, as illustrated in such recent topics as:

Who Owns American Business?

Who Pays for New Investment?

Wage Increases--Essential for Prosperity

For a Fair Federal Tax Policy

Insuring Against Total Disability

Farmers-Workers and the "Cost-Price" Squeeze

**An Unsolved Problem: America's Low-Income
Families**

Distressed Areas: A National Problem

Collective Bargaining Report is designed principally as an aid in collective bargaining. Bargaining trends and developments are analyzed and data of general significance for bargaining are presented.

2. Collective Bargaining

2:01 The Development of Collective Bargaining

Collective bargaining--the process of discussion and negotiation between an employer and a union, culminating in a written contract, and the adjustment of problems arising under the contract--is, in the United States, the core of trade union purpose. It is the predominant form of labor-management relationship--this country's major device for joint participation in establishing wages and working conditions outside the relatively limited area in which the Government operates.

The importance of collective bargaining is measured not only by the millions of workers and thousands of establishments directly affected but by its impact on the economy and, historically, on the social and political concepts of the United States. The Nation's basic industries--coal, steel, autos, construction, public utilities, railroads, trucking, etc.--almost entirely, or to a very substantial degree, operate under the terms of collective bargaining agreements. The encouragement of collective bargaining, free from Government interference except in emergencies, is a fundamental part of Federal labor policy.

Growth of Collective Bargaining

The evolution of collective bargaining and the written agreement in the United States, from their first faltering steps early in the 19th century to their present stature, is obviously rooted deep in American political and economic history. The emerging reliance of American trade unions upon collective bargaining to achieve their ends, as against political means, was unique among labor movements throughout the world.

It is important to note, in this regard, that throughout the history of the United States the American worker enjoyed the right to vote and the heritage of a democratic form of government. It is important, too, to remember that the tradition of vested interest associated with medieval and mercantilist institutions, which in other countries may have compelled labor movements to concentrate on legal enactment, failed to take root in the United States. During the formative period of the trade union movement, moreover, the economy of the United States was characterized by a relative scarcity of labor, a rapidly growing population, and a high rate of economic growth--factors tending to subordinate radical political activity to direct dealings with employers.

What may well have been the crossroads at which the trade unions moved towards collective bargaining and abandoned political-minded and panacea-seeking organizations was reached during the latter part of the 19th century, when the "pure and simple" unionism

advocated by Samuel Gompers, head of the newly formed American Federation of Labor, became dominant. Early in the 19th century, a type of workable relationship with employers had been developed by the first unions, which consisted in the main of selecting a representative to present demands to the employer and making an arrangement, if possible, and striking, if not. Later in the century, national unions were formed to coordinate the operations of various local unions in the same industry so as to protect the standards of all. There were, according to a noted historian, decades of continuous experimentation with programs and strategies in "an incessant search for a mode of operation which would secure to labor a maximum improvement in conditions together with a most stable organization and a minimum of opposition."

At the same time, agitation for reform--cooperation, monetary reform, 8-hour-day legislation, syndicalism, and socialism--competed with the emphasis on job control and collective bargaining. The Knights of Labor attempted to combine the role of a reform group and a labor federation and failed in both. By the end of the century, the AFL, appealing to the skilled crafts, was dominant, as was Gompers' philosophy of relying upon collective bargaining and written agreements to further workers' interests and avoiding government intervention in matters of social legislation and collective bargaining.

These were to be the guiding trade union principles until the early 1930's, but throughout most of the earlier period, particularly the 1920's, conditions were not favorable to the growth of collective bargaining. Only a small fraction of the workers in the United States were covered by collective bargaining agreements. After the depression began in 1930, collective bargaining as a trade union method appeared to be in full retreat.

The rejuvenation of collective bargaining was brought about, in large measure, by a more favorable government attitude. The National Industrial Recovery Act (1933) and later the National Labor Relations Act (1935) encouraged and protected labor's right to organize and raised collective bargaining to the status of a national labor-management policy. The formation of new and powerful unions, the organization of the large mass-production industries, and the enactment of various types of social legislation (with trade union support) had by 1940 reconstructed collective bargaining.

The impetus has not been dispelled. During the past 15 years, collective bargaining has become a vital force in the economy. By 1956, it was estimated that there were over 125,000 written agreements in effect; that 18 million workers were covered by these

agreements; that over 1,800 agreements covered 1,000 or more workers each.

Role of Government

"Pure and simple" unionism, by which workers' economic needs would be met primarily through collective bargaining, was gradually integrated with Government support of collective bargaining and the enactment of a broad program of social security benefits and some wage and hour standards. Even Samuel Gompers, the chief exponent of limiting Government intervention, spent much of his adult life looking after the political affairs of the labor movement. Prior to 1932, however, the AFL was largely preoccupied with protective legislation, such as removing the legal impediments to organization (e. g., labor injunctions issued by the courts), and providing standards of work for women and children. It was not until 1932 that an AFL convention endorsed unemployment insurance.

The rapid and continued expansion of union organization and collective bargaining, following the adoption of favorable legislation in the 1930's, brought home the realization that the growth of collective bargaining in this country was largely dependent upon a positive government attitude in support of the principle. During the past two decades, the major labor federations have devoted increasing attention to legislative matters of a broad scope, including measures designed to enhance the workers' economic well-being. However, the chief business of the national unions and their thousands of locals continues to be the negotiation and administration of collective bargaining agreements.

Understanding the role of the Federal Government is an essential part of understanding how collective bargaining works in the United States. Two aspects merit attention in this brief review: 1/ (1) What Federal protection and regulation of the right to organize and to bargain collectively means in practice, and (2) how Federal wage and social security benefits supplement benefits provided through collective bargaining, and vice versa.

Under the National Labor Relations (Wagner) Act (1935) and later under the Labor Management Relations (Taft-Hartley) Act (1947), the right to organize was safeguarded by prohibiting employers from interfering with or restraining the workers' choice

1/ Mediation and conciliation activities of the Federal and State Governments are discussed in a separate chapter in this series (2:04).

of belonging to or not belonging to a union. The right to bargain collectively was then enforced by making it the duty of the employer to recognize and bargain with the representatives of his employees on wages, hours, and other conditions of employment. "This concept," a prominent union economist wrote in 1950, "which looked simple enough in the beginning, has grown into a vast and detailed body of doctrine, often reaching into the minutiae of labor-management relations and of internal union problems!"

The statement of a legal duty to bargain collectively inevitably gave rise to demands for a legal definition of the scope of the duty. What is bargaining? What is encompassed by the term "conditions of employment?" Thus, to take one example, pension plans initially became an important issue in collective bargaining not because employers and unions mutually recognized its place on the bargaining table, but because United States courts ruled that pension plans fell within the scope of conditions of employment. In general, however, established collective bargaining relationships have adjusted to the formalities required by Federal legislation and continue to function from year to year with the responsibility for basic decisions regarding wages, hours, and conditions of employment resting with the parties involved rather than with the Government.

The coexistence of economic benefits provided by collective bargaining and Federal social security legislation and wage and hour standards is another key element of modern industrial relations in the United States. This relationship is illustrated in the accompanying table, which shows the major types of economic benefits provided to factory workers under collective bargaining and under legislation. The picture would be somewhat different for certain groups of workers in nonmanufacturing industries.

In another sense, the noneconomic benefits obtained through the collective bargaining process, along with the job security provisions shown in the table, form the basis for industrial democracy, a fitting supplement to the political democracy guaranteed by the Constitution of the United States.

Structure of Collective Bargaining

The classic illustration of collective bargaining in action shows representatives of management sitting on one side of the table and representatives of employees on the other side. Such scenes occur thousands of times each year throughout the country. With this illustration in mind, this section deals with the question of what or whom these men and women may be representing.

**Economic benefits provided to factory workers under collective bargaining agreements
and by legislation, 1956**

Workers' needs	Under collective bargaining—		Legislation provides ¹
	Majority of workers are provided:	Many workers are also provided:	
Wages	Wage rates for each occupation determined by mutual agreement. General wage changes applying to all workers.	Automatic wage escalation based on cost of living. Automatic annual increases.	Minimum wage of \$1 an hour.
Premium pay for extra hours of work at unusual hours	Time and one-half for hours in excess of 8 per day and 40 per week. Double time for work on Sundays and holidays. Time and one-half for work on Saturdays. Premium pay for nightwork.	Premium pay for the 6th and 7th consecutive day worked. Higher premium rates for overtime, weekends, and holiday work. Shorter workweek.	Time and one-half for hours in excess of 40 per week.
Paid leave	Paid vacations (1 to 3 weeks). Paid holidays (6 or more).	Paid rest periods and washup time. Paid leave for jury duty, death in family, military training. Paid sick leave. Paid lunch periods.	—
Health and insurance protection	Life insurance. Accidental death and dismemberment benefits. Hospitalization and surgical benefits for workers and dependents. Weekly accident and sickness benefits (off-the-job disability). Maternity benefits.	Medical care benefits for employees and dependents. Extended illness insurance.	Workmen's compensation (on-the-job disabilities). Temporary disability insurance in 4 States.
Retirement income	Monthly pensions upon retirement at a specified age (usually 65) and after long service, supplementing Government pensions.	Hospitalization and surgical benefits after retirement.	Old-age and survivors' insurance program for workers retiring at 65 or later.
Job security	Promotions and layoff determined in whole or in part on basis of length of service. Protection against discharge except for cause. Grievance procedure, with arbitration if necessary. Reporting pay guarantees.	Supplementary unemployment compensation. Dismissal pay. Guaranteed weekly, monthly, or annual pay.	Unemployment compensation.

¹ The items listed represent a simplified description of the major benefits available to most factory (manufacturing) workers.

SOURCE: U. S. Department of Labor, Bureau of Labor Statistics.

On the management side, the representatives may be negotiating for a single-plant company, for one plant of a multiplant company, or for several or all plants of a multiplant company. They may be employers combining for the purpose of negotiating a single agreement, or they may represent an association of employers organized on a locality or industry basis. They may be negotiating for all of their employees under agreement or for only certain departments or crafts.

On the union side, similar or corresponding arrangements occur. In addition, the matter of union organization is important. The union negotiators may include one or more representatives from the national union (a federation like the AFL-CIO does not participate in collective bargaining), or from its districts, councils, or departments, whose role is to maintain a certain policy or to help achieve as close an approximation as possible. The representatives may recognize this obligation without any direct participation on the part of the parent body. In some cases, there are no ties whatsoever with other organizations.

The number of combinations of different types of bargaining units is probably limited only by the extent of collective bargaining. The determination of the bargaining unit is often part of the collective bargaining process. For the widening of structure from the single plant to the entire company or to an association of companies, it is necessary to have a corresponding spread of union organization, eventually by the same union, and an appropriate adjustment in management policy.

As a rule, each type or variation of structure has developed out of the conditions surrounding individual situations. Chief among these conditions are: The nature of the product; the area and extent of product competition; the nature of the labor force; the scope of the labor market area; and the importance of labor costs with respect to total costs. The quality of leadership and judgment displayed by management and union representatives, and personality traits that cannot be separated entirely from any undertaking in which men engage with serious intent, are undoubtedly factors in this aspect of collective bargaining as in others.

It is convenient to classify the great variety of bargaining structures according to three broad types of employer units: The single-plant unit, the multiplant or companywide unit, and the multiemployer unit. In terms of number of agreements, it is probable that those negotiated by one-plant companies exceed all other types combined. However, multiplant or companywide bargaining is the predominant structure in the mass production industries,

including basic steel, autos, electrical equipment, farm machinery, aluminum, meatpacking, and rubber. The master agreement, involving a number of plants of the same company and locals of the same union, is the product of this type of bargaining. The development of multi-plant units in the mass production industries constitutes the major structural change in collective bargaining since 1935.

The distinguishing characteristics of multiemployer bargaining is the open and generally formal agreement among employers that they would negotiate or accept identical terms for their employees under union contract. The terms may relate only to general wage changes, or to specific wage rates and fringe benefits, or they may encompass the entire range of problems dealt with under collective bargaining. Since similarity in contract terms can also be reached in other ways (commonly referred to as pattern bargaining), it is essentially the method of bargaining rather than the content of the agreement that sets off multiemployer bargaining from the other types. It is estimated that about a third of all workers under collective bargaining are covered by multiemployer agreements, predominantly in such industries as railroads, coal mining, apparel, construction, maritime, trucking, printing, and baking. Multiemployer bargaining is an old institution; there are systems in operation today (as in anthracite mining) which have persisted in closely related forms for more than 50 years.

Despite the importance of multiplant and multiemployer bargaining, the determination of occupational wage rates and other aspects of wage setting are predominantly matters for local or single-plant bargaining. Under many companywide and multiemployer agreements covering more than a single area, the determination of actual wage rates is left to plant bargaining, although the determination of general wage changes is handled on an overall basis. Other issues (e.g., seniority lists) may also be reserved for plant action. Since the primary responsibility for enforcing agreements rests with the local unions, the locals continue to play a significant role in virtually all bargaining relationships.

Scope of the Agreement

When a company negotiates an agreement with a union for the first time, it acknowledges that certain practices which it had previously controlled unilaterally are now subject to union approval or discussion. Over the years, the issues subject to negotiation have been substantially broadened. The greatest change has occurred during the past 15 years, partly as a consequence of National Labor Relations Board and court decisions defining the scope of bargaining but, in the main, undoubtedly a reflection of the increasing maturity of collective bargaining.

The written agreement, which is the primary goal of collective bargaining, may express condition of employment in simple terms, leaving many of the administrative details and other matters to the day-to-day relationships between the parties. On the other hand, it may attempt to cover all details and thus leave as little as possible to later bargaining. Agreements vary in size from a single sheet to over 200 pages of a pocket-size booklet, reflecting the diversity of employment conditions and bargaining issues among companies and industries as well as differences in the degree of precision sought and the language used.

The accompanying table lists the major economic items covered by union agreements in manufacturing industries. Where such benefits are provided, the contracts usually set forth the specific terms, e.g., amounts, duration, eligibility requirements, etc. Many agreements include the scale of wage rates to be paid; in a large number of cases, however, the job rates are incorporated in special supplements or, as in some long-established relationships, are not put into a formal written agreement.

The other issues covered by agreements are numerous and important in safeguarding the rights of the union and its members, in providing them with a sense of dignity and participation and, not to be underemphasized, in establishing the policies and practices which are necessary in the day-to-day functioning of the enterprise. Short of reproducing an entire agreement, however, it is difficult to describe the scope of collective bargaining today. For example, an agreement negotiated by a large company and a large union in 1955 runs to over 200 pages and deals with the following broad subject groupings:

Recognition of the union	Grievance procedure
Union shop	Seniority
Dues and assessments	Wages, premium pay, vacations, holidays, insurance, etc.
Company responsibility	Duration of agreement
Strikes, stoppages, and lockouts	Supplemental unemployment benefit plan
Representation (shop stewards and committee-men)	Retirement plan

Each of these subjects is treated in extensive detail in the agreement; the section on seniority, for example, includes 22 pages of rules and procedures; the grievance and arbitration procedure is spelled out in 19 pages. An agreement so comprehensive, although appropriate for a large multiplant corporation, is obviously unsuitable for the small enterprise. The flexibility that collective bargaining offers is reflected in the ever changing scope of the written agreement and the vast differences that prevail among agreements at any one time, particularly as between large and small companies and among industries.

In a dynamic society, it is unlikely that the limits of collective bargaining, in terms of the benefits provided to workers and the scope of the agreement, will ever be reached. George Meany, President of the AFL-CIO, expressed this belief in these terms: "A union exists to protect the livelihood and interests of a worker. Those matters that do not touch a worker directly, a union cannot and will not challenge. These may include investment policy, a decision to make a new product, a desire to erect a new plant so as to be closer to expanding markets, to reinvest out of earnings or seek new equity, capital, etc. But where management decisions affect a worker directly, a union will intervene."

Enforcing the Agreement

Considering the complexities of modern large-scale industry--the concentration in one plant of thousands of workers performing specialized and interrelated functions, and hundreds of supervisors and foremen who act for "management"--there appear to be endless possibilities of day-to-day frictions and disputes. Even in the absence of collective bargaining, employer statements of policy are needed for the large establishment. Under collective bargaining, the need for formal policy guides is greater since the union participates, in varying degrees, in determining policy and in working out any problems that may arise. It is, however, generally acknowledged that no collective bargaining agreement, no matter how detailed, can cover all aspects of working conditions and employment relationships, or anticipate all of the problems that might arise; nor can it provide a specific solution for many that are anticipated. At best, the negotiators, who, if they are corporation officials and officers of large international unions, may have little direct contact with the immediate work scene, attempt to provide the basic standards, rights, and obligations under which the day-to-day issues will be resolved. They may seek to reduce the area of possible disagreement, but they are often hindered in this attempt by the pressure of time in negotiations and the inadequacies of language. Thus, the collective bargaining

agreement, in many of its aspects, is necessarily a flexible document, dependent for its success on the manner in which its terms are carried out or enforced.

Local or plant management and union officials may or may not carry primary responsibility in the negotiation of agreements, but in most cases the burden of enforcing the agreement and, in effect, making collective bargaining work, falls upon them. In this area, the shop steward, who is a union member designated or elected to represent all the workers in a particular plant, department, or section, is the key person on the union side; on the management side, the immediate supervisor or foreman is the base of the responsibility hierarchy. In large plants, a union committee may be established to consider problems beyond the scope of the individual shop stewards. In most cases, a representative (business agent) of the union local or national body is available to lend assistance.

A major function of local unions and management officials is that of resolving disputes. The mechanics of handling disputes is usually defined as the grievance procedure, 2/ formally established in the written agreement. It is probable that the majority of problems that arise in a typical plant, particularly those involving personality clashes, are resolved by the employee, shop steward, and foreman without recourse to the advanced and more formal procedures of grievance settlement. However, the availability of the procedure for reaching higher levels of management and union authority is the foundation of these informal settlements. Most agreements provide for binding arbitration of disputes which resist settlement by the parties; thus, eventual settlement and the avoidance of a work stoppage is assured. The availability of grievance procedure and arbitration holds together a system of union-management relationships predicated on the use of reason rather than force.

The enforcement of agreements through the courts merits a brief reference. The collective bargaining agreement is a contract between the employer and the union representing his employees which, like business contracts, binds each party to its terms. Both types of contracts are enforceable by law. Recourse to the law, however, is not common; when such action is resorted to, it generally signifies a breakdown in union-employer relationships.

2/ A separate chapter in this series (2:02) deals in detail with grievance procedures.

Like provisions for arbitration, perhaps the principal effect of legal liability is that it encourages voluntary compliance.

Other Aspects of Collective Bargaining

Collective bargaining rests on a foundation of respect for contracts, for the other party, for the profitable continuation of the business, for continued employment and income, and for law and order in industrial life. Yet thousands of strikes occur each year. Is there a fundamental inconsistency here? The answer, which labor, management, and the Government generally endorse, is that there is not. The strike or lockout, or the threat of such action, is accepted as an integral part of collective bargaining, subject to certain rules of fair conduct laid down by the Government. Lacking the right and the ability to strike, a trade union would indeed be a weak "bargainer" since there would be little inducement for the employer to work out a settlement. On the other hand, a strike is a costly and serious undertaking for most unions, not to be entered into lightly. Consideration of strike action requires a careful evaluation of possible gains, which are limited, against possible losses, which may be unlimited. Strikes capture newspaper headlines and public interest, and a casual observer of the American scene might easily be led to overestimate the prevalence of stoppages. Actually, probably more than 90 percent of the agreements expiring each year are renegotiated without a work stoppage. Violence in labor disputes, highlighted during certain periods in American history, has all but disappeared, although such incidents still occur from time to time.

In his autobiography (1925), Samuel Gompers wrote, "For years I have been a voice crying in the wilderness when I declared that wage earners had a right to participate in determining conditions and standards of life and work. . . . As the years have passed, increasing knowledge of production and principles of human cooperation have demonstrated that labor's contribution is basic for sustained advance in human betterment and for unrestricted progress in production." The modern trade union subscribes to these principles.

Labor today has a new and more profound interest in management problems--production, productivity, profits, etc. This interest is reflected, directly or indirectly, in collective bargaining and in the day-to-day activities of shop stewards and other union officials. The technique of collective bargaining, especially where big companies and large numbers of workers are involved, has become almost a profession, requiring on both sides an intimate knowledge of the needs of industry as well as of workers.

2:02 Grievance Procedures

"Grievance" may be defined as a complaint or expressed dissatisfaction by an employee in connection with his job, pay, or other aspects of his employment. A grievance "procedure" is usually a formal plan specified in the collective bargaining agreement which provides opportunity for adjustment of grievances through progressively higher levels of authority in the company and the union, and by arbitration if necessary.

Virtually all collective bargaining agreements in the United States now make formal provision for the handling of grievances. Since the major conditions of employment, such as wages, hours of work, overtime pay, etc., are fixed by collective bargaining, any individual grievance relating to the adequacy of these general conditions is typically not subject to review through the established grievance procedures. However, the language of a collective bargaining agreement can never be so precise as to eliminate more than one interpretation of many of its provisions; moreover, there are many problems that arise or changes that occur which cannot be anticipated or adequately covered in written agreements. Thus, the cause for grievances arises out of the dynamic nature of industrial life, plus misunderstandings, violation of agreement terms, the clash of personalities, and other circumstances that surround the intricate workings of the employer-employee relationship.

A grievance procedure provides the means whereby an employee can voice, and be assured a fair hearing for, his complaints about things which occur, usually a management action, in the day-to-day operations of the plant where he works. Thus, one of the basic elements of sound employer-employee relationships is achieved by the establishment of such a procedure. Without a positive program for dealing with these complaints, grievances which may be trivial to begin with have a way of growing and spreading so that employee morale and production are bound to be affected. Many strikes have originated in neglected grievances or in the breakdown of the grievance procedure.

Types of Grievances

The grievance climate in any organization is strongly influenced by the background of management-union relationships. If such experience has been difficult, both parties may see each grievance case as a new cause for conflict, to be fought to the end in every detail. In those companies in which a considerable measure of mutual accommodation has been reached, grievances tend to be fewer and settlements easier. Under long established relationships, the parties sooner or later must decide whether to confine the grievance procedure narrowly to questions of interpretation and enforcement of

the agreement, or to permit consideration of any dispute or complaint that may arise whether or not it is specifically covered by the contract. Both approaches are widely used.

The numerous causes of grievances may be classified under one or another of the following headings:

1. Those which arise under the contract:
 - a. Over interpretation.
 - b. Over conflict between clauses.
 - c. Over application to specific cases.

2. Those which arise outside of the contract:
 - a. Because the contract is silent on the issue.
 - b. Because the issue is too unusual to be covered by the contract.
 - c. Because of defective supervision or poor contract administration.

The frequency with which the various types of grievances occur varies widely among companies or from time to time in the same company. Workers' complaints about actions which have a personal impact, such as those affecting their pay or their position in the company, account for most grievances. For example, records of a large steel company indicated a total of approximately 17,000 formal grievances during an 8-year period; of these, about 60 percent dealt with rates of pay, 15 percent with seniority issues, 5 percent with hours and overtime, and 20 percent with matters broadly characterized as working conditions.

Common causes of grievances include:

Wages

The worker feels that he is not getting what he is worth or what his job should command in relation to other jobs.

He feels that his incentive rates are too low, or that there has been an error in calculation of his earnings.

Seniority

He feels that he has been deprived of a promotion or laid off because his length of service was not calculated properly, or that his abilities have not been given sufficient weight, or that he is an object of discrimination.

Discipline

He feels that he has been unjustly disciplined, or that he is being penalized for union activities, or that the penalty is too severe.

Other

The worker feels that the foreman is playing favorites, or that an agreement provision is being violated, or that rules and regulations are not clearly posted, or that his working area is dangerous or unsanitary.

Management may also make use of grievance procedures to press complaints and to obtain employee cooperation. In some cases where management's right to transfer, discipline, or discharge workers is severely restricted by agreement with the union, provision is made for allowing management to bring its complaint directly through the grievance procedure. Where management exercises these rights subject only to appeal by the employee through the grievance procedure, which is the more general practice, then management of course has the opportunity to express its grievance simply by the act of transferring, disciplining, or discharging a worker. In all situations, management is obliged to show cause and to defend its action as within the terms of the collective bargaining agreement.

How Grievances Are Handled

Once it is recognized that employee grievances should be brought into the open for settlement or at least for fair discussion, a procedure to handle them must be established. The worker must know that a channel exists through which he can be assured a sympathetic hearing, without fear of jeopardizing his job because of his complaint, and that he can enlist the help of his union to press his case. This channel must be open all the way to the top, whether to an employer or a corporation executive, and, if all disputes are ultimately to be settled, to impartial decision if necessary.

The details of grievance procedure vary greatly among companies, depending upon the nature of the bargaining units, past experience in negotiation between the parties, and policies of employers and unions. The size of the establishment also has a material bearing on procedural differences. Where the number of employees is small, presentation of a grievance may be made to the owner or manager of the establishment by the employee himself or by the full-time, salaried business agent of the union. A high degree of informality generally exists in these smaller organizations; a sequence of well-defined steps seldom exists; and written records are rarely kept.

In the larger plants, carefully defined and regulated systems of appeal steps are generally found. These systems make provisions for the participation of various levels of union and management responsibility. The general pattern of grievance procedure in large plants tends to be as follows:

Step 1: The union steward and aggrieved employee, or the employee alone, present the complaint to the foreman of the department where the employee works. If no satisfactory solution is reached, the grievance goes to:

Step 2: The union business agent, or the chief plant steward, or the chairman of the union grievance committee of the plant, who presents the case to the next higher supervisor. Following this, if settlement is not reached, is:

Step 3: The plant's union grievance committee, with the possible assistance of a representative of the international union, meets with top management of the plant. The last stage of negotiation may then be:

Step 4: Representatives of the national office of the union (or regional or district representatives) meet with the general officer of the company (e. g., president, vice president).

If the dispute remains unresolved at this point, a fifth and final step, arbitration, is necessary.

Quick processing of grievances is desirable. When delays occur, or excessive stalling or haggling prevails, the foundation of the procedure is weakened and the results may be as bad as if there

had been no formal procedure. Except in cases involving an important principle or where factors not necessarily related to the significance of the specific grievance (such as intraunion or intracompany politics) are present, unions and management generally strive to settle grievance disputes at the lowest possible level in the grievance procedure. In this way, time, money, and tempers are spared. In the steel company experience previously referred to, it was found that of the 17,000 grievances submitted to the first step of the grievance procedure, 14,800 were carried to the second step, 11,600 to the third, and 5,300 to the fourth step. About 2,000 were appealed to arbitration, but many of these were withdrawn or otherwise disposed of before action was taken on them by the arbitrator. Only about 1,000 grievances, or 1 in 17, were subject to the arbitrator's decision. The grievance procedure in this company is very similar to that outlined above.

A 1943 survey of grievances in a large automobile company showed a greater volume of grievances than in the steel company, but a higher ratio of settlement in the early stages of the procedure. Of more than 40,000 grievances presented for processing in a 15-month period, 45 percent were settled at the first level and 47 percent at the second. Thus, only about 8 percent of the grievances in the automobile company went beyond the second step; of these, 316, or less than 1 percent, were brought to arbitration.

Procedural Details

In large establishments, standard procedures encourage the regular handling of grievances and tend to remove some of the cause for delay. In addition, they reduce the possibility of conflicting decisions; establish the limits of authority at each step of the procedure; reduce the possibility of argument over facts; and act as a deterrent to unfounded grievances. As an example of the way grievances are handled in one large company, the provisions relating to the grievance procedure contained in the collective bargaining agreement are summarized below.

This agreement provides for a preliminary discussion of the grievance by the worker (and his grievance committeeman, if so desired) with his foreman, to see if the grievance can be resolved without the necessity of carrying it through the more complex stages of formal grievance procedure. Only 2 days are allowed for this step; if grievances are not settled within that time, they must be prepared for formal consideration. This involves the statement of the grievance in writing on grievance forms furnished by the company. These forms are dated and signed by the employee and his grievance committeeman and are presented to the foreman for action. The

foreman must answer the grievance within 5 days by inserting his decision on the grievance form, over his signature; if his decision is not satisfactory to the worker, it may be appealed to Step 2. Under the terms of the agreement, failure to appeal the grievance to the next step means that the grievance is settled and that no further action is necessary.

All grievances do not go through this first step. Grievances involving workers under more than one foreman may be filed initially at a later step in the procedure. Grievances which allege violations affecting the employees working under a particular department superintendent, but under more than one foreman, are filed in Step 2; grievances involving employees working under more than one department superintendent are listed on agenda forms for consideration at Step 3 of the procedure.

The second step of the grievance procedure provides for appeal to the department superintendent within 7 days from the date on which the grievance form is returned by the foreman. Seven days are also allowed to the superintendent for answer of the appeal; within that period, the superintendent will discuss the grievance with the grievance committeeman. The superintendent's decision will also appear on the grievance form, over his signature.

If the grievance is appealed to Step 3, it is put on the agenda of the grievance committee and taken up at its next regular monthly meeting with the general superintendent or his representatives. Either party may call witnesses who are employees of the company. The grievance may be referred back for further consideration to a prior step in the procedure. Grievances discussed but not settled at this meeting must be answered in writing by the plant management within 10 days after the meeting. Detailed minutes are kept of these meetings, with a full statement of each grievance discussed, the arguments presented, and committee and plant manager's findings.

The fourth step of the procedure provides for written notice of appeal within 10 days, and consideration of the grievance by a representative of the international union and a representative of the company after the grievance has been reviewed by the district union executive. Witnesses may be called, and full minutes of this meeting are kept. Meetings are held at the earliest date of mutual convenience following receipt of the notice of appeal. Decisions must be rendered within 10 days after the meeting, unless another date is agreed upon.

Finally, appeal to arbitration is provided if the grievance is still unsettled. This appeal must take place within 30 days if the grievance is not settled at Step 4 procedure.

Both the company and union can utilize the grievance procedure, but, in either case, time limits as set forth in the agreement must be observed. Suspension of the procedure is provided for in a work stoppage, or the procedure may be waived by agreement between the parties. Access to the plant by the union's district director, or the representative of the union who customarily handles grievances, is permitted at reasonable times to investigate grievances.

Provision for the selection and operation of a union grievance committee, consisting of from 3 to 10 employees of the plant, is established by the contract. The exact number of committeemen is mutually determined by the union and the company. Assistant committeemen may also be designated by the union, not to exceed 1 for each 200 employees.

A procedure as elaborate as the one outlined above will necessarily be appropriate only in a very large company. In the small establishment, grievances not immediately settled at the shop level will in all probability be carried to the highest authority at once for immediate resolution. In between these two extremes lie a great variety of methods.

2:03 Voluntary Arbitration¹

As practiced in the United States, arbitration is a procedure whereby an employer and a union voluntarily submit issues or grievances, which they have been unable to resolve by mutual agreement, to an impartial person for a final and binding solution. It is today a commonly accepted device for settling grievance disputes arising under the terms of collective bargaining agreements. About 90 percent of all agreements contain clauses which provide for arbitration as a final step in the grievance procedure. Labor and management have found that this technique for the peaceful settlement of troublesome disputes yields substantial benefits to both parties. On the other hand, the use of arbitration for fixing contract terms is far less common, indeed relatively rare.

The increasing acceptance of grievance arbitration during the past decade undoubtedly reflects a growing maturity in collective bargaining relationships. Working harmony, or at least some degree of union-management accommodation, is necessary for favorable acceptance of the arbitration procedure and for its continuation. In the process, each side relinquishes a cherished prerogative: Management surrenders a part of its authority to make the final decisions affecting the enterprise; the union surrenders the use of strike or other action, awaiting a decision which may be to its disadvantage.

Arbitration differs from other methods of voluntary dispute settlement, such as mediation or conciliation. The mediator or conciliator has no power to impose settlement upon the parties, but can only assist them to reach some mutually acceptable compromise. In contrast, the arbitrator renders a decision, generally favorable to one party, which is binding because both parties have agreed it should be so.

The arbitrator serves the parties to the agreement under which he operates, not the community at large or his own concepts of justice. He knows that the company and the union must accept his award and live with it; he realizes that any decision that

^{1/} Compulsory arbitration is not discussed in this chapter because of its limited use in the United States. However, statutory provisions for compulsory arbitration in certain disputes are found in three States: Minnesota, Nebraska, and Pennsylvania. The Minnesota law applies only to employees of charitable hospitals, while the Nebraska law provides for settlement of unresolved public utility disputes by a State Court of Industrial Relations. In a few additional States, seizure and operation of public utilities are provided for if labor disputes threaten to cause a shutdown.

cannot be carried into effect or that might create lasting dissatisfaction would render the whole process futile. In grievance disputes, the arbitrator is generally bound by the terms of the agreement and the facts as he sees them; previous decisions may also provide a guide. On the other hand, in arbitrating contract terms (e. g., wage adjustments) the arbitrator is usually faced with opposing claims, conflicting data, and no mutually acceptable principle upon which to base an award.

Arbitrators, as a group, subscribe to a uniform code of ethics concerning their relationships to the parties, but their views as to the purposes and methods of grievance arbitration differ widely. Some feel that they should take a narrow view of their authority within the scope of the agreement; others favor a broad view, that is, they would go beyond the language of the agreement if necessary to seek a solution which would advance harmony. Some approve of attempting to mediate a dispute; others claim that mediation is not the function of the arbitrator. Some like informal hearings; others prefer quasi-judicial hearings. Some write elaborate decisions; others offer brief awards. In many instances, the company and the union together shape the kind of arbitration they want, but frequently the arbitrator has a free hand in some of the procedural matters.

The process of arbitration necessarily involves delay and often substantial costs to both parties, who typically share the expenses. Such costs include, in addition to the arbitrator's pay, the time spent in preparing briefs, assembling witnesses, transcribing minutes, etc. Although these expenses and the delay involved in the process tend to reduce the use of arbitration, they also have beneficial effects in retarding its abuse (as, for example, in carrying trivial or frivolous cases to a decision of a third party) and in providing more of an incentive for union and management to work out their disputes peacefully without arbitration.

The problem of securing an arbitrator competent to deal with a particular dispute has been partially met by the Federal Mediation and Conciliation Service and State agencies which will provide a list of arbitrators if requested to do so jointly by management and union. Lists of arbitrators may also be obtained from private sources such as the American Arbitration Association. 2/

2/ The handling of grievances in the railroad industry is discussed in chapter 3:04, Labor-Management Relations in the Railroad Industry.

Grievance Arbitration

The aim of grievance arbitration is to prevent work stoppages which might result in the loss of production and wages. In this respect, the procedure may be considered as an extension of the in-plant grievance machinery. Even in those companies in which arbitration is rarely used, the fact that it is available often has a salutary effect upon the processing of grievances.

The widespread adoption of arbitration was almost inevitable as grievance negotiation developed into a formal step-by-step procedure. If the union and management are unable to agree on a solution to a problem and have no further recourse, mounting dissatisfaction, with the threat of a stoppage or slowdown to force a settlement, will be the consequence. In this connection, it is important to bear in mind a significant aspect of grievance adjustment--a stalemate in grievance dispute settlement means that the employer's actions or views prevail. Putting the unresolved dispute before an impartial third party, with both sides bound to accept his findings, is an entirely logical means of eliminating what would otherwise be a source of endless difficulty.

Types of Grievances Brought to Arbitration

What kinds of grievances go to arbitration? What disposition is made of the various types? To throw some light on these questions, the Bureau of Labor Statistics made an analysis of all disputes referred to arbitration between August 1942 and June 1952 in the 15 plants of the Bethlehem Steel Co. The United Steelworkers of American was the union representing the employees throughout this period. During the period, 2,400 disputes were submitted to arbitration. Of these, more than half were disposed of prior to the arbitrator's decision; that is, more than 1,150 were withdrawn by the union, and about 100 were settled by the parties. More than 100 cases had not been heard at the end of the survey period. In all, 1,003 cases upon which an arbitrator's decision was rendered were analyzed by the Bureau.

Grievances brought to arbitration related to almost every phase of working conditions and shop relations.. Wage rate or job classification disputes accounted for almost half of the total number of disputes acted upon by the arbitrator. Included under this heading were individual worker complaints that wage rates or job classifications were either not in accordance with plant practices or with the type of work being performed. Other complaints in this category related to premium pay, pay on temporary assignments, report and call-back pay, and the like.

A second major classification of grievances, which accounted for slightly less than one-third of all those brought to arbitration, included such items as seniority in layoff, promotion, filling of temporary vacancy, etc.

Of all grievances brought to arbitration, approximately 20 percent were decided in favor of the workers involved, 12 percent were granted in part, and 50 percent were decided in favor of the company. The remaining 18 percent of the cases were dismissed by the arbitrator for lack of jurisdiction or as untimely, settled by the parties or withdrawn, or were awaiting action at the time of the study.

Mechanics of Grievance Arbitration

Under most agreements, certain conditions must exist before a case can be brought before an arbitrator for hearing. The possibility of reaching agreement through use of the grievance procedure must, first of all, be exhausted. Second, one party or the other must take steps to appeal the grievance or dispute to arbitration. Since most complaints rest upon the employer's action (or lack of action), by the very nature of the grievance procedure the union is practically always the party who appeals. Third, the appeal should be made within some definite time limit, to remove any cause for disagreement as quickly as possible.

The arbitrator may be selected either for the specific grievance in question (the ad hoc method) or he may be named as a permanent umpire, to pass on all disputes arising during the life of the collective bargaining agreement or for a specified period of time, such as a year. Each system has its advantages and disadvantages. Naming of a permanent umpire eliminates the difficulty of selecting an arbitrator for each issue. In addition, a permanent umpire has the advantage of gaining familiarity with the contract and with the parties themselves. Because of his tenure, his selection usually involves careful consideration to be sure that he will have the confidence of both parties.

The ad hoc method usually provides for the selection of the arbitrator by mutual agreement from a list jointly prepared by the parties, or furnished by some outside person or agency, such as the Federal Mediation and Conciliation Service or the American Arbitration Association. This method has the advantage of being flexible and suitable for situations in which arbitration is infrequently used. However, delays may result because of difficulty in the selection of the arbitrator.

Other third parties in arbitration may be the "impartial chairman" who is, in essence, a permanent arbitrator, often with a somewhat broader power to preside over the collective bargaining agreement and its observance. In other situations, grievances are arbitrated by a tripartite board, composed of an equal number of company and union representatives and an impartial chairman. The chairman usually casts the deciding vote.

Since the arbitrator plays such an important role in the maintenance of good industrial relations and since the cases upon which he acts may be of tremendous importance to the company and the union, both parties expect him to be impartial, of sound judgment, immune to pressure tactics, and well versed in the field of labor relations. In addition, it is desirable that he be familiar with the industry and its methods of operation and wage payment.

In general, the arbitrator has jurisdiction over three types of issues: (1) Interpretation of contract clauses, where meanings are obscure or questionable; (2) alleged violations of the contract; and in some situations, (3) new issues arising during the life of the contract. Decisions may be based either on a liberal or a strict interpretation of the agreement language. This generally depends upon the attitude of the arbitrator and the opposing parties.

Arbitrators, particularly those who serve as permanent arbitrators, acknowledge that some of the cases they hear are clearly without merit, brought to arbitration by either the company or the union in order to shift the burden of making an unpleasant but obvious decision to someone else's shoulders, or to try to obtain a concession denied in agreement negotiation. Since a party to an arbitration case rarely concedes the weakness of its position, the arbitrator is usually compelled to treat each case on its merits even though he suspects (but rarely knows for sure) that one or both sides may not be entirely in earnest.

The Arbitration Hearing.--The first step in bringing a grievance to arbitration is the stipulation, or submission, generally furnished to the arbitrator before the hearing, although this is not essential unless required by the collective bargaining agreement. In any case, the arbitrator will want to have all of the information contained in the stipulation, which:

1. Notifies the arbitrator of his selection.
2. States the place of hearing.

3. Defines the issue or issues to be decided by the arbitrator.

4. Sets forth the scope of the arbitrator's authority (sometimes by quoting the collective bargaining agreement).

5. May outline hearing procedures.

6. States how expenses are to be apportioned between parties (usually equally).

Although the grievance or issue being brought to arbitration has gone through the previous steps of grievance negotiation, it is still necessary for the union and management representatives to prepare their cases for the arbitration hearing. Usually, each party comes to the hearing equipped with all factual material concerning the grievance, and is prepared to present briefs or oral arguments to support its case.

The actual hearings are generally held on company property, although sometimes they are held on neutral ground, such as a hotel conference room or other public place. The arbitrator conducts the hearings in a manner to afford all parties full opportunity to present their cases. Hearings have some of the characteristics of the proceedings in a court of law, but are nearly always much more flexible, with less rigid rules regarding testimony. Formal hearings may find the parties represented by legal counsel, a reporter taking verbatim record of the proceedings, a liberal use of witnesses, and emphasis on documentary evidence. In informal proceedings, the testimony is oral, no permanent record is kept, and less attention is paid to formal rules of evidence.

As a matter of hearing procedure, the arbitrator will want to know, first, what the issue is, and second, all the background facts which are not in dispute. Before going into details of the grievance, it is helpful to the arbitrator for each side to present a brief introductory statement summarizing its position. These statements generally include, in addition to a definition of the issue and a statement of agreed upon facts, the contract clauses pertinent to the dispute and a listing of the important arguments which will be made.

Legalistic rules of evidence rarely apply to arbitration hearings. Testimony ordinarily includes anything pertinent to the problem under discussion. The specific types of evidence needed will vary according to the kind of issue up for arbitration. Many

of the rules and regulations written into union agreements are stated in general terms which an arbitrator will have to interpret. For example, it is frequently provided that employees may not be discharged except for "good cause." What is good cause? In providing for changes in job status, contracts frequently call for an evaluation of "skill and ability" in such undecisive terms as "relatively or approximately equal."

The criteria the arbitrator uses in making his decision in such matters, in addition to the facts in the case, may include determination of the intent of the parties in making the agreement; the past practice in similar cases; the relationship between the parties; and analysis of agreement provisions to determine the most reasonable interpretation. The parties to the dispute will be called upon to provide all the available factual information upon which the arbitrator can base his decision.

Each specific type of case calls for its own kind of evidence. For example, disciplinary action may require that the arbitrator determine, frequently from conflicting testimony, whether the employee is not guilty or guilty as charged, or partially guilty and subject to more moderate punishment. In seniority grievances, the arbitrator will need accurate information about seniority dates, work records, and performance and skill of the individual employee involved. In addition, he will want to know how the agreement provision involved in the dispute has been interpreted in the past in the specific plant. In job classification grievances, the arbitrator may need an analysis of the plant job structure, and complete information about the specific job in question.

Once the actual hearing is completed, posthearing briefs may be filed by the parties, commenting on the evidence and summing up their position. No new evidence may be presented in these briefs, since the opposing party would have no opportunity to refute it.

The final step, of course, is the award or decision of the arbitrator. This may be a simple announcement of who won, but many arbitrators offer an "opinion" which sets forth the issues and facts in the case and the arbitrator's reasons for arriving at his decision.

Subsequent Use of Decisions.--In any particular company, and sometimes in an entire industry, arbitration decisions may come to establish a body of common law by which future grievances can be resolved. For this reason, the parties frequently reproduce

the decisions, either in printed or mimeographed form, and make them available to company and union officials, including foremen and shop stewards.

Just as a clear-cut contract clause may settle an issue for the life of the agreement, so may an arbitration decision on an issue susceptible to precedent remove that issue from dispute so long as the agreement is in force. It may also pave the way for modification of a contract clause when the new agreement is written, if the parties are not satisfied with the consequences of the decision.

Some arbitration decisions are given publicity, particularly through commercial information services. Other unions and companies may find these helpful in preparing cases for arbitration hearings, or even in settling grievances before they are brought to arbitration. However, since each decision is an interpretation of the language of a specific contract in a particular situation, caution is needed in this use.

Arbitration of New Contract Terms

In contrast to the widespread acceptance of grievance arbitration, the practice of arbitrating disputes over new contract terms, e.g., a demand for a wage increase, is relatively uncommon. Certain industries, such as railroads and public utilities, fall back on arbitration, when necessary, primarily because of the urgent need for (and public pressure for) avoiding work stoppages. Wage arbitration has also been resorted to in recent years in the women's apparel industry and in the New England textile industry, both of which were faced by extraordinary economic problems. In general, however, managements and unions, either separately or together, are adverse to bringing such issues as wage increases or decreases or other major contract issues to arbitration.

Historically, the reluctance to resort to wage arbitration can be attributed to these factors, among others: The costs and delays involved; the nature and inherent weaknesses of wage arbitration; the growing strength of unions in relation to dealing with their own memberships as well as with management; and the increasing maturity of collective bargaining. Many industries, for example, automobiles, have had little or no experience in, or taste for, wage arbitration; other industries, such as men's apparel, have had a substantial amount of experience in wage arbitration but have abandoned this procedure in favor of working out their own solutions without recourse to a third party.

Perhaps a basic difficulty of wage arbitration is that the arbitrator has no established or commonly accepted principles or doctrine to rely upon, as he has in grievance arbitration. How much of a wage increase or decrease is justified at any particular time? Should the arbitrator take into account--or what weight should he give to--such factors as: Changes in the cost of living, changes in productivity, ability to pay, competitive position in the industry, wage level comparisons with other plants in the same industry, comparisons with other industries, similar comparisons in terms of recent wage adjustments, the living standards of the workers, future prospects for the plant and industry, and other criteria commonly offered by the parties in their arguments? Even if he were expected to consider all of these matters, he would inevitably be faced with opposing data and interpretations presented by the participants with varying degrees of persuasiveness.

In the absence of a fixed standard of determination, the scope of the arbitrator's decision, in a wage increase situation, for example, lies between the union's last demand and the company's last offer, with the midpoint presenting a great attraction. The parties realize this. Hence, a union, particularly a newly established or struggling one, may propose arbitration in the hope of gaining something and in the knowledge that it has nothing to lose, while the company may decline arbitration for the opposite reasons.

The process has been used at times by some unions faced with the unhappy necessity of taking a wage reduction or an increase substantially below the levels attained by other unions. Thus, the onus for so unpopular a move can be shifted from the union officials to the arbitrator. Sometimes it is the company which needs such an outlet. However, as unions grow stronger and more secure, union officials become better able to take the responsibility for all decisions, including unfavorable ones, in the knowledge that their membership will support them. They also like to receive the credit for a popular gain.

Taking into account that some industries, because of their strategic or essential nature, must continue to rely upon arbitration when required, it is nonetheless widely acknowledged in the United States that the infrequent use of arbitration in contract negotiation is, on the whole, a sign of maturity in collective bargaining relationships. In the absence of a dependence on arbitration, each side must evaluate its strength, take the responsibility for its decisions, and jointly live with the consequences, whether good or bad. Most companies and unions prefer this course.

2:04 Mediation and Conciliation

Participation by a third party in a dispute between management and union in order to bring them together to resolve their differences is called mediation or conciliation. At present, the terms are generally used interchangeably. A precise distinction between mediation and conciliation, about which even the experts disagree, is no longer of consequence since, in practice, one borders upon and merges with the other.

There is, however, a distinct difference between mediation or conciliation and arbitration. The arbitrator hears both sides of a dispute and makes a decision that is binding. The mediator has no power to decide. He brings the parties together to facilitate or work out with them a decision which is essentially their own.

The mediator is generally called into a case under various circumstances including: (a) When collective bargaining has reached an impasse, a seemingly irreducible number of issues remains, and a strike is a strong possibility; (b) when a strike is in effect and the problem is to end it as soon as possible. In all situations, an "atmosphere of crisis" generally prevails. One of the chief functions of a mediator, operating in such circumstances, is to keep negotiations going--i.e., to clear the air of personality factors and to focus the attention of the disputants on the issues to be resolved. Necessarily, the mediator must be recognized as impartial.

The mediation of labor disputes in the United States is primarily a Government service, although private persons or agencies may undertake it if requested to do so. Practically all mediation and conciliation is undertaken by the Federal Mediation and Conciliation Service, and similar agencies in some of the more highly industrialized cities and States.

The Mediation Process

There is no standardized set of rules for the process of bringing the parties to a dispute together and, if necessary, of introducing the aid of a third person into their deliberations. There are, however, certain broad principles which are useful in the development of the mediation procedure:

1. Mediation is nearly always requested by one or both parties to the dispute. If requested by one party, the mediator generally meets with that party first. In a joint request, the mediator may meet with either party

first. In any case, meetings are generally held separately before bringing the parties together.

2. The mediator must build up a relationship of confidence with both parties. He must obtain the background facts and, if possible, determine the position of both parties toward concessions or bargaining areas.

3. When the parties are called into joint conference, care must be taken to ensure that the time, place, and procedures adopted for the meeting represent the best possible choice for mediation.

4. The mediator must control the progress of the mediation process, either directly or by suggestion. He may propose recesses, arrange for new meetings with the parties either separately or together, or make suggestions or proposals as to specific items in dispute.

5. If an impasse is reached, the mediator may call for assistance from higher officials either in his own service or in the organizations of the parties to the dispute.

6. Finally, if no agreement seems possible, the mediator may privately make his own contract proposals, or may recommend fact-finding, submission of the "best offer" to a vote of the employees, or arbitration. Again, he may withdraw temporarily and allow the dispute or strike to continue until he believes progress can be achieved.

None of these principles, of course, tells how the mediator should conduct himself when faced with an actual situation. All authorities agree that successful mediation is based on recognition of the fact that it is an individualized process; how the mediator accomplishes his results is often dependent on the personalities involved, to be evaluated as the specific occasion demands. Training beyond the statement of general principles is generally based on watching and working with an experienced mediator on actual situations, the development of the proper "feel" for successful procedures in the conduct of actual cases, and discussions of mediation problems and techniques with supervisors and experienced mediators.

The Federal Mediation and Conciliation Service

The forerunner to the FMCS, the United States Conciliation Service, came into being in 1913 under the terms of the act which created the U. S. Department of Labor. This act provided among other things that the Secretary of Labor should "have the power to act as mediator and to appoint commissioners of conciliation in labor disputes whenever in his judgment the interests of industrial peace may require it to be done." Then, as now, the service was operated on a voluntary basis. The conciliators were given no power to coerce the parties to a dispute or any legal means to enforce their recommendations.

The Labor Management Relations (Taft-Hartley) Act of 1947 established the FMCS as an independent agency, outside the Department of Labor, and made some changes in the laws relating to Federal mediation designed to link mediation more directly to the collective bargaining processes. The act states, among other things, that "settlement of issues between employers and employees through collective bargaining may be advanced by making available full and adequate facilities for conciliation, mediation, or voluntary arbitration." The act also provides for notification by either the union or the employer to the other party to the agreement of intent to request contract modification or termination. This notification must precede the expiration date of the contract by at least 60 days. The FMCS is alerted for action by another notification at least 30 days before contract expiration, calling attention to the existence of an unsettled dispute. In practice, the FMCS moves promptly to offer its service to mediate disputes, particularly if a dispute involves large numbers of workers or seriously affects the national economy. FMCS jurisdiction is limited to disputes involving a substantial effect on interstate commerce, excluding rail and air operations. 1/

During the 1955 fiscal year (July 1, 1954-June 30, 1955), the FMCS, according to its annual report, employed 352 persons, of whom 225 were in the mediator class and 127 were clerical and administrative employees. Approximately 14,200 cases were closed after being assigned to mediation, 7,100 by formal mediation,

1/ A separate mediation agency, the National Mediation Board, specializes in disputes arising in railroads and airlines. Employees of these interstate carriers are covered by a separate labor law, the Railway Labor Act. (See chapter 3:04.)

6,800 by informal mediation, and the rest in other ways. Issues appearing in the cases were in order of their importance, wages (by far the most important), vacations and holidays, pensions, insurance and welfare, hours and overtime, union security, seniority, and the guaranteed annual wage.

The Service reports that the cases presented to it are now more difficult of solution and require longer participation by the mediators. This is ascribed in part to the fact that negotiations between large companies and large unions are carried on more expertly; although less frequent mediation is required, when negotiations break down the problems finally presented to the mediator are more difficult to resolve. Frequent problems also arise in adapting terms of larger "patternsetting" companies to smaller operating units. Health, insurance, and pension plans have introduced many complex and unfamiliar problems.

The Service reports that it has established a continuing review of its policies, procedures, and functions, to insure the most effective possible assistance in union-management negotiations by:

1. Proffering and providing effective conciliation and mediation services when such assistance is necessary to prevent or to minimize labor-management disputes growing out of the negotiation of contracts which would substantially affect interstate commerce.
2. Utilizing the experience and knowledge of mediators to prevent or minimize disruptive factors that exist before, develop during, or continue after, contract negotiations.
3. Cooperating with mediation agencies of the various States toward the common goal of effective mediation service to labor and management.
4. Inducing the parties to disputes affecting interstate commerce to seek peaceful means of settling their differences through other voluntary measures when they cannot be settled through collective bargaining and mediation.

5. Encouraging labor and management to use voluntary arbitration as the final means of settling grievances arising under negotiated contracts when they cannot be settled through other grievance procedures.

In carrying out this program, the Service does not limit its activities to dispute mediation. The staff of the Service carries on "preventive mediation," described by the Service as follows:

The Labor Management Relations Act, 1947, imposes upon the Service a duty to assist parties to labor disputes in industries affecting commerce to settle such disputes in order to prevent, or minimize, the interruption of free flow of commerce growing out of labor disputes. Preventive mediation work can be described simply as the effort to create a healthier labor climate between labor and management/both generally and/ during the effective period of a labor-management contract so that they will be /better able to live together without disputes and will be/ familiar with, and be disposed to use, the grievance adjustment machinery in the contract to iron out differences before work stoppages develop. It has been, and continues to be, the policy of the Service to have its mediation staff spend as much time as possible on preventive work when they are not otherwise engaged in their primary duty of mediation. . . .

Finally, the Service assists parties to a dispute in selecting arbitrators who are "experienced, qualified, ethical, and acceptable." A roster of approximately 400 arbitrators, none of whom are Government employees, is maintained from which panels are selected for submission to parties requesting them. During the 1955 fiscal year, 1,316 requests for panels of arbitrators were received.

State Mediation Agencies

In addition to the services provided by the FMCS, about two-thirds of the States and Territories of the United States have mediation services. About one-half of these are active and functioning; the remainder of these States have available mediation

services of one kind or another. As is true of the FMCS, most of the State agencies function on a voluntary basis, that is, without compulsory powers or enforcement functions.

State mediation agencies differ widely in their mechanical arrangements, legal powers (to call meetings, summon parties to hearings, etc.), and in the moral and financial support which they receive. The most common arrangement is for the conciliation service to be a part of the State labor department. State conciliators frequently have other duties when not engaged in settling disputes. Some States have permanent board members who are paid regular salaries; others provide individual conciliators or tripartite panels as the need arises. Some States provide labor relations boards with quasi-judicial powers to handle disputes involving union organizations or collective bargaining, with the conciliation service dealing with and limited to disputes arising over questions of wages, hours, or working conditions. Other States provide only one agency for all types of disputes.

Most State agencies take action only at the request of one or both parties to a dispute. A few State laws provide for investigation of disputes involving the public interest without request. If parties to a dispute voluntarily agree to have a State board act as arbitrator, the law usually specified that the awards shall be binding for a specified period, usually a year.

State agencies are subject to the operation of Section 8(d)3 of the Labor Management Relations Act. This section, in addition to providing for notification of the FMCS of the existence of a dispute, also provides for notification of officials of the State in which the dispute occurs.

The New York State Board of Mediation represents an example of a relatively large State agency in operation. The present Board of Mediation and Arbitration was established in 1937 by an act of the legislature, as a successor to earlier boards which had been in operation since 1887. The purpose and function of the board, as described in the 1937 act, are as follows:

It is hereby declared as the public policy of this State that the best interests of the people of the State are served by the prevention or prompt settlement of labor disputes; that strikes and lockouts and other forms of industrial strife, regardless where the merits of the controversy lie, are forces productive ultimately of economic waste; that the interests and rights

of the consumers and the people of the State, while not direct parties thereto, should always be considered and protected; and that the voluntary mediation of such disputes under the guidance and supervision of a governmental agency will tend to promote permanent industrial peace and the health, welfare, comfort, and safety of the people of the State. . . .

At present, the State board consists of seven members, appointed by the **Governor** with the advice and consent of the State Senate. Since board members are not salaried, but are paid on a per diem basis, there is little political pressure on their appointments, with relative permanency in membership as a result. This board is now primarily concerned with policymaking matters. A full-time paid staff of 16 mediators and a 3-person administrative staff handle most of the cases which come to the board. Board members handle some cases on occasion, particularly in those companies in which they have successfully settled earlier disputes.

The law under which the board operates provides for hearings, the attendance of witnesses, the administration of oaths, taking of testimony, and receiving of evidence.

The State board receives a 30-day notification of the existence of a dispute within its territory at the same time as the Federal Mediation and Conciliation Service, under the provisions of the Labor Management Relations Act. Mediation cases, arising from this notification or from other sources, may be undertaken by request of employers, unions, or both; or the board may intervene on its own initiative. Union requests account for nearly 70 percent of the cases.

Mediators are assigned to specific areas and work under the direction of a supervising labor mediator. Within the areas, cases are sometimes assigned at random; i.e., to the mediator with the first vacant place on his schedule. For some cases, specialists with experience in certain industries or on specific issues may be selected. If a mediator fails to settle a dispute, another mediator may be assigned if the case is important enough to warrant it. In New York City, 6 full-time mediators are given 2 disputes a day as their caseload. In upstate areas, especially where more travel is involved, the caseload is smaller.

In addition to mediation and conciliation services, the board acts as an agency to name an arbitrator, usually when a collective agreement provides that it should undertake that function.

2:05 Union Adjustment to Technological Change

Change is a dominant characteristic of American industrial life. To survive and to prosper, business establishments must adjust to changing technology, productivity, products, demand, and other factors. Wage earners are directly and quickly affected by these adjustments through changes in employment, hours and weeks of work, skill requirements, wages, working conditions, job security, and union security. In the long run, these adjustments affect workers' standards of living, work, and leisure.

Technological change may be defined, in a narrow sense, as the development and use of new machines and methods to increase productivity. A broader definition would include changes in materials and products, utilization of materials, management and engineering techniques, and the like, which result in greater efficiency. Wage earners in organized establishments expect their unions to represent their interests in the more direct impact of technological, managerial, or other business changes.

On a day-to-day basis, such protection is afforded by wage rate adjustments, written and unwritten shop rules, guarantees of various types, seniority rules, premium pay practices, supplementary unemployment compensation, grievance procedures, and other practices. Over a longer term or during periods of rapid change, however, such protective devices may be inadequate for the task of easing worker adjustments and other solutions may be sought and developed, at least in part, through collective bargaining.

The extent to which technological change may cause temporary or permanent displacement of workers, affect living standards, or alter working conditions, depends upon a number of factors. These include the capacity of the Nation to absorb more goods, the availability of other job opportunities for displaced workers, the mobility of labor, the emergence of new industries, retraining opportunities, and other factors affecting product and labor markets. High levels of employment and continuing improvements in living standards in the United States since the end of World War II attest to the ability of management and labor to adjust to, and derive benefits from, a rapidly advancing technology. However, workers and their unions remain alert to the threat of unemployment and seek to erect safeguards against this possibility.

Union Attitudes

Trade union attitudes toward technological change, which now generally accept the inevitability of change and the benefits to be derived therefrom, represent an evolution away from fear and resistance. Resistance to change, still often the first impulse on

the part of union members, is increasingly recognized as a futile policy or as a more perilous venture for the union than adapting to the new situation and seeking a compromise solution to the problems posed.

Historically, unions, particularly those representing craftsmen, had good reason to fear technological displacement. The hand cigarmakers, for example, were displaced by a combination of new machinery and a falling market for their product as cigarettes became more popular. Musicians in theater orchestras were thrown out of work by talking pictures. Glassmakers, hand typesetters, and other craftsmen experienced a declining demand for their services and had to turn to other occupations, usually with lower skill requirements. Hence, unions of craftsmen sometimes tended to resist changes which might render established skills obsolete or curtail demand for their skills.

The change in union attitudes in recent decades was brought about or conditioned by several important developments. In the first place, the American economy has been expanding at a relatively rapid rate, thereby allowing substantial scope for adjustment. The growth of industrial unions, the broadening of the jurisdiction of craft unions, and the increased strength of the labor movement as a whole provided a firm basis for coping with change and for seeking a share of the gains resulting from increased productivity. The strengthened faith of the American people in technological progress, buttressed by high employment and rising standards of living, was a significant environmental influence. All of these factors encouraged the adjustment to technological change, with the provision that workers share adequately in the benefits of industrial progress.

At the present time, with automation in the offing, responsible trade union leaders emphasize the right of workers to share in the rewards of the new technology (in higher pay, shorter hours, and other benefits) and the need to assist, through collective bargaining and legislation, workers who may lose their skill and their jobs. The problems accompanying a far-reaching alteration of production and processing techniques are not glossed over, but outright opposition to change, even of the magnitude promised by the exponents of automation, is rare.

George Meany, president of the AFL-CIO, in a statement accompanying an AFL-CIO pamphlet *Labor Looks at Automation*, wrote:

This is a time of remarkable technical progress. Significant new types of automatic

machines and methods--symbolized by the term "automation"--are being put to use rapidly and widely.

Labor welcomes these technological changes. The new techniques offer promise of higher living standards for all, greater leisure, and more pleasant working conditions. Yet, there are pitfalls as well as promises in the new technology. There is no automatic guarantee that the potential benefits to society will be transformed into reality.

It is not characteristic of the trade union movement to sit back and let the future take care of itself. Labor unions can be expected to raise with employers the problems created by the new technology. The collective bargaining process must be utilized to work out the necessary arrangements for introducing the new machinery and equipment, for reviewing the wage structure and job classifications that might be affected, and for making certain that the benefits flowing from the new technology are shared fully with the workers.

At the national level the new technology raises questions of a different character. While the new machines are almost human in the way they solve problems of production, they still cannot create the necessary income to purchase their additional output. There is no value to new machinery which lies idle for lack of sufficient purchasing power in the hands of consumers to buy the products of the machine. Labor will continue to press for an expanding national economy with sufficient income in the hands of consumers to purchase the increasing output of American industry.

The trade union movement does **not** pretend to know all the answers to the questions raised by the new technology. We are confident, however, that all groups in our society--management and Government as well as labor--want to find the solution to these issues.

John L. Lewis, president of the unaffiliated United Mine Workers, in a statement of the attitude of that union, said:

. . . If an automatic or semiautomatic machine can be harnessed to use energy and do the work of human hands, I think it's a justifiable enterprise that makes its own contribution to the standards and the culture and the happiness of the population.

If, in addition, the utilization of energy and machinery, new formulas, improved techniques, can be made to become an economic advantage in lowering cost of production . . . then it, indeed, becomes not merely an opportunity but an obligation.

That's been the premise upon which the United Mine Workers of America has stood . . . that, in return for encouraging modernization, . . . the union would insist on a clear participation in the advantage of the machine and the improved techniques.

On the whole, management and labor spokesmen are in substantial agreement on the competitive or economic need for change, the general beneficial effects of advancing technology, and the need to share the gains. There remains, however, disagreement on methods, safeguards, shares, etc., which forms much of the substance of collective bargaining. At the plant level, traditional worker suspicion of management techniques and changes, which undoubtedly varies widely among companies, has given way, in part at least, to confidence in grievance procedures, in the increasing ability of unions to deal directly with industrial engineering and job change problems, and in the prospect of higher wages.

Collective Bargaining Provisions

Adjustment to technological changes under collective bargaining takes many forms, explicit and implicit. For example, the agreement may make no mention of technological or managerial changes or the process of adjusting to change as such, but the establishment of a grievance and arbitration procedure, which is almost universal, and the regular negotiations over wage rates and fringe benefits, take into account, or are based upon, actual or potential changes. Many employers and unions, on the other hand, have negotiated agreements with provisions dealing specifically with some aspects of change.

The U. S. Department of Labor's Bureau of Labor Statistics examined 1,410 collective bargaining agreements in effect in 1953 for specific references to the introduction or use of new machines or methods and the workers affected by these changes. These agreements were selected as representative of all industries, including some in which technological change was not an immediate prospect or problem.

Most agreements (928) contained no explicit reference to the introduction or use of new machines or methods. In 330 agreements, management specifically retained the right to introduce changes in machines and methods as circumstances warranted. For example, a steel agreement provided:

The management of the plants and the direction of the working forces and the operations at the plants, including . . . the scheduling of work and the control and regulation of the use of all equipment and other property of the company, are the exclusive functions of the management . . .

From a meatpacking agreement:

The management of the plants and the direction of the working forces, including the right to . . . determine the products to be handled, produced, or manufactured, the schedules and standards of production and methods, processes and the means of production or handling, schedule of working hours, and operations to be contracted or subcontracted, is vested exclusively in the company, subject only to such restrictions governing the exercise of these rights as are expressly provided in this agreement.

In 31 agreements, pledges of union cooperation in the introduction of new techniques were written into the contracts. For example, an agreement covering a carpet manufacturing plant:

The union agrees that, so long as work loads are within the capacity of an average employee and are not detrimental to the health of employee, it will not obstruct, or allow its members to obstruct, any efficiencies in production which the company desires to install. Such

workload changes will first be discussed with the union before being put into effect.

In 206 agreements, the unions pledged cooperation in maintaining or increasing production, a position which can reasonably be interpreted as one which allows management substantial scope in the introduction of new techniques. For example:

The union recognizes that a high level of wages can be maintained only by maintaining a high level of productivity. The union and its members will cooperate in attaining such a level of production as is consistent with the health and welfare of the employees. The union and its members will seek to assist in effectuating economies and the utilization of improved methods and machinery. . . .

In only 10 of the 1,410 agreements was reference made to a restriction or prohibition of new machinery or methods, in general or in particular.

Just as most agreements had no provision explicitly covering the introduction or use of new machines or methods, most agreements (935) also contained no provision directed specifically to the treatment of workers affected by changes in machinery or methods. The principal method of handling this problem, found in 434 agreements, was a provision allowing the union to participate in setting or reviewing wage rates and/or workloads on new or changed jobs, as in the following example:

If an operation is so substantially changed that a new job classification is justified, or a new job is created which requires a new classification, such classification and the rates to apply will be negotiated between the company and the union.

In 47 agreements, the union was to be notified or consulted before changes were made, e. g.:

The company may, from time to time, find it necessary or desirable to make changes in equipment, operations, the organization of work or the duties or qualifications required for any job. . . . In cases where such revision

is necessary, the company will furnish to the union copies of such revised specifications and/or charts and will discuss them with the union if so requested. . . .

A clause providing that changes were not to result in a reduction of earnings for the workers immediately affected appeared in 27 agreements. For example:

If during the life of the agreement there are changes in processes, operations, machines, or changes in the method of wage payment, due consideration shall be given to such changes so that the employees affected shall be able, for faithful work under the new conditions, to earn at least their previous earnings, with the same expenditure of time, skill, or effort as under the displaced methods or processes.

Job protection was specifically provided for in 35 agreements, as in the following example:

When an employee is permanently displaced by the elimination of a job because of a technological change in equipment, method or process, the company will endeavor to provide a transfer to another job. Or, the employee may, at his option, elect to immediately receive technological displacement compensation.

The above clause also illustrates the practice of providing a separation allowance for technologically displaced workers, found in 16 of the 1,410 agreements studied.

Adjusting to Change--Specific Examples

In the fall of 1952, the Bureau of Labor Statistics made a study of three plants in the ladies' garment industry to determine the attitudes of, and methods used by, management and labor in the introduction of new machinery. All plants were organized by the International Ladies' Garment Workers' Union. The survey found that both workers and management profited from new machinery introduced with the understanding and participation of the union. Adjustments were successful, according to information developed in interviews with officials of the companies and union locals involved, because the interests of the workers, the union, and management were harmoniously reconciled to the change. Common practices were followed,

although they were not formalized in the union's agreement with any of the three companies. First, management gave advance notice to appropriate union officials and, in most instances, also directly to the employees involved. In addition, changes were given at least an 8 weeks' trial during which workers' earnings were maintained under a rather general clause in the agreement designed to cover all kinds of changes in work assignments.

Management in this industry in general accepts the policy of sharing productivity problems with the union. The union takes an active interest in promoting sound business conditions in the industry; it employs engineers who assist individual plants in solving operational problems; and it generally favors technological changes which increase productivity, provided they are introduced in orderly fashion. In supporting such changes, the union encourages plants to expand output wherever possible to facilitate the absorption of displaced workers and to increase total employment.

The International Typographical Union has adopted a policy of providing information on new methods and training its members to take over the new processes in the industry. In a bulletin issued in 1954, the union stated that the introduction of photographic composing machines was a definite threat to union members, since it displaced the hot-metal process with which they were familiar. Members were urged to enter upon retraining programs to acquire the skills and techniques needed for the new method in order to keep their jobs, and to enable the union to protect its interests and retain jurisdiction over the composing process.

The Bakery and Confectionery Workers Union has urged its local unions to insert a clause in their contracts to protect workers in the industry against loss of employment or pay by reason of changes in machinery or methods of production. According to the union president, the union has always supported the introduction of mechanical methods which increase productivity. At the same time, it is concerned with "the consequences of the machines' influence on the individual," and believes that the benefits of mechanization should be shared by management with workers and consumers.

2:06 Sharing Productivity Gains Through Collective Bargaining

A fundamental belief shared by management and unions in the United States is that the standard of living of the people, as measured by the quality and quantity of goods and services available to all, depends largely upon the productivity of the Nation's farms, factories, and labor force. It is also widely recognized that the long-term gains in real wages (wages in terms of what they can buy), the shortening of the workday and workweek, the improvements in working conditions, the extra benefits such as pension and insurance protection provided to workers, and annual paid vacations were made possible, in large part at least, by rising productivity. Yet, with relatively few exceptions, there is little agreement between management and unions in collective bargaining sessions as to how to measure productivity gains and, if measured, how to reckon with these gains in terms of wage adjustments.

Although managements and unions may not come to a meeting of minds on how to share productivity gains, their wage settlements frequently have a basis in real productivity changes--whether in the company involved, in other companies, or in the economy as a whole--or in the general beliefs of the parties regarding the continuous sharing of productivity gains.

Union Attitudes

Over the past 75 years, the American labor movement has consistently viewed rising productivity as a source of improvement in the wage earner's standard of living, with these improvements to be obtained principally through the process of collective bargaining.

When Samuel Gompers, first president of the American Federation of Labor and for 40 years a dominant figure in the labor movement, was asked what the labor movement wanted, he answered, "More." George Meany, now president of the AFL-CIO, recently answered this same question in the same way: "If by a better standard of living we mean not only more money but more leisure and a richer cultural life, the answer remains, "More." The economic reasoning upon which trade unions currently base their demands for "more" has been succinctly stated as follows:

Productivity increases create a rise in output, with the same or fewer man-hours of work. The increase in productivity arises from the contributions of many groups--including workers, management, and the Nation's accumulation of technical knowledge.

Who is to receive the fruits of rising output per man-hour--industry, workers, consumers or a combination of the three groups? How are the benefits of increasing productivity to be shared?

When rising productivity reduces production costs \$1 an hour--by increasing the output produced in an hour--business can share such benefits with other groups in the economy. Failure by business to share the fruits of industrial progress with other groups can create economic distortions--excessively high profits and insufficient consumer buying power--that makes full employment impossible in the long run.

Through trade union strength and collective bargaining, however, wage and salary earners can obtain a share of the benefits of industrial progress--thereby helping to improve the buying power of many millions of families and bolstering the economy's mass consumption base.

* * *

Wage and salary increases, based on increasing productivity, need not result in an inflationary price level. On the contrary, there is sufficient room for some price reductions, since labor's share of the benefits of industrial progress takes only a part of the savings to business arising from lower unit production costs.

* * *

The workers' share in industrial progress should not be limited to productivity increases in a plant or in a company. Productivity is affected by many factors outside the plant or company--by the Nation's scientific development, education of the labor force, competition among industries. Workers should rightfully share adequately in the benefits of the increased productivity of the national economy as a whole

* * *

Unions recognize and accept the fact that their wage demands often prod management to introduce technological improvements, institute more efficient methods, and improve training and supervision. Thus, the labor movement's belief in the benefits of a rising level of productivity is not limited to the expectation or demand that workers share in past gains.

Management Attitudes

As a group, employers also generally believe that workers should share in productivity gains, but many tend to support the theory that workers would fare better if these gains were distributed mainly in the form of lower prices. In this manner, it is reasoned, gains in real income would be distributed among all people and would not accrue to just one segment of the population. With exceptions, notably the major automobile and farm machinery manufacturers, management generally questions the desirability of anticipating productivity increases of a specific amount and hesitates to accept a formula governing wage adjustments.

The attitude of the National Association of Manufacturers, a large employers' organization, toward sharing productivity gains with workers has been expressed, in part, as follows:

Productivity is one, but only one, of the economic forces which enter into the process by which wages are set. . . .

* * *

. . . Confusion exists as to what relationship ought to hold between productivity and wages, as well as to whether that desired relationship has in fact been maintained.

Any analysis of the economic connection between wages and productivity is complicated by the fact that money wages are affected by many other factors besides labor productivity. Money wages are a price. As such they are related to other types of prices and they are subject to the impact of the same economic forces as the price of goods. The chief basic determinants of the general level of prices--wages as well as other prices--are monetary and fiscal in character.

The same thought can be put in this way: The basis for the argument that real wages should increase in proportion to increases in productivity is the proposition that, unless this happens, labor's percentage share of the national income will decline. With proper qualifications this is a correct proposition and can be demonstrated very clearly. If productivity increases and wage rates are left unchanged, labor costs per unit of output will decline. Unless prices are reduced, then labor will receive a smaller share of the final purchaser's dollar. If labor's percentage share is to remain unchanged, either money wages will have to be increased or the price of the product will have to be reduced. Either of these events will increase real wages.

During the past 22 years--through the boom of 1929, the depression and partial recovery, the war and the reconversion, the postwar boom and inflation--the employee's share of the total proceeds of business output has remained almost constant. The figures show that the share of the ultimate purchaser's dollar going to labor has remained at about one-half. The remaining half goes for taxes, depreciation allowances, rents, royalties, interest, and profit. . . .

Thus, on the test of the distribution of economic proceeds, real wages must have risen proportionately with increases in productivity. It is significant that in most of this period there was no 'national wage policy' set by any central authority. The result was the outcome of natural economic processes. This backward look reminds us that natural forces have a not-always-appreciated capacity for bringing about desired results.

Wage Adjustment Based on Overall Level of Productivity

Advances in national productivity or the general state of the economy have long been a factor in major collective bargaining situations although not always recognized explicitly at the bargaining table. However, the 2-year agreement negotiated in 1948 by the General Motors Corp. and the United Automobile Workers was the first agreement of significance to establish a definite formula relating

wage increases to general productivity increases. This agreement provided for an annual increase of 3 cents an hour (termed an "annual improvement factor") to be added to the base rate of each wage classification for the duration of the agreement. ^{1/} Its purpose was to assure the worker that the buying power of his hour of work would increase as the Nation's industrial efficiency improved.

Also included in the agreement was a provision for automatic cost-of-living wage adjustments at 3-month intervals, based on changes in the Bureau of Labor Statistics' Consumer Price Index, which would maintain the purchasing power of an hour of work.

The expectation that the annual-improvement factor embodied in the 1948 General Motors-UAW agreement would be immediately adopted by many other companies and unions was not borne out at that time. This did not necessarily mean, however, that the principle of providing wage earners with a share of the benefits resulting from increased productivity was not widely accepted. The General Motors 2-year agreement and the agreements negotiated by other large concerns and unions during 1948 differed basically in one respect: The former agreement waived all wage-determining factors other than productivity and the cost of living, whereas other agreements left the field open, so far as annual bargaining was concerned, to these and other considerations.

In 1950, General Motors and the UAW renewed their agreement for a 5-year period and increased the annual improvement factor from 3 cents to 4 cents an hour. Shortly after this agreement was signed, Charles E. Wilson, then president of General Motors, explained that the 4-cent improvement factor represented approximately 2½ percent of the average hourly rate of General Motors' workers. Mr. Wilson said, "Many people think it was arrived at based on what we expect or can achieve in General Motors (but) this is not so. . . . The 2½-percent annual-improvement factor is somewhat less than the Nation's manufacturers have been able to achieve on the average in the last 50 years. . . . In addition, in 50 years, the standard workweek has been reduced from 60 hours to 40. . . ."

^{1/} The clause read: "The annual-improvement factor provided herein recognizes that a continuing improvement in the standard of living of employees depends upon technological progress, better tools, methods, processes and equipment, and a cooperative attitude on the part of all parties in such progress. It further recognizes the principle that to produce more with the same amount of human effort is a sound economic and social objective."

We in General Motors have subscribed to what we think is the average of what the country can do. Of course, we hope to do better ourselves and, in addition to raising real wages, continue our policy of improving our products and reducing our prices."

The annual-improvement factor attracted a wider following after the 1950 revision. Altogether about 1,250,000 workers, mostly in the automobile, farm machinery, and other metalworking industries, were covered within a short time by agreements providing for automatic annual increases. By mid-1957, the number had increased to more than 5,000,000. The annual increase specified in the General Motors contract and in other automobile agreements was raised to 5 cents an hour in 1953, and to 6 cents or $2\frac{1}{2}$ percent of base pay in the 3-year agreements negotiated in 1955. 2/

The real significance of the General Motors experiment is not measured solely by the number of agreements that explicitly followed this example but by the extent to which the concept of raising wages in line with advancing productivity has spread in collective bargaining, in economic thinking and planning, in wage arbitration, and in minimum wage legislation. The foundation upon which this concept rests is, simply, the prevailing expectation that the upward trend in the productivity of the economy will continue.

Wage Adjustments Based on Plant or Company Experience

The rate of productivity increase varies greatly among companies and industries. During recent years, some unions have placed increasing emphasis on obtaining wage increases based on productivity changes in individual companies, and undoubtedly the word productivity is used more and more around the bargaining table. However, employer objections to basing wage adjustments on short-term productivity changes in specific plants and the difficulties encountered in measuring such changes appear to have prevented the negotiation of wage increases based precisely on productivity increases.

Nonetheless, the general principle of sharing productivity gains prevails. The mutual acceptance of the relationship between increasing a company's productivity and obtaining wage increases and other economic benefits is sometimes expressed in the collective bargaining agreement as a statement of principle, as in the following examples:

2/ See chapter 3:01, Labor-Management Relations in the Automobile Industry.

From an agreement for a glass manufacturing plant--

Recognizing that the welfare of its employees and their opportunities to earn a living depend upon the success and prosperity of the company and further recognizing that the various wage increases provided for in this agreement are of a substantial nature, the union hereby pledges for itself and all its members--the employees of the company--that they will perform their work effectively and efficiently to the best of their ability, and will cooperate in the introduction or installation of such processes, machinery, changes in or introduction of new methods of operation, incentive pay plans or systems, and job classification and evaluation plans or systems as the company may introduce or put into effect for the purpose of better and more efficient operation to the end that the company may increase production and reduce costs so that the company may adequately meet competitive conditions and maintain employment.

From an agreement for a metalworking plant--

The union also recognizes that the company can provide steady employment and good working conditions only by manufacturing products of the highest quality with the greatest possible efficiency. Therefore, the union agrees to support the company's efforts to assure a full day's work on the part of employees it represents, to oppose poor attendance, scrap and other practices which restrict production, and to strengthen the good will between the company, its employees, its customers, and the community.

Wage Incentive Systems

In the short run, or between contract renegotiations, an immediate method by which workers in some plants share productivity gains resulting from increased effort rather than new machinery is through the operation of an incentive wage system that relates the worker's pay directly to his output--that is, the more he produces, the more he earns. If the worker is assured that a sustained high level of effort will not lead to a reduction in rates, he has an

incentive to increase his effort and output and thus his earnings. Such assurances, however, have not always been provided.

Some industries, such as apparel and textiles, make extensive use of incentive methods of wage payment. In other industries, including automobiles, chemicals, and petroleum refining, the practice is rare. A great deal depends, of course, on the nature of the industry or type of productive process as well as the attitude of the employer and the workers.

Historically, some trade unions in the United States have objected to the installation of incentive methods of wage payment and have gone on strike, adopted limitations in output, or used other means to defeat the purpose for which such systems were installed. In general, much of this opposition stemmed from previous experience with rate cutting and the "speedup." On the other hand, incentive systems have received union approval and even encouragement when the unions had confidence in the fairness of the systems, and could depend on good administration and participation. Unions which now accept incentive methods of pay, with appropriate safeguards against abuse, may still feel that certain basic shortcomings exist in the techniques of ratesetting and work measurement.

Employers generally favor the logic behind incentive wage plans. These plans, designed to make maximum use of an individual's ability and to reward him accordingly, appeal to employers because they assure relatively stable unit labor costs and promote efficiency. Many employers oppose attempts on the part of trade unions to participate in policy decisions affecting the installation of incentive plans, the conversion of particular jobs to incentive, and the establishment of incentive rates. On the other hand, many employers are glad to accept union participation and advice.

2:07 Union-Management Cooperation

Union-management cooperation in the United States is generally defined as joint action, usually formal in nature, in areas of mutual interest beyond the issues of wages, hours, working conditions, and grievances, which normally come within the scope of collective bargaining. The employer and the union authorized to represent his employees are required by law to bargain in good faith, a process which necessarily implies a cooperative attitude, but the type of union-management cooperation defined above, and with which this chapter deals, is entirely voluntary. Under normal circumstances, unions, except by invitation, do not participate in the area of management problems excluded from the written agreement. Likewise, management cannot enlist union participation in such problems if the union is unwilling.

Obviously, union-management cooperation must be based on harmonious collective bargaining relationships. Only after this stage has been achieved is it possible to extend the sphere of joint action into new areas of cooperation. Cooperation does not imply the absence of militancy on either side; rather, it signifies mutual respect and recognition of the interdependence of major goals. Often, cooperation is the only means available to organized plants to meet the competition of nonunion plants, or for a company to remain in business. There is, of course, no guarantee that cooperation will succeed; plans have failed or have ended in controversy.

A cooperative venture may be established for a single purpose or for various types of problems. Among the types of problems to which union-management cooperation has been directed are:

Plant efficiency	Availability of working capital
Waste	Sales stimulation
Introduction of new machines	Legislation
Safety	Excessive overhead costs
Absenteeism	Factory layout
Training	Social activities and recreation
Time study and job evaluation	Community problems
Product design	Savings bond drives
Work simplification	

The form cooperation may take varies with circumstances. Joint committees are most common. These may function on a permanent basis, or may be established to study a particular problem; once the problem is resolved the committee disbands. Frequently, committees consisting of representatives of union and management first work together on such problems as plant safety, absenteeism, and training.

Successful collaboration on these may lead to joint participation on problems relating to efficiency or production, elimination of waste, work simplification, and plant layout, or even product design.

Joint research, where union and management each hire outside experts to study a problem or jointly sponsor an outside technician, is another method of cooperation. Some unions employ a professional industrial engineer whose advisory services are available to employers.

Union Attitudes

Union attitudes toward cooperation, as expressed by leaders of the major federations and unions, have changed during the past 50 years from an avowal of indifference to management problems to a widespread interest and concern in all internal and external aspects of business operation. World War I brought the problem of production into sharp public focus. With this in mind, Samuel Gompers, then AFL president, advanced the union's offer of cooperation and service. AFL participation, with management officials, on Government boards and commissions introduced its leaders to the benefits to be gained through cooperation and gave them a greater appreciation of management problems.

In December 1919, the AFL, in cooperation with other labor organizations, issued a manifesto which said, in part: "Labor is fully conscious that the world needs things for use and that standards of life can improve only as production for use and consumption increases . . . There cannot be a full release of production energy under autocratic control of industry. There must be a spirit of cooperation and mutuality between employers and workers. We submit that production can be enhanced through the cooperation of management with the trade union agencies."

This interest was not abandoned during the 1920's despite the prevailing atmosphere of hostility between employers and unions. However, the conciliatory attitude of the AFL was swept away, along with much of the labor movement, during the depression of the early 1930's.

The organization of the mass-production industries in the 1930's kindled a new interest in union-management cooperation. Almost from its inception, the CIO, and particularly Philip Murray, its second president, showed a keen interest in cooperation. Active promotion of union-management cooperation was tremendously accelerated by the advent of World War II. In 1940, Mr. Murray proposed the establishment of industry councils, consisting of representatives

of management and labor, to plan production in the basic defense industries. Although never adopted, the CIO supported this proposal for many years thereafter, offering it again during the Korean emergency. The Steelworkers, among other CIO unions, consistently encouraged union-management cooperation in many specific ways.

The war period also revived the interest of the AFL in cooperative undertakings, particularly the formation of plant labor-management committees to increase production and reduce cost. Shortly after the war, the AFL urged the continuance of this approach:

Many labor-management committees want to continue their work in peacetime. . . To accomplish this cooperation, unions must work with management to reduce production costs, and management must give the union concrete information about production problems, and be ready to 'talk cold facts' around the conference table. . . Union-management cooperation brings efficiency, not by speedup, but by breaking bottlenecks and by a hundred and one other improvements which workers can make because they know work conditions from direct experience.

Local and national unions vary in their attitudes toward cooperation. At the level of plant labor-management relations, most unions probably would concede that responsibility for running the business rests primarily with management. Some unions refuse to share this responsibility through formal cooperation programs. They prefer, instead, to be able to press their points of view upon management in negotiations or through the grievance procedure, leaving management solely responsible for all actions. Sometimes, however, this is essentially a tactical stand of union officials, dictated by the fear of membership reprisals if a cooperative program does not achieve tangible results, and does not necessarily reflect an indifferent or antagonistic attitude toward management problems.

Management Attitudes

Over the past half century, management, too, has relinquished strong feelings of noncooperation which were rooted in a belief, now long abandoned, that unions had a revolutionary intent. Although distrust and suspicion of union intentions still characterize the attitude of some employers, just as similar feelings regarding employers are found among unions and workers, in general,

employer representatives who deal with unions acknowledge the need for mutual respect and cooperation, even if they stop short of formal cooperative arrangements.

In this evolution, the concept of management as a rationalized or scientific undertaking that could make no allowance for worker or union participation and negotiation had been discarded. Over the years, the proponents of scientific management came to recognize the subjective aspects of their work, the importance of the human factor, and the need to gain the cooperation of workers. Many large companies which had resisted unionization for many years moved quite rapidly towards sincere cooperative attitudes after the initial impact of union recognition had worn off.

On the whole, however, management tends to be cautious about the establishment of formal cooperative arrangement, particularly those dealing with plant problems. Employers may regard such arrangements as a useful channel of communications by which management problems and actions can be explained to the union and the employees, a method of stimulating employee interest, and the source of a sense of participation which is good for morale; however, many undoubtedly fear the possibility that through such cooperation the unions may encroach upon management prerogatives.

Joint Committees

Although many union-management committees were established during World War I, and a few such programs were undertaken during the 1920's, it was during World War II that the concept flourished. One observer of war period committees states that: "The joint committee was a natural development in a country scrutinizing its procedures in contrast to authoritarian methods." ^{1/} The War Production Board, in an effort to increase and improve production, encouraged the establishment of committees composed of representatives of labor and management, but took no active part in their direction. Some 5,000 committees were organized between 1942 and 1945, though not all were active at the same time. Between 500 and 1,000 committees worked on production problems. War activities such as bond drives, car pools, blood donor campaigns, and rallies occupied many committees to the exclusion of other interests.

Though only a few of these "war-drive inspired" committees were able to survive in the postwar period, their existence did

^{1/} Dorothea de Schweinitz Labor and Management in a Common Enterprise, Cambridge, Harvard University Press, 1949 (p. 9).

provide valuable experience for future efforts in this direction. Moreover, many individuals in high positions with both management and unions were convinced of the benefits of cooperation.

The central idea of cooperation is easy to comprehend, but the day-to-day application of the theory provides the test. A modern factory is a very complex organization; any formal cooperative effort requires strict attention to details. It is most important that top management and union officials support the plan wholeheartedly; it is also essential that shop superintendents, foremen, and workers are in sympathy with the idea. The manner in which a committee is initiated and organized will greatly influence its chances of success.

Analysis of successful union-management cooperation committees functioning during World War II revealed that informal preliminary conversations between the plant manager or industrial relations director and officials of the union were used successfully to get an idea under way. Once accepted, a meeting was arranged to bring together representatives appointed by management and the union for the purpose of organizing a union-management cooperation committee. It was found advisable to settle at the outset the areas in which the committee would function, its size, and its composition. There were no hard and fast rules to guide these decisions and the experience in one establishment did not often apply in another. However, out of these efforts certain broad generalizations may be drawn as guidelines.

Size proved to be a matter of importance in a successful committee. Very large committees accomplished little and small ones were not representative. Effective top level committees were large enough to include policymaking officials of the firm and the union, top production officials, and union stewards. The actual number varied with the particular plant. Equal representation was characteristic of the most effective committees that operated during the period.

From a practical point of view, committee structure should fit the particular situation. A top level committee, supplemented with subcommittees on a departmental or special problem area basis, proved successful in many organizations. The subcommittees, composed of representatives from the lower echelons of management and employees, elicited active participation where it was vitally needed. The top level committee performed a coordinating function.

Cooperation committees should be properly related to the collective bargaining and grievance committee machinery, but committee

members should not become involved with these problems lest they become ineffective during periods of contract negotiation. Where subcommittees were used, some continued to function and to provide ideas and information during such periods when top level cooperation committees usually did not meet. The latter were able to resume their role once negotiations were completed.

Union-management committees tend to operate as advisory units in the organization. Through this medium, management can utilize the experience and knowledge of the men on the job. These committees may process suggestions made by employees, bring them to the attention of management, and consider alternative suggestions or solutions to the problem at hand. The choice to be made among the alternatives remains the prerogative of management.

Naturally, the results of labor-management committees do not always measure up to the expectations of either labor or management. The objectives of the committee and its authority may not be clearly defined; operating procedures may cause disputes; or the committee may take on the aspects of a negotiating body with each side striving to force concessions. Labor-management committees, it is generally agreed, are not substitutes for good labor-management relationships and cannot function without a working harmony between the parties.

However, the benefits of labor-management committees cannot be measured solely by their direct results. In a study of labor-management committees, the National Planning Association, a privately endowed research organization, found that the direct effects of problem-solving committees (e.g., time study or safety) were particularly noticeable, but that the indirect effects of the joint committees were of greater significance:

By providing new opportunities for communication between management and labor and for friendly discussions in some of the less controversial areas of collective bargaining, these committees frequently colored the entire relationship and made it easier for the parties to understand each other's thinking when it came time to discuss key bargaining issues. All management and union leaders with whom we spoke were quick to endorse the idea that joint committees had a 'contagious effect' in promoting the stability of their bargaining relationships. In other words, joint committees added to the opportunities afforded to both parties to build a relationship which was mutually satisfactory.

Some Examples of Labor-Management Cooperation

In the past several years, new plans have been introduced and plans previously initiated have grown in scope and significance. Among these is the experience of the American Velvet Co. and the Textile Workers Union of America. An improved relationship between the union and the company dates from 1940, when a 3-year contract containing a profitsharing plan was negotiated. Both the company and the union believe that the basic reason for success of the relationship has been the mutual respect demonstrated daily by union and management. Past presidents of the local serve as a top advisory committee to management and the union on such problems as production, finance, and labor relations. A planning board, with three management and three union representatives, studies problems concerning workloads, piece rates, overtime, and similar matters. The relationship between the company and the union continues to be dynamic; as new problems arise, new solutions are worked out and a constant effort is made to promote better understanding between management and the employees.

In the men's clothing industry, a long history of successful collective bargaining between the Hickey-Freeman Co. and the Amalgamated Clothing Workers of America has resulted in a situation marked by a degree of union-management participation seldom found in American industry. The union is a partner to decisions on production methods, ratesetting, company expansion, discharges, and other company problems.

Financial cooperation between labor and management, though admittedly rare, is another type of cooperation. For example, in 1955, the Boot and Shoe Workers Union announced that it would contribute \$100,000 to any organized fund operated and supported by the shoe industry for a national footwear promotion program aimed at increasing the per capita consumption of shoes. Another instance of financial cooperation occurred when the 500 members of the Amalgamated Clothing Workers employed by the Hamilton Tailoring Co. of Cincinnati, Ohio, loaned the company \$100,000 to tide it over a period of limited funds. Under the plan, the employees had 10 percent deducted from their pay checks as their share of the loan; for this they received debenture bonds of the company, paying $3\frac{1}{2}$ percent annually. The company in turn repaid \$10,000 a month to the union until the debt was paid. When asked why a union would make a loan to management, a spokesman for the union answered, "Our members work in this place. . . The union functions to protect people's jobs. We feel that we are a part of the industry."

Another type of cooperation is joint sponsorship of research. For example, the International Association of Machinists and U. S. Industries, Inc., a manufacturing firm employing several thousand union members, recently established a research foundation to study health and insurance benefits and effective ways of using funds for such purposes. The company and the union each made an initial contribution of \$25,000 to support the research project. In this instance, as in other union-management ventures, the results of the foundation's studies will be made available to other companies and unions.

2:08 Union Participation in Safety Programs

Providing a safe working place is one of the employer's prime responsibilities. Cooperation in safety programs and adherence to prescribed safe methods are the workers' responsibilities. In general, the role of the trade unions is to prod both management and members to measure up to their responsibilities, and to urge State and Federal Governments to enact and to enforce adequate legislation on safety and on accident compensation.

Providing the equipment and arrangements necessary for safe conditions is primarily an undertaking of management; that is, the decision to design and to install guards, to replace dangerous equipment, or to repair plant defects, etc., is typically one which workers and unions cannot make themselves, although a union may seek particular management action. Specific health and safety provisions are found in some collective bargaining agreements, particularly in those covering hazardous occupations, in which the employer formally agrees to furnish specific safety equipment or clothing to prevent accidents. The union and the employer also may agree in the contract that an employee's failure to use protective clothing or equipment is just cause for discipline.

The active participation of organized labor in the continuous job of accident prevention was inevitable. On the one hand, management recognized that it could not enforce safety rules or insure the use of protective devices without worker cooperation. In many organized establishments, this need led to enlisting union support. The unions, in turn, ordinarily regard safety of members as one of their major responsibilities. The president of the United Automobile Workers recently called attention to the unions' part in the industrial safety program: "Although labor organizations are latecomers to the safety movement, they can be counted on to spur its growth and to cooperate fully in its development. . . Unions can contribute immeasurably by bringing into safety work their knowledge of work motivation."

A plant safety committee composed of management and worker representatives is often an effective method of union-management cooperation in avoiding plant injuries. Approximately 30 percent of major union agreements in manufacturing industries now contain clauses formally providing for joint labor-management safety committees.

Some indication of the extent to which programs for the prevention of industrial accidents have succeeded is reflected in injury-frequency rates for recent years. In 1938, the injury-frequency rate for all manufacturing industries was 15.1 per million employee-hours worked. In 1943, a war year, the rate rose to 20.

By 1954, it was 11.9, the lowest on record. In 1955, the rate rose to 12.1 injuries per million employee-hours, then dropped to a rate of 12.0 injuries in 1956. Among industry groups, the injury-frequency rates varied widely. In the food and kindred products industry, the injury-frequency rate was 19.0 in 1956. In some industries which were not without substantial hazards, the rates were very low; for example, in 1956, the synthetic rubber industry had a rate of only 1.9; explosives manufacture, 2.5. By contrast, in industries where safety programs have been comparatively limited in scope, frequently because of difficulty in application and enforcement, the rates remained high; logging had an injury-frequency rate of 65.0, and stevedoring, a rate of 88.5, in 1956.

Development of workmen's compensation legislation, in which unions played an active role, called attention to the incidence and cost of accidents. It is now recognized that the payments demanded by law are only part of the total injury cost to the employer, and that related or indirect costs are often substantial.

Types of Hazards

The specific causes of accidents are innumerable, but basically all accident causes fall into two broad categories--unsafe working conditions or environmental hazards and unsafe acts of people. Accident preventionists generally agree that both an unsafe condition and an unsafe act are likely to be involved in the occurrence of any accident and that if either can be eliminated or avoided, an accident is unlikely to happen. True accident prevention consists of recognizing unsafe conditions and unsafe actions and of eliminating them before they result in accidents. In general, management has the responsibility and the ability to correct or eliminate unsafe conditions. The elimination of unsafe acts, however, requires participation and cooperation on the part of the workers.

In well-organized safety programs, all circumstances surrounding the occurrence of any accident in the plant are carefully analyzed and the pertinent details given wide publicity as clues for the detection of similar accident potentials anywhere in the operation. The exchange of such information from plant to plant frequently results in the detection of unsuspected hazards before accidents happen.

The procedure of accident analysis has been standardized and consists essentially of listing the following items of information about each accident:

1. The accident type--designates the event which resulted in injury and indicates the kind of occurrence that may be expected if similar hazards are permitted to exist.
2. The unsafe condition--names the environmental condition or circumstance which led to the occurrence of the accident--for example, unguarded, slippery, improperly piled, etc.
3. Agency--identifies the object or substance which was unsafe in the manner indicated by the named unsafe condition--for example, a circular saw (unguarded), a working platform (slippery), boxes of finished materials (improperly piled), etc. This is a guide as to where to look for hazards similar to that named as the unsafe condition.
4. Agency part--identifies in detail the specific part of the agency with which the unsafe condition was associated, thereby giving a more exact guide as to where to look for such hazards--for example, the blade (of a circular saw), the gears (of a machine), etc.
5. The unsafe act--indicates any action of a person which contributed to the occurrence of the accident--for example, failure to block or anchor objects against unexpected motion, failure to wear required protective equipment, unnecessary haste or speed, etc.
6. Personal factor--indicates the reason why the person acted unsafely. This is the clue which indicates whether the cure for such unsafe actions should be more extensive training in the skills of the operation, closer supervision, or development of more effective job placement procedures.

The Roles of Management and Unions in Protective Measures

Within individual establishments, management is primarily responsible for making accident prevention a vital part of all activities, and for enlisting the assistance of workers and unions in carrying out the job.

Satisfactory safety performance may depend upon certain basic activities carried on in connection with the selection and training of workers, and upon arousing and maintaining their interest in accident prevention. For example, before an applicant is placed on a job, it may be determined whether he has the required mental and physical abilities. Since most establishments do not have the facilities to test an employee's abilities, dependence is usually placed on the applicant's job history and previous experience in the same or similar work. On-the-job analyses of his performance follows as a matter of course, until his suitability for the particular job is definitely established.

In many establishments, training of the employee includes instruction in safe working procedures. In larger plants, these procedures will, in all likelihood, be formally developed. In smaller plants, training may depend upon the practical knowledge provided by another employee or the shop foreman. The foreman necessarily has a key position in the safety program, hence his training should be such that he can be made responsible for the safe performance of the work in his department. Frequently, the union will encourage the worker to give special attention to safety instruction, particularly if there is an active safety committee with union representation.

A basic part of an effective safety program is continuing worker awareness of potential hazards and scrupulous observance of sound safety rules. Many devices may be used by management to arouse such consciousness of safety needs, including safety meetings and contests, suggestion systems, plant publications, and signs, slogans, or posters. In the same manner, union encouragement of the safety program may include presenting speakers on safety and showing safety films at union meetings. Many union periodicals devote space to safety methods and programs, often on a regular basis. Local unions frequently carry "Work Safely" posters on their union hall bulletin boards. These and related activities are designed to maintain worker attention to the need for safety precautions.

Most unions, particularly those with members in hazardous industries, make special efforts to set up safety programs to protect their membership. As an example of a recently organized union program, the Seafarers Log, official journal of the Seafarers' International Union, announced in November 1956 that a SIU safety program would get underway early in 1957, with "active participation of SIU crewmen in all ship's departments at regular safety meetings. . . . Since safety is a continuing job, the shipboard aspects of the program will be coupled with shoreside safety machinery jointly operated by the union and the companies."

In addition to the activities of the various national unions, the AFL-CIO and the State central bodies carry on a safety program designed to improve Federal and State legislation relating to factory inspection programs, machine guards and other safety devices, and the protection and care for workers injured on the job. Safety education carried on by member unions is also aided through furnishing pamphlets, posters, film strips, and speakers for meetings. Articles in federation publications also stress the need for better safety programs in industry.

Union-Management Safety Committees

An establishment in which hazards exist needs an organized program to enlist and maintain the combined effort of the entire work force in the accident prevention program. Certain decisions affecting plant safety are ordinarily made initially by management. These decisions include the control of physical hazards, such as the providing of safe and properly guarded equipment, standards to be followed in equipment design, plant layout, procedures to be used, programs for safety training and arousing worker interest, and determination as to disciplinary procedure, accident investigation, and records to be kept.

When a union believes that management is not adequately meeting a particular safety problem, it normally raises the question for negotiation or brings it to the established procedures for resolving complaints or grievances. Often there is a workers' safety committee, or a joint union-management committee, which works to bring the practical knowledge and viewpoint of the workmen into play. Such a committee arrangement can also serve to stimulate worker interest in safety. When used in plant inspection or accident investigation, the worker committee can call unsafe operating conditions to the attention of management and unsafe practices to the attention of their fellow workmen, and act to see that they are corrected.

Many union agreements contain clauses providing for the establishment and operation of committees concerned with plant safety. Recently the U. S. Department of Labor's Bureau of Labor Statistics examined 1,594 major agreements covering over 7 million workers in all manufacturing and nonmanufacturing industries. Provisions for formal committees concerned with plant safety, sanitation, and employee health were found in 356 of these agreements covering more than 2 million workers. There are, of course, many additional instances in which there is a cooperative management-union safety program without any formal provision written into the agreement. Contracts with specific clauses providing for plant

safety committees were most frequently negotiated by mining companies, public utilities, and factories producing chemicals, petroleum and coal products, rubber, and primary metals.

Most of the details of committee organization and functioning were provided by the safety committee clauses. The size of the committee was nearly always stated; equal union and employer representation generally was provided. For example, one agreement provided that:

A joint safety committee consisting of 3 employees designated by the union and 3 management members designated by the company shall be established in each plant. The safety committee shall hold monthly meetings at times determined by the committee, preferably outside of regular working hours.

Committees differ in size among establishments. The number of workers employed in the plant and the scope of the committee's functions are probably determining factors; obviously, each plant must decide for itself the most efficient committee size.

Common eligibility requirements for committee service were length of employment beyond a stated minimum and knowledge of plant practices. Worker appointments to the committees were to be made either by the union, by the company (usually from lists submitted by the union), or by the parties acting jointly. The scope of the employment unit represented by the committee, whether by work area, plant, or companywide, was usually stated. Other provisions dealt with the term of membership on the committee and remuneration for time spent on committee business.

In order to encourage greater participation in committee work among employees, many agreements provided for rotation of committee assignments, as in the following examples:

There shall be a committee of 2 members of the union and 2 representatives of the company, to be known as the safety committee, who will meet with the safety engineer. . . . The membership of the committee shall be limited to those employees who have been employed by the company for more than 1 year, thus assuring a knowledge of the plant and working conditions in order that they may effectively carry out their committee duties. It is also provided that the

membership of the safety committee shall have an entire change of personnel every 6 months.

* * *

The unions will provide the company with a panel of names from which the company will select at least one to serve as a member of the plant safety committee. The membership of this committee shall be rotated so that a large number of employees shall have a chance to serve on the committee.

Committee operational procedures were occasionally set forth in the agreements. Meetings at regular intervals, generally monthly, were provided for in some contracts. Plant inspection tours were similarly scheduled. Of the few agreements providing for the selection of a committee chairman, most specified a management representative, such as the plant safety engineer. One clause provided the following organization for the committee:

A safety committee consisting of the safety director, who shall be the chairman, 2 members designated by the union and 2 members designated by management shall be established. The safety committee shall hold regular semimonthly meetings from 1 to 3 p. m. on such dates and at such place as the committee may determine. Time consumed on committee work by committee members designated by the union shall be considered hours worked to be compensated by the company.

The safety director shall be actively in charge of all activities of the committee, including assignment of projects, conducting of meetings, and following up on recommendations to management.

The majority of agreements studied by the Bureau which provided for safety committees established for the committee a series of activities designed to implement the plant safety program. These included inspection of selected areas to discover hazards, investigation of accidents to recommend means to prevent their recurrence, and "safety first" educational activities.

Of the 356 agreements with clauses providing for the establishment of safety committees, 296, or 83 percent, specified the

functions which the committees were to perform. In order of frequency, these were:

1. Recommend rules, practices, or changes relating to health, safety, or sanitation.
2. Recommend action to eliminate plant safety and health hazards.
3. Promote safe working conditions and practices.
4. Inspect unsanitary and unsafe conditions and equipment.
5. Make regular inspections and report on hazardous conditions.
6. Investigate accidents and injuries.
7. Secure employee compliance with committee recommendations and company safety program.
8. Formulate safety education programs for employees.

Other functions performed by joint committees (specifically mentioned in less than 5 percent of the total number of agreements containing functional clauses) included elimination of hazardous working conditions; study of safety practices and problems; study of accident and injury rates and health reports; formulation of a general safety program; and review of grievances and complaints. An illustrative clause of a general type, covering company and committee activity in promoting overall safety, stated:

The company shall continue to make reasonable provisions for the safety and health of the employees during their regular working hours. Protective devices, wearing apparel, and other equipment necessary to properly protect employees from injury shall be provided by the company. There shall be a safety department, and also a safety committee, upon which the union shall have a representation, the function of which shall be to promote safe working conditions and general overall safety for the entire plant.

Some committees function on a limited basis, specifically mentioned in the agreement. One-third of the agreement clauses of this type provided that the committee was to be an advisory body only, consulting with management on matters relating to health, safety, and sanitation. One-eighth provided that matters involving grievance procedure and collective bargaining were removed from committee consideration. In a few plants, committees were assigned only educational activities.

Labor-management safety committees, as indicated by the agreements, were expected to undertake a variety of tasks in the implementation of committee policy. Principal activities included inspecting selected areas in order to discover accident sources and hazards, investigating accidents for the purpose of recommending ways to prevent their recurrence, promoting safety and first aid training for all employees, and advancing the safety program among employees.

Basic to the development of safe practices and rules to comply with current needs were the committees' inspection and investigatory duties. Many committees were to make regularly scheduled plant inspections, generally monthly. Such inspections were generally to be confined to the plant area but might extend further--for example, to the sanitary condition of employee lockers. Items noted during these inspections were to be discussed at the regularly scheduled safety meetings. Plant committees were also to investigate all accidents involving a loss of worktime and make spot investigation of jobs which were allegedly hazardous. Lost-time accidents and hazardous jobs were similarly to be studied and discussed at the regular safety meetings. The purpose of the above activities was often to recommend necessary changes or additions to protective equipment or devices in order to control and eliminate hazards.

Some agreements empowered the safety committees to enforce compliance with safety rules and practices. In a few plants, the committee was authorized to order employees off hazardous jobs, and to suspend operations, if necessary, until dangerous conditions were corrected. In at least one situation, the committee was empowered to order the immediate destruction of unsafe equipment which could not be satisfactorily repaired. An unusual exercise of committee power was indicated in another agreement in which the committee was authorized to select special jobs for temporarily disabled employees who were unable safely to perform their regularly assigned job. In one plant, the nature of which required constant attention to safety, the committee was given blanket power to take any steps necessary to correct unsafe conditions.

In a few situations, the committee might not only investigate employee complaints of unsafe conditions but might review such grievances as well. If no settlement was effected, the grievance would generally be handled through the regular grievance and arbitration procedure. A notable exception was the bituminous-coal agreement in which the joint industry safety committee was empowered to arbitrate any appeal filed with it by a coal operator or mine worker alleging violation of the mine safety code.

2:09 Fringe Benefits Under Collective Bargaining

Largely during the past 15 years, the vast majority of companies engaging in collective bargaining have altered their basic systems of paying for work by the addition of a variety of benefits that increase the income, leisure, or security of wage earners. Some of these had previously been available only to salaried employees and executives. Others are almost entirely new. These benefits, which include paid vacations and holidays, pension plans, health and welfare benefits, supplementary unemployment compensation, etc., are commonly called "fringe benefits." The widespread application of fringe benefits to wage earners is often credited as one of the major accomplishments of unions in the area of collective bargaining.

Like certain other United States expressions, the term fringe benefits, while colorful, cannot be precisely defined. In the first place, the practices bearing this label are now far more substantial, in terms of cost and income, than the word fringe would imply. Secondly, the word benefits is sometimes given the connotation of an unearned gratuity, which labor finds distasteful, or is applied to a practice which labor may not accept quite as a benefit. Thirdly, and most troublesome, there is no consensus among employers, or labor groups, as to which practices should be classified as part of the basic wage structure, as part of the administrative costs of employing workers, as part of managements' incentive and morale-building program, or, finally, as genuine fringe benefits.

This chapter does not attempt to define fringe benefits; rather, it deals principally with the types of practices supplementing wages which are commonly provided under the terms of agreements negotiated by employers and unions.

Many of the practices described in this chapter are not unique to the United States, although the extent to which they are provided through private rather than Government action may be considered so when compared with experience in other countries. In view of the variations among nations in the role of Government in the fringe benefits area, a brief summary of the principal "legally required" benefits in force in the United States appears desirable. 1/

1/ See table, chapter 2:01.

Through payroll deductions and employer contributions, the Federal Government provides old-age benefits to eligible retiring workers, certain survivors' benefits upon death of an insured worker, and benefits to qualified disabled workers. A Federal-State system of unemployment insurance, financed entirely by a tax levied on employers, assures qualified unemployed workers of a weekly income for up to 26 weeks. State workmen's compensation laws insure the worker against the hazards of job-related accidents or diseases. The Federal Fair Labor Standards Act requires the payment of time and one half the regular rate of pay for work in excess of 40 hours a week in covered employment (generally, employment affecting interstate commerce).

All of these general government-sponsored benefits are now being widely supplemented by employers through collective bargaining. Private pension plans supplement old-age and survivors' insurance; supplementary unemployment benefit plans add to the unemployment benefits provided by the States; many health and insurance plans supplement workmen's compensation payments; and overtime eligibility requirements in agreements are often more liberal than the Federal standard. Because employers contribute to the cost of government old-age pensions, unemployment insurance, and workmen's compensation, they tend to consider these expenditures as part of the fringe-benefit package available to their employees.

Union demands for fringe benefits and related practices have brought about a fundamental transformation in the prevailing concepts of work and pay as well as in the status of the wage earner. Under the comprehensive programs of fringe benefits provided for in many collective bargaining agreements, the wage earner has certain assurances and protection available to him off the job as well as at work. If he continues to work for the same company long enough, or otherwise qualifies for a private pension, he may earn some degree of financial security for life. Although wages in the United States are rarely determined so as to take into account differences among workers in family responsibilities, some fringe benefits and related practices reflect acceptance of the principle--long advocated by unions--that, in the event of inability to work because of reasons beyond his control, the wage earner's income or security must be sustained, for a time at least, to meet family needs. Certain fringe benefits tend to reward long service in a way that wage rates, determined largely by the job, do not. Other practices recognize rest and recreation as a part of the work relationship, or in other words, as means of insuring the maintenance of the wage earner's productive capacities. To an increasing extent, wage earners are being compensated for lost working time due to personal reasons, such as a death in the family, or for attending to civic duties, as in serving on a jury.

All of these aspects of fringe benefits have profound social implications, which impel some unions to consider these practices not only as a part of worker remuneration but, more importantly, as obligations which society places upon the employer. The social implications, however, are not the subject of this chapter; rather, this chapter deals with fringe benefits and related practices as a form of pay for services.

Types of Benefits

The various ways in which the wage earner is affected by fringe benefits can best be illustrated by starting with the traditional concept of work and pay. John Doe, a machine operator, was hired at the rate of \$2 an hour. He was expected to be at his machine at 8:00 a. m.; he had a half-hour lunch period at 12 noon; he stopped his machine at 4:30 p. m. His normal pay for a day was \$16. If he worked 5 full days during the week, Monday through Friday, he earned \$80. His yearly income depended on the number of weeks worked. He was paid for the work he did; if he stopped working because of fatigue, sickness, disability, old age, or death, his pay stopped (he may have received certain benefits from the government). The ways in which this historic work and pay structure has been modified by the more common fringe benefits and related practices in effect in mid-1957 are described below. 2/ Most of the practices described have certain eligibility requirements and limiting procedures designed to prevent abuse; these are not pointed out except where they are a fundamental part of the practice. Variations among establishments and industries are substantial and cannot be adequately described in a brief chapter. 3/

Time Off With Pay for Rest and Recreation.--Largely within the past 15 years, the practice of providing an annual paid vacation to wage earners has become almost universal. Well over 90 percent of union agreements now contain paid vacation provisions. Annual vacation periods are typically graduated according to length of service, e. g., 1 week after 1 year of service, 2 weeks after 2 or 3 years, and 3 weeks after 15 years, etc. Some agreements provide up to 4 weeks.

2/ The benefits which are normally provided under health, insurance, and pension plans are mentioned in the appropriate context of this chapter, but details of these rather complex benefits will be discussed in a later chapter in this bulletin.

3/ See the various industry chapters in this bulletin.

The practice of paying workers for a specific number of holidays observed during the year has paralleled the growth of paid vacations in collective bargaining agreements. Typically, agreements provide 6 or more paid holidays. Additional half-day holidays are becoming more prevalent.

Workers generally receive their full normal pay for vacation time and holidays. Thus, if John Doe is entitled to 2 weeks of vacation and 7 paid holidays, he will have 17 days a year to spend as he pleases, with the same pay he would have received had these practices not been in effect.

Time Off on the Job.--The concept of work within the plant is also changing; increasingly, the wage earner receives pay for nonworking time in the plant.

About a fourth of major collective bargaining agreements specifically provide for paid rest periods during the day--typically, 1 morning and 1 afternoon period are provided. The time may range from 5 to 15 minutes each. John Doe may relax, smoke if permissible, and drink beverages. His pay does not change; rather he spends fewer minutes at his machine for his daily wage than he would have done before the institution of rest periods.

A somewhat smaller proportion of agreements specifically allow time for washup and clothes changing. In this situation, John Doe may leave his machine 5 or 10 minutes before 4:30 p. m., or spend the first 5 or 10 minutes of the paid day in preparing for work, or both.

Under agreements in some industries, e. g., coal mining, the worker is paid for all time in the plant or underground, which necessarily includes a lunch period. (John Doe's workday, as described in the illustration, does not include a paid lunch period.)

Higher Pay for Extra Hours of Work or for Work at Unusual or Inconvenient Hours.--Paying workers at a premium rate for extra or unusual hours, or, conversely, penalizing the employer for scheduling such work, is one of the older wage practices, but the application of the principle has been broadened substantially during the past 15 to 20 years. Under most collective bargaining agreements, John Doe will be paid at the rate of time and one-half for all hours in excess of 8 in 1 day or 40 in a week (the latter is also required by the Fair Labor Standards Act). He will be paid at the rate of time and one-half for work on Saturday and at double time for work on Sunday. If he is called to work on a holiday, he will receive his full holiday pay plus pay for the work he does, or, in some

cases, double time for each hour worked. If he is moved to the evening shift, starting at 4:30 p. m., he will receive a shift differential (about 10 to 20 cents an hour) to compensate him for the inconvenience of working at night.

The principle of providing extra pay to compensate for special inconveniences also applies if a worker is called back to work, usually for emergency reasons, after leaving the plant for the day. In such a situation, John Doe may be paid at his regular rate or at a premium rate, but he is usually guaranteed a certain number of hours of work or pay when called back.

Income Security.--Collective bargaining agreements typically contain provisions which are designed primarily to assure the worker of continued income during emergency periods or under circumstances which prevent him from working. Included among the major causes of lost time are sickness and accidents, layoff, and discharge. Most workers under collective bargaining agreements have some protection against the financial hazards of sickness and accidents, as measured in lost wages; such protection in the case of layoff or permanent separation, to supplement State unemployment compensation, is less common although provided by a significant number of major agreements.

If John Doe becomes disabled as a result of sickness or an accident incurred off the job, he will be assured of a weekly benefit (less than his wages) for a specified period (generally up to 26 weeks), paid for by his employer.

If he is laid off, he will draw a weekly unemployment benefit, in addition to his State unemployment compensation, for a period ranging up to 52 weeks, assuming that he is covered by a supplementary unemployment benefit plan of the type in effect in the basic steel industry. Depending on certain conditions, he may be assured of combined weekly benefits amounting to almost two-thirds of his regular take-home pay.

If his job is eliminated and he is discharged, John Doe will receive a dismissal allowance geared to his length of service under about a fifth of major agreements. Assuming 5 years of service to his credit, the typical allowance would amount to about **5 weeks' pay**.

If he suffers a death in his immediate family, he may take time off from work to arrange for and attend the funeral. Under about 1 out of 8 agreements, he will not lose pay for the time so spent.

Other income security practices involve concepts of guaranteed employment or wages, for the day, week, or year. Most collective bargaining agreements provide that employees who are scheduled to work and, in the absence of prior notice, report to work at the usual time are guaranteed some work for the day (usually 4 hours) or pay for these hours if no work is available. In some agreements (in the meatpacking industry, for example), such a guarantee covers a full week if the first day is worked. Guaranteed annual wage plans, in the traditional meaning of the term, are not common in the United States, but where they are in operation, the covered worker is assured of a certain annual income regardless of the number of weeks for which work is available.

Health Security.--Under workmen's compensation laws, John Doe has long been insured against the costs which accrue from a sickness or accident incurred as a result of, or in the course of, employment. During the past 10 years, John Doe, as well as most workers under collective bargaining agreements, have come under the coverage of negotiated health and insurance plans which protect him against the major financial costs of sickness and accidents arising off the job. Thus, he will be reimbursed, up to a certain level which may cover most of his bills, for hospital costs and for surgeons' fees in case an operation is needed. Under many agreements, he will be reimbursed for a doctor's visits. John Doe may contribute part of the cost of this insurance. Under some agreements, free hospital and medical services rather than payments are provided.

Family Security.--John Doe's responsibilities as the head of a family are specifically recognized, and financed in whole or in part by his employer, by a life insurance policy which may provide up to a full year's income or more to his beneficiaries in the event of his death. Many policies provide additional amounts in the case of accidental death or dismemberment.

Another benefit accruing to his family is coverage under the same hospitalization, surgical, and medical plan covering the worker, also usually paid for in whole or in part by the employer. Under many plans, for example, John Doe's wife would be eligible for specified benefits in the case of maternity equal to those available to a woman employee of the company.

Allowances for Civic Responsibilities.--Worker John Doe is also a citizen and may be called for jury service. Jury fees are usually nominal and are not intended to reimburse the jurymen for lost income. About a fifth of the collective bargaining agreements

have provisions assuring workers of an amount at least equal to their regular pay for the time spent in jury service.

A smaller proportion of agreements provide for employer payments to workers entering the Armed Forces or for time off for National Guard or Reserve Corps duty.

Retirement Security.--Having reached the age of 65, John Doe decides to retire. He is assured of a pension under the Federal social security program. As a result of the rapid spread of private pension plans over the past 10 years, John Doe and the majority of workers under collective bargaining agreements are assured of a supplementary pension for life, paid for wholly by the employer in most cases, if they have the required years of service upon retirement. The amount of the pension is usually geared to length of service. Under many plans, John Doe may retire before age 65 (under early retirement provisions), or if he is disabled, and draw benefits from the plan.

The monthly retirement payment he receives from the company is not the only benefit he receives after retirement. During recent years, many agreements have extended hospitalization, surgical, and medical benefits to the retired worker, and in some cases continued his life insurance as well. Some plans require the retired worker to pay the premiums for this protection, but even in this event he obtains the benefit of lower costs through group participation which otherwise would not be available to him.

The combined income John Doe receives after retirement will be less than he had earned while working. ^{4/} If in good health, he may be deterred from retiring by this prospect. Probably in most cases, this decision would be his to make, but under many pension plans he may be compelled to retire at 65, 68, or 70.

The Employers' Contribution

Fringe benefits and related practices, as a whole, contribute to building a stable and healthy work force. Some employers object to the continuous growth of fringe benefits and might eliminate some practices if they were free to do so. However, it would be misleading to infer that employers object in principle to these practices. Although unions have provided the impetus responsible,

^{4/} Under major plans in the automobile industry, for example, a \$3,600-a-year man retiring at age 65 with 30 years of service will receive \$67.50 a month from the negotiated plan and \$98.50 a month under social security, for a total of \$166 a month or \$1,992 a year.

in large measure, for the rapid spread of fringe benefits, virtually all of the practices described in this chapter, and others as well, were introduced by employers for white-collar salaried employees, and sometimes for wage earners, before these practices had become common issues in collective bargaining. At present, many companies not under collective bargaining agreements also provide a variety of fringe benefits to wage earners.

If during his working life (with one employer), John Doe has occasion to use all of the benefits available to him up to the maximum limit, the cost to the employer would obviously be substantial. However, turnover of employees reduces pension costs; most workers remain in good health; premium payments for overtime or other purposes are under the control of the employer and will not be incurred unless it pays the employer to do so; certain practices, such as rest periods, may bring immediate returns in increased productivity, etc. Considering the number of tangible and intangible factors connected with any single practice, it is exceptionally difficult, if not impossible, to compute its cost to the employer. Perhaps, at a given time, some practices have no real cost, in that the immediate return exceeds the expenditure involved. Others are obviously expensive, and their elimination would clearly result in lower costs to the employer. Some may be on the borderline.

Despite the fact that expenditures do not necessarily reflect actual costs, some mention should be made of employer expenditures connected with fringe benefits and related practices lest the reader exaggerate, or perhaps minimize, the significance of these practices in an industrial economy. Unfortunately, the collection of data on employer expenditures has lagged far behind the development of these practices and the expansion of statistics dealing with workers' earnings. The U. S. Department of Labor's Bureau of Labor Statistics recently conducted an experimental survey of expenditures on selected practices made by 550 manufacturing establishments in 1953. The following tabulation illustrates in a rough way the magnitude of these expenditures on the average. Legally required expenditures are included so as to represent one of the major types of employer expenditures for labor. Most of these expenditures have increased since 1953. Some significant practices, e. g., supplementary unemployment benefit plans, were either not in effect in 1953 or for other reasons were not covered by the survey. The data shown should not be considered as representative of all manufacturing establishments.

Average expenditures for selected items of supplementary employee remuneration,
550 manufacturing establishments, 1953

Item	Average expenditures in establishments with practice in effect		
	Cents per man-hour	Percent of payroll ¹	Dollars per year per employee ²
Vacations, holidays, and sick leave -----	9.2	4.9	\$192
Paid vacations -----	5.8	3.1	120
Paid holidays -----	3.4	1.8	72
Paid sick leave -----	1.7	.9	37
Premium pay -----	9.1	4.8	196
Premium pay for overtime -----	7.2	3.9	158
Premium pay for work on holidays -----	.5	.3	12
Shift premium pay -----	2.4	1.2	51
Pension plans -----	7.0	3.5	149
Health and insurance plans -----	3.1	1.7	65
Legally required payments -----	6.5	3.6	135
Old-Age and Survivors' ¹ Insurance -----	2.5	1.4	52
Unemployment compensation -----	2.3	1.3	47
Workmen's compensation -----	1.6	.9	34
State temporary disability insurance -----	.7	.4	15
All selected items -----	30.8	16.5	649
All selected items excluding premium pay -----	22.2	11.9	464

¹ Gross payrolls include total earnings (wages) before deductions.

² Total expenditures for each item divided by number of employees.

SOURCE: U. S. Department of Labor, Bureau of Labor Statistics.

3. Labor-Management Relations in Selected Industries

3:01 The Automobile Industry

An outstanding characteristic of the automobile industry and its principal companies is size. General Motors Corp. alone has more than 400,000 employees working under the terms of collective bargaining agreements, including its plants outside of the automobile industry; Ford Motor Co. and the Chrysler Corp. each have about 140,000. Whether measured in its effects on costs to the companies, on income to the workers, or on the Nation's economy, collective bargaining in this industry has special significance and interest. The innovations in labor-management relations during the past decade, including wage escalation, annual wage increases based on productivity, long-term contracts, and supplementary unemployment compensation plans, have attracted worldwide attention largely because of the importance of their sponsors. They reflect a sense of experimentation in accord with the industry's traditional encouragement of technological advances and the boldness of union leadership.

The history of collective bargaining in the industry is largely a product of the past 2 decades. Over the years, labor and management have modified the attitudes which marked the early stages of this history. Management has consistently and zealously guarded the right to hire, to maintain discipline, to make the decisions regarding production--in short, the right to manage; the union has constantly sought to enlarge the scope of collective bargaining. The United Automobile, Aircraft & Agricultural Implement Workers of America, the major union in the industry, has grown in this period from a few thousand members to a powerful organization of about 1,320,000 dues-paying members in 1956. It has successfully withstood the early trials of factionalism within its ranks and the Communist-oriented elements which sought to dominate it. Thus, in recent years the major labor-management negotiations in the industry have brought together a strong management and a strong union in an atmosphere of respect for each other's strength.

The Industry

What is generally known as the automobile industry is part of a larger industrial group called the Motor Vehicles and Motor-Vehicle Equipment Industry. In broad outline, the industry includes the manufacture of passenger cars, motortrucks, bodies, and parts. It is organized roughly into 2 groups: (1) A few firms, with many plants, which assemble complete vehicles and also make parts, and (2) several hundred supplier firms which make parts. Factories range in size from huge assembly plants employing 25,000 or more workers to small plants, with a few workers, producing component parts or accessories.

A single automobile or truck requires the putting-together of about 16,000 separate parts. Highly integrated mass-production techniques involve extensive planning and organization. Parts are carried by moving belts or conveyors to work stations where the workers join or assemble them, performing only a limited number of operations on each unit. Completed vehicles are produced at rates often exceeding 1 each minute.

Despite the large size of the industry 3 manufacturers are predominant--General Motors Corp., Ford Motor Co., and the Chrysler Corp. They produced over 95 percent of the more than 5.8 million passenger cars and over three-fourths of the 1.1 million trucks built in 1956. The economics of large-scale production and intense competition for the mass market, particularly in passenger cars, has resulted in the merger of smaller companies, or their withdrawal from the industry. By late 1956, only 2 of the smaller automobile manufacturing companies remained in operation--American Motors Corp. and the Studebaker-Packard Corp. There are 12 nationally known truck manufacturers and a number of producers of vehicles for special purposes.

Motor vehicle manufacture is concentrated in the Great Lakes region, where more than four-fifths of the workers are employed. Michigan, with Detroit as the center of the industry, alone accounted for more than half of the industry's employment in 1954. Another 16 percent were employed in the 2 neighboring States of Ohio and Indiana. However, plants making motor vehicles or parts are scattered throughout more than 30 States.

The industry employed over 860,000 workers early in 1957, of whom 700,000 were factory production workers. Among the largest occupational groups were assemblers and machine-tool operators performing repetitive tasks; less numerous, but very important in the productive process, were the machine-tool specialists, tool and die makers, and other skilled craftsmen. Women comprised about a tenth of the labor force. They were engaged mainly in office or light factory work, although some women worked side-by-side with men on assembly lines.

The Union

The vast majority of workers in the industry are represented by the International Union, United Automobile, Aircraft & Agricultural Implement Workers of America (UAW). A number of other unions, including affiliates of the AFL-CIO and unaffiliated unions, have bargaining rights for special crafts or classes of employees or for certain plants.

In addition to its predominance in the motor vehicles industry, the UAW is the major union in the agricultural implement industry and has substantial membership in aircraft and other metal-working industries. It maintains separate departments for each of the major multiplant companies and industries in order to coordinate local union demands, administer the master contracts and handle grievances which go to arbitration. In 1954, the UAW had a paid professional and clerical staff of 950 employees engaged in work relating to organizing, research and engineering, social security, publicity, education, political action, legal matters, community services, and other activities. It had 1,250 local unions and about 50,000 local union leaders, shop stewards, and committeemen, most of whom were unpaid. The average monthly cost of operating the international union exceeded \$1 million. Its conventions, which are held every 2 years, have been noted for spirited debate, democratic procedures, and vigorous contests for elective offices. Between conventions, affairs are governed by its Executive Board, composed of a president, secretary-treasurer, 4 vice presidents, and 19 regional representatives.

The Collective Bargaining Structure

Agreements are negotiated separately by each automobile company, covering all the company's plants in which the union is recognized as bargaining agent for the workers. Despite the similarity of agreement provisions among the major companies, the companies and the union have always bargained on an individual company basis rather than on a multiemployer or industry basis. The typical procedure of the union has been to reach an agreement with 1 of the 3 big companies, after which similar terms have usually been negotiated with the remaining 2. There has been a strong tendency toward the spread of identical settlements throughout the rest of the industry, but variations among the smaller producers and suppliers are not uncommon.

Union bargaining proposals are generally based on recommendations of local unions and subcouncils and integrated by a highly competent union professional staff. Both company and union professional staffs continuously study economic, financial, and market data, as well as wage and collective agreement developments in other industries in preparation for negotiations. Each side strives to develop a favorable public opinion to support its position. In major negotiations, management is usually represented by a high official, such as a vice president, who has the assistance of various staff specialists; the union, by a national negotiating committee which may include one or more international union officers. Negotiations with smaller companies are typically conducted by the

local union's officers and plant-bargaining committee, with a representative of the international union often present to advise.

Despite the increasing skill of the participants and the professional talent available in major negotiations, the strike or the threat of strike remains a potent weapon in the union's arsenal, particularly during periods of high and profitable production. The agreements do not provide for, nor have the parties shown any inclination to accept, the arbitration of disputes arising out of the negotiation of new contracts. Since the end of World War II, the union has engaged in a major strike in General Motors (1945-46) and 2 in Chrysler (1948 and 1950). ^{1/} In preparation for 1955 negotiations, the union convention authorized an increase in dues to build a \$25 million strike fund, but this fund was not called into use in major 1955 settlements.

The collective bargaining agreements negotiated by the large multiplant companies do not cover all areas of bargaining, but leave certain matters for local plant negotiation within the general framework of the master agreement. The determination of occupational wage rates, in particular, is reserved for local action. The absence of a standard scale of wage rates in the master agreement, and the practice of individual company bargaining, results in some variations in wage rates among the major companies and among the widely scattered plants of the same company. However, the application of general wage adjustments is uniform among the plants of the large companies and, to a great extent, among companies as well.

Major Collective Bargaining Provisions

Wages. --Wages are typically paid on a time-rate basis. In the large assembly plants, the long-term trend has been away from incentive systems; 2 of the smaller companies which had maintained incentive systems for a number of years discarded the practice in 1954, not without some worker discontent since the change meant a reduction in hourly earnings. Formal systems of job evaluation, by which rates are determined through the use of fixed standards, are likewise not in use in automobile assembly plants.

Hourly rates have long been relatively high in the industry. Earnings of all production workers averaged \$2.35 an hour in

^{1/} Ford employees went on strike during 1949 in a dispute involving charges of speedup. This dispute was settled by arbitration.

1956, as compared with \$1.98 for all United States manufacturing, and \$2.10 for the durable-goods segment of manufacturing. Wage adjustments are typically made across the board, that is, all workers receive the same cents-per-hour increase. Although additional increases have been negotiated for the skilled craftsmen, sporadic signs of dissatisfaction with their rate differentials over lesser skilled jobs have appeared among these workers in recent years.

Escalator Clause and Annual Improvement Factor.--In 1948, the General Motors Corp. and the UAW negotiated a precedent-making agreement which, in subsequent years, exercised an influence far beyond the automobile industry. In this 2-year agreement, the company and the union formalized a set of principles which had served as a foundation for collective bargaining for a long time but had not previously been reduced to concrete terms. The agreement sought to (1) establish the buying power of an hour of work on a fair basis (this called for a general wage increase); (2) protect the buying power of an hour of work (this was done by a cost-of-living escalator clause under which upward or downward adjustments in a cost-of-living allowance were to be made 4 times a year on the basis of the Consumer Price Index of the Bureau of Labor Statistics); (3) improve the buying power of an hour of work, thus assuring the worker of a gradually increasing standard of living (this was done by "annual improvement factor" $\frac{2}{}$ increases of 3 cents an hour); and (4) stabilize relations through a long-term contract without a provision for reopening.

These provisions were not adopted in a significant number of agreements until they were reaffirmed in a new 5-year contract negotiated by General Motors Corp. and the UAW in May 1950. Thereafter, other automobile companies negotiated similar clauses, and the principles of wage escalation and annual productivity increases spread to other industries in widening circles. Changes in the provisions have been made since their inception--the escalator clause was modified; the annual increase was raised to 4 cents, then to 5 cents, and in the 1955-58 agreements to 6 cents or $2\frac{1}{2}$ percent

2/ The agreement contained this declaration of principles: "The annual improvement factor provided herein recognizes that a continuing improvement in the standard of living of employees depends upon technological progress, better tools, methods, processes and equipment, and a cooperative attitude on the part of all parties in such progress. It further recognizes the principle that to produce more with the same amount of human effort is a sound economic and social objective . . ."

of base pay; and the 5-year agreement was, in effect, reopened for limited negotiations in 1953; but the basic principles remain intact in the 3-year agreements negotiated in 1955.

Supplementary Unemployment Compensation.--This innovation in the Ford Motor Co.'s 1955 agreement with the UAW quickly spread to other large automobile companies. It was a product of the union's long campaign for a guaranteed annual wage, and a compromise in union demands developed by the Ford Motor Co. The plan calls for company payments into a fund of 5 cents for each hour worked beginning June 1955; the accumulation of individual worker credits; and payment for a period up to 26 weeks of supplemental unemployment benefits, ranging from \$2 to \$25 a week, to laid-off workers with at least 1 year's seniority, such payments to begin on or after June 1, 1956. Benefit payments are contingent upon the financial status of the fund, the amount of the individual worker's earned credits, and the duration of his unemployment. When combined with State unemployment compensation, these benefits will give the laid-off employee up to 65 percent of his weekly straight-time pay, after taxes, for 4 weeks (after a 1-week waiting period) and thereafter a maximum of 60 percent of his pay for a period up to 22 more weeks.

Pension Plans.--Company-financed pension plans were negotiated by the major companies and the union in 1949 and 1950 and have since been liberalized. The 1955 agreements for General Motors and Ford, for example, provide a normal monthly retirement income of \$2.25 multiplied by years of service, exclusive of Federal social security benefits. Thus, a worker who retires at age 65 after 30 years' service receives \$67.50 a month from the company plan; and if he is entitled to maximum social security benefits, \$108.50 from the Federal government for a total retirement income of \$175.50 a month. The plans provide for disability retirement, early retirement, and vesting (the right to some retirement benefits at 65 to workers leaving the company after certain age and service requirements have been met).

Health and Insurance Plans.--These plans came under collective bargaining about a year or two before pension plans were negotiated. The General Motors and Ford plans provide the following types of protection to workers: Life insurance, accidental death and dismemberment coverage, accident and sickness benefits, hospitalization insurance (also for dependents), surgical benefits (also for dependents), medical care payments, and maternity benefits for women workers or for dependents of men employees. Most of these benefits continue after retirement. Workers share in the cost of these programs.

Other Practices.--Other supplementary wage practices in effect in major companies include: From 1 to 3 weeks of paid vacation, depending on length of service; 7 paid holidays; extra pay for work on late shifts; reporting pay guarantees; and various types of premium pay for work beyond the normal schedule or at unusual hours.

Union security is generally safeguarded by 2 agreement provisions: (1) A union shop clause under which employees are required to become members of the union, after a probationary period, as a condition of continued employment, and (2) a checkoff clause under which the employer deducts the worker's membership dues from his earnings and remits it to the union.

Job security for individual workers is provided by seniority rules. There are many variations and interpretations of these rules and their application has often been a source of controversy.

Administration of the contract is a mutual concern of both company and union. The corporations train thousands of foremen and other officials to understand the agreement and keep them informed of changes in policy and contract interpretations through written policy directives. The union trains thousands of local stewards to understand the contract and to handle members' grievances in face-to-face dealings with management representatives.

Grievances may be settled at any 1 of 4 levels: (1) By the worker, often with the aid of the steward, and the foreman; (2) the union shop committee and local plant management; (3) the corporation and the international union; and (4) the impartial umpire, whose decision is final and binding. Grievances at the final level are generally handled centrally by the companies and are reviewed by the union's national department for the particular company to see if they merit referral to the impartial umpire. Arbitration of unsettled disputes by the umpire is limited to the interpretation or the application of the agreement with regard to the particular dispute.

Joint labor-management arrangements regarding adjustment to technological change, safety, and other such matters have generally been opposed by the major companies, with certain exceptions during the war period. They have held the view that management has the responsibility for conducting the business. The union, however, has the opportunity in negotiations or through the grievance procedure to challenge some actions of management. In general, the union does not oppose the introduction of new machinery

or other technological advances. The UAW usually seeks to advance its ideas concerning the operation of the industry through other means, including publicity and proposals for congressional investigations.

3:02 The Basic Steel Industry

The size, concentration, and economic importance of the basic steel industry have profoundly influenced its labor-management relations. When a major company like the United States Steel Corp. (or a group of companies) and one of the largest unions in the country, the United Steelworkers of America, enter into contract negotiations, a large part of industry, the labor movement, and the Federal Government anxiously await developments. It is universally expected that any agreement reached will have far-reaching implications for the country as a whole. Thus, bargaining over contract terms in steel invariably takes place under the glare of publicity and the accompanying public interest in the economic consequences of the negotiations.

Large-scale collective bargaining in the steel industry is now only 20 years old. Prior to 1937, the steel industry vigorously and successfully opposed unionization. Although the campaign to organize the industry's workers into the ranks of the union which is now the United Steelworkers of America began auspiciously with an agreement with U. S. Steel in 1937, union organization was still opposed by some large companies. By 1942, however, most of the basic steel facilities were under agreements, but some of the scars of past struggles persisted for a number of years. Two periods of Government wage control (during World War II and the Korean emergency) undoubtedly influenced the pattern of bargaining in this key industry and also contributed to enhancing the importance of bargaining in steel to the economy as a whole.

The Industry

The steel industry consists of three principal divisions. The largest, in terms of total employment, comprises blast furnaces, steelworks, and rolling mills which are engaged in basic steel production and the manufacture of some iron and steel products. The second division, iron and steel foundries, produces ferrous metal castings for use in fabricating industries. Iron ore mining is the third division. This report deals principally with the blast furnaces, steelworks, and rolling mills segment, commonly referred to as the basic steel industry. Although steel mills produce a variety of finished products ready for use, the fabrication of iron and steel products, in general, is performed in other industries.

The modern basic steel industry dates from about 1865 when the open-hearth method of refining steel was perfected. This method now accounts for about 90 percent of the current output of steel in the United States, with the electric furnaces producing much of the rest. Investment in the industry is necessarily large, since the plants and equipment are costly to construct and maintain.

In 1901, a series of company mergers culminated in the formation of the United States Steel Corp., which immediately became the acknowledged leader in the industry. At that time, it accounted for approximately 65 percent of the Nation's steel-producing capacity; today, it accounts for about 30 percent. However, large capital requirements have led to industrial concentration, both horizontal and vertical, i. e., between similar types of establishments and between various levels of processing. Of the more than 250 companies listed in the Iron and Steel Directory, 19 fully integrated companies account for 93 percent of the pig iron capacity, 90 percent of the steel ingot capacity, and 88 percent of the finished hot-rolled products. These firms (1) own and mine raw materials, iron ore, coal, and limestone; (2) smelt the iron from the ore; (3) refine the iron into steel; (4) shape the steel into semifinished products, such as sheets, bars, beams, rails, pipes, or wire; and (5) fabricate more complex items, such as tanks or railway cars.

Steel production is responsive to changes in the general level of business activity. In recent years, stimulated by a high level of demand, the industry has increased its manufacturing facilities until it now has a production capacity of some 135 million tons a year, or 40 percent or more of the estimated world output. Continuing a long-term trend, output per man-hour increased at the average rate of 2.9 percent per year for the period 1947-55, although year-to-year changes were irregular.

Basic steel mills are located in at least 28 of the 48 States. However, the Great Lakes area, western Pennsylvania, and the "Eastern District" (comprising New England, New York, eastern Pennsylvania, New Jersey, Delaware, and Maryland) are the three major producing areas. Leading steel-producing cities include: Pittsburgh, Bethlehem, and Johnstown, Pa.; Gary, Ind.; Birmingham, Ala.; and Youngstown, Ohio.

During 1956, an average of 533,000 production workers were employed in the operation of blast furnaces, steelworks, and rolling mills. Few of these workers were women.

The Union

The United Steelworkers of America, affiliated with the AFL-CIO, represents practically all production workers in the basic steel industry. Its 1.2 million members are employed in iron and other metals mines, steel mills, foundries, aluminum plants, and in a wide variety of fabricating establishments. It is a comparatively

young union. Organized in 1936 as the Steel Workers Organizing Committee, it became an international union and assumed its present name in 1942.

The new union, cooperating with the long-established but weak Amalgamated Association of Iron, Steel, and Tin Workers (which was later merged with the Steelworkers) received substantial assistance in the form of money, organizers, and leaders from the United Mine Workers of America. Philip Murray, a miner, became the spearhead of the drive to organize the Steelworkers and was the union's president until his death in 1952. The campaign to organize the steel industry received tremendous impetus in March 1937 when the United States Steel Corp. announced that it had signed a contract with the Steelworkers. Many other companies quickly came to terms with the union, but a group of large companies, commonly referred to as "Little Steel," strongly resisted organization for another 3 years. At the end of 1936, the union had 125,000 members; by 1942 it had 726,000 members; 10 years later, membership reached 1.1 million. The Steelworkers now rank among the three largest unions in the United States.

Union headquarters are located in Pittsburgh, in the heart of the steel industry. The union has under charter about 2,800 locals throughout the United States and in Canada. Because of the size and importance of basic steel companies, national union officials and staff play a prominent role in collective bargaining.

Collective Bargaining Structure

Collective bargaining agreements in the basic steel industry are typically multiplant master agreements; that is, the major steel companies sign individual agreements which cover all of their steel-producing facilities or subsidiaries. For example, the master agreements negotiated by U. S. Steel since 1937 have applied to the corporation's chief subsidiaries--Carnegie-Illinois Steel Corp., Columbia Steel Co., National Tube Co., Tennessee Coal, Iron and Railroad Co., American Steel and Wire Co., and the Geneva Steel Co.--now reorganized into operating divisions. These agreements cover all workers occupying production, maintenance, and hourly rated nonconfidential clerical jobs in and about the steel and zinc producing plants and the byproduct coke ovens. Local plant supplementary agreements are often negotiated to deal with conditions at the particular plant.

Traditionally, the U. S. Steel Corp. has been acknowledged as the leader and pattern setter of the industry. The practice of pattern bargaining, or following the example of a leader, is deeply

ingrained in the structure of bargaining in the industry. Major agreements expire and must be renegotiated at the same time; thus, a strike, if one ensues, affects most of the industry. A settlement by U. S. Steel, or on occasion by another large company (e. g., Bethlehem Steel), invariably becomes a formula for other settlements in the industry. Unlike the automobile industry, where pattern bargaining is also dominant, the major steel companies (the number varies) from time to time join together in negotiating with the union on wage demands. Except for the fact that each company subsequently signs a separate agreement, which may differ in details, this procedure, or its effects, resembles multiemployer or industrywide bargaining, and it is therefore not uncommon for bargaining in the steel industry to be so characterized by persons outside the industry.

Until 1956, steel agreements were generally for 2-year terms, with provisions for wage negotiations (usually with the right to strike) in the off year. The 1956 agreements, with 3-year terms, eliminated the wage reopening provisions, incorporating in their stead provisions for automatic annual wage and fringe benefit increases and for semiannual wage adjustments based on the movement of the Bureau of Labor Statistics' Consumer Price Index.

The adoption of a joint job classification and evaluation program, beginning in 1947, marked a significant new development for the industry and the union. Prior to this time, jobs in the steel industry were exceptionally diverse and changeable, and wage rate inequalities within plants and between plants constituted a continuous source of difficulties for the companies and the union. These problems were magnified during World War II, causing the National War Labor Board to order the rationalization of the wage structure in the industry. With the assistance of a Steel Commission established by the Board, the major steel companies and the union entered into studies and negotiations which continued long after wage controls were ended. Under the programs finally worked out in U. S. Steel and Bethlehem Steel, for example, all jobs were classified into 30 job classes (later increased to 32, then reduced to 31) with hourly wage differences of 3.5 cents between classes. This increment was subsequently increased (beginning July 1, 1958, it will be 6.7 cents). The achievement by agreement of this systematic device for wage setting, in the face of the tremendous magnitude and complexity of the undertaking, stands as a milestone in the history of labor-management relations in the basic steel industry.

Agreement Provisions

The following section deals specifically with provisions of U. S. Steel Corp. agreements. In general, similar provisions apply to other large steel companies under contract with the United Steelworkers of America.

Wages.--The 1956 contract established a rate of \$1.82 per hour for the lowest job classification. Increasing at increments of 6.3 cents an hour, base rates for other job classes range up to \$3.71. The 3-year contract provides for automatic wage-rate increases in 1957 and 1958 which would bring the lower and upper limits of the basic hourly wage structure to \$1.96 and \$3.97, respectively (exclusive of cost-of-living allowances). These rates are guaranteed minimums; workers paid on an incentive basis generally earn more than the standard hourly rate. By way of contrast, the corresponding rates for the lowest and highest job classes in July 1948 were \$1.185 and \$2.58. The larger increases, in cents per hour, for the upper job classes over the 10-year period illustrate the special attention that the industry and the union have given to maintaining skill differentials.

Geographic wage differentials, which had long existed between northern and southern operations, were gradually reduced, starting in 1947. Since July 1, 1954, all U. S. Steel Corp. steel mills maintain the same wage scales.

A semiannual cost-of-living escalator clause was included for the first time in basic steel agreements in 1956. This clause provides for upward adjustments proportionate to the change in the Bureau of Labor Statistics' Consumer Price Index. In the event living costs decline, the cost-of-living allowance will not be reduced until a decline in the CPI warrants a reduction of at least 2 cents an hour. Revisions become effective in the first pay period beginning on or after January 1 and July 1 of each year.

Related Wage Practices.--Shift differentials of 6 cents an hour for the afternoon shift (starting between 2 p. m. and 4 p. m.) and 9 cents an hour for the night shift (starting between 10 p. m. and 12 midnight) are to be increased to 8 cents and 12 cents, effective July 1, 1958.

Time and one-half for all work performed after 8 hours a day or 40 hours a week has been provided in every agreement since 1937; the same premium rate has applied to all work performed on the sixth and seventh consecutive day since 1942. The 1956 agreement provided premium pay for all Sunday work for the first time--

time and one-tenth effective September 1, 1956, time and one-fifth effective July 1, 1957, and time and one-fourth a year later. Pay for holiday work was raised to double time and a tenth in July 1957 (from double time) and to double time and a fourth for the third contract year. Seven paid holidays are provided in the agreement; prior to 1952, when 6 paid holidays were agreed upon, there were no paid holidays.

Paid vacations have been provided under agreements since 1944. The 1956 agreement provides a 1-week vacation with pay after 1 year of service; after 3 years, an extra half week of pay is allowed, although vacation time is not increased. A 2 weeks' vacation is provided for each worker with between 5 and 15 years of service, with $2\frac{1}{2}$ weeks' pay for those with 10 to 15 years; and 3 weeks' vacation is allowed after 15 years of service, with $3\frac{1}{2}$ weeks' pay after 25 years.

Workers scheduled to report for work are paid for 4 hours if, upon reporting, no work is available.

Workers laid off because of a permanent shutdown of a plant or department receive a severance allowance, provided they have at least 3 years of continuous service. Workers with 3 to 5 years' service receive 4 weeks' pay; 5 to 7 years, 6 weeks' pay; 7 to 10 years, 7 weeks' pay; over 10 years, 8 weeks' pay.

Supplemental Unemployment Benefits.--A supplemental unemployment benefit plan for laid-off employees with at least 2 years of continuous service was established in the 1956 agreement. It will provide up to 65 percent of take-home pay, when combined with public unemployment compensation, for a maximum of 52 weeks. Benefits are to be paid out of a pooled fund to be built up by company contributions of 3 cents a man-hour, with a contingent liability of 2 cents per man-hour to be paid if needed.

Insurance and Pension Plans.--Life and health insurance coverage, jointly financed by the company and the workers, has been provided under U. S. Steel agreements since 1949. Under the 1956 contract, life insurance is provided in amounts ranging from \$3,500 to \$6,000 before retirement, and from \$1,300 to \$1,550 after retirement. Employees who lose wages because of accident or sickness disabilities receive payments ranging from \$42 to \$57 weekly for up to 26 weeks per disability. Hospitalization and surgical insurance are available for workers and their dependents.

Under a noncontributory pension plan, also under agreement since 1949, pensions will be increased on November 1, 1957,

to a minimum of \$2.40 per month, exclusive of social security benefits, for each year's service prior to that date, and \$2.50 for each year thereafter, up to a maximum of 30 years. Under the pension formula, long-service and higher paid steelworkers may receive more than this minimum.

Union Security.--For a long time, the union shop was a disputed issue in the steel industry. However, a modified form of union shop provision was peacefully written into the 1956 agreement. The clause makes union membership compulsory for new employees and continues the maintenance of membership requirements for employees who were members of the union at the effective date of the agreement or who later became members. (Employees who up to the time of this agreement had not joined the union were not required to do so; in this respect, the provision differs from the full union shop provision.) The agreement also provides for dues checkoff.

Job Security.--The 1956 agreement includes a qualified seniority clause substantially the same as the one included in the original contract. Factors considered for promotion, layoff, and rehire are (a) ability to perform the work, (b) physical fitness, and (c) continuous service. Only when items (a) and (b) are relatively equal among competing employees is length of service a determining factor.

Separate seniority lists may be set up for promotions and for terminations from the payroll. Existing seniority units may vary among plants, as these are established under local agreements. What constitutes continuous service and the other rules that govern the application of the seniority principle are fully explained in each contract. Seniority lists are subject to revision every 6 months, and disputes arising over seniority are subject to the grievance procedure. Finally, management is required, under the agreement, to post notices of job vacancies as they develop in the promotional line of any seniority unit, so that employees in the unit who wish to apply for the vacancy may do so.

Grievance Procedure and Arbitration.--Formal steps for the adjustment of grievances arising out of employees' complaints have been included in every agreement since 1937. Steps for adjustment of grievances, as described in the 1956 contract, include: (1) Initial complaint by the employee to the foreman or to an assistant grievance committeeman or both; (2) if agreement is not reached, appeal to the department superintendent may be made. Further appeal steps are possible to (3) the grievance committee and the general superintendent; (4) a representative of the international union with company representatives, after review by the district union

representative; and (5) appeal to arbitration if no settlement is reached at step 4. The length of time allowed for each step, and the records to be kept, are fully explained in the contract.

Arbitration procedure as outlined in the agreement provides for a Board of Conciliation and Arbitration, whose chairman serves as impartial umpire for all grievance cases that come to arbitration and is responsible for all decisions.

Safety Committee.--The 1956 agreement provides that "the company and the union will cooperate in the continuing objectives to eliminate accidents and health hazards." As a step in carrying on this work, the agreement calls for the establishment of a joint safety committee in each plant to advise with management concerning safety and health matters, but not to handle grievances. One committee, generally consisting of 6 members, 3 designated by the union and 3 by management, is established in each plant.

3:03 Coal Mining

Behind the stability now characterizing labor-management relations in coal mining, the advances in mining technology, the high level of wage rates, and the notable achievements in providing health protection and pensions for mineworkers, lies one of the most turbulent records of labor-management relationships in all United States industry. During the past few decades, other industries have become more prominent in the economic life of the Nation and in shaping the form of collective bargaining nationally, and other unions have surpassed the United Mine Workers in membership. However, the study of labor-management relations in coal mining is still a highly rewarding undertaking; scarcely any problem faced by another industry and union in the past has not also been a problem in the coal industry.

Unionism in coal mining is a long-established institution, with origins going back to the middle of the 19th century. The United Mine Workers of America was organized in 1890 by the merger of two competing coal unions. In 1900, the UMW was the largest union in the country, a position it maintained for over a quarter of a century. In 1957, including membership outside the coal industry enrolled in its affiliated District 50, the UMW, with an estimated membership of from 450,000 to 500,000, remains among the larger unions in the United States.

The history of the United Mine Workers of America fills a dramatic chapter in the record of collective bargaining and the trade union movement. Decades of costly, and frequently violent, struggles to place collective bargaining in bituminous coal on a stable industrywide footing, which largely involved the problem of organizing the South, have receded into the background. Since the late 1930's, the bulk of bituminous coal produced in this country has been mined under union conditions. By 1941, the last portion of a North-South wage differential was eliminated. In anthracite, concentrated in one State, no such problem arose, and an industrywide structure of bargaining has been in existence for about a half a century.

A basic principle of the UMW, consistently advocated over the years, related the economic health of the coal industry and the well-being of the mineworker to increasing productivity. Somewhat unique among unions in going far beyond acceptance of change, UMW steadfastly emphasized that greater mechanization was imperative if the industry was to be able to raise the living standards of workers, enable older workers to retire with security, and attract young workers. In return for encouraging and pressing for technological improvements, the union made it clear that it would insist on workers sharing in the results of technological progress.

Under colorful and aggressive leadership, the union achieved notable stature in the coal industry and in the labor movement. UMW members have repeatedly demonstrated a high degree of discipline and loyalty to their union and to its leaders. UMW leaders played a major role in the formation of the CIO and in the organization of the steel industry. Since 1947, however, the UMW has not been affiliated with either the CIO or the AFL, and is not now a part of the merged AFL-CIO.

Bituminous Coal

Bituminous or soft coal is mined commercially in 28 States, of which 8--West Virginia, Pennsylvania, Kentucky, Illinois, Ohio, Virginia, Indiana, and Alabama--account for over 90 percent of the coal produced. More than 5,000 individual mining companies own and operate more than 8,000 mines. The largest company produces only 6 percent of total output; the 15 largest producers account for a third of the output. Commercial coal mining companies supply more than 80 percent of the bituminous coal output; "captive" mines, i. e., those owned by companies in other industries and producing for their own use (principally steel mills and railroads), account for the remainder.

About three-fourths of 1955 bituminous-coal output came from underground or deep mines, the major source of coal for the foreseeable future. Strip or open pit mining accounted for nearly a fourth of total output. A recently developed method of recovery, high-wall auger mining, which is essentially an extension of strip mining, accounted for less than 2 percent of output.

Over the past 50 years, the bituminous-coal industry has known relatively few periods of sustained stability and prosperity. Even in the decade following World War II, when other major industries reached new heights of production, the production of soft coal declined substantially. From an all-time high of 630 million tons mined in 1947, output fell to 390 million tons in 1954, the lowest level since 1938. A recovery was noted in 1955 and 1956, and hopes were high that the industry was entering upon a period of stability.

With increasing mechanization and a rise in the proportion of coal mined by stripping, the industry's productivity has recorded extraordinary gains. Between 1935 and 1941, output per man-hour rose by 27 percent. Following a brief decline during the war period, productivity continued to advance; by 1951, output per man-hour was more than 50 percent above the 1935 level. During

the past few years, the advance has been accelerated; in 1955, man-hour output reached a level 50 percent higher than in 1951 and more than double the 1935 rate.

Since coal production and consumption have not kept pace with productivity, employment in the mines declined steadily. In 1954, average employment was approximately half the 1947 level. Some gain in employment occurred in 1956 as demand and production increased. Average employment during 1956 was slightly in excess of 200,000 workers. The men remaining with the industry have enjoyed rapidly increasing wage rates and supplementary benefits, plus security upon retirement.

Collective Bargaining Structure

The structure of bargaining in the bituminous-coal industry can be characterized as a related series of multiemployer negotiations, through associations, culminating in standards of wage rates and related benefits which cover the vast majority of workers in the industry. Instead of one central association representing all unionized mines, a number of formal and informal associations represent the employers in collective bargaining. The composition of the major employer groups has changed many times during the past 15 years.

In 1950, the Bituminous Coal Operators' Association was organized to consolidate the bargaining efforts of northern commercial and "captive" producers. The Southern Coal Producers' Association represents a number of operators' associations in the South. Other smaller associations, either affiliated with these two major groups or independent, account for most of the remaining segments of the organized industry, largely in the Midwest. The effect of a multiplicity of employer groups has been minimized, in practice, by the common acceptance of the agreements negotiated by the largest group--the Bituminous Coal Operators' Association.

For the union, authority for negotiating major agreements is vested with negotiating committees under the direction of the chief officers of the UMW. Simultaneous negotiations with separate employer groups often require splitting the union's negotiating committee.

The basic collective bargaining agreement in the industry, called the National Wage Agreement, sets the standards for mines which account for the bulk of the bituminous coal produced in the United States. This agreement developed out of the more limited Appalachian agreements, the first of which was negotiated in 1933.

Supplementary agreements negotiated in the various coal districts deal with issues peculiar to each producing field and establish disciplinary rules and procedures.

The slogan "no contract, no work" has been a dominant theme of the United Mine Workers bargaining technique. The stormy background of labor-management relations in the bituminous-coal industry is reflected in the record of strikes compiled by the U. S. Department of Labor's Bureau of Labor Statistics. Between 1927 and 1952, strike idleness in bituminous coal averaged over 5 million man-days a year. Three-fourths of the total idleness resulted from the general or industrywide type of strike, such as would flow from negotiations on wage or other general issues; the remainder resulted from numerous small stoppages at individual mines, usually arising on issues relating to job security, and mine conditions and policies.

Because an industrial economy depends so heavily on a continued production of coal, prolonged work stoppages invite Government intervention. In 1943, and again in 1946, work stoppages resulted in seizure and operation of the mines by the United States Government and agreements were negotiated with the union by the Government, against the protests of the operators. In later years, the union ran into costly legal difficulties and injunctions through the mechanism of the Taft-Hartley Act.

One of the effects of these incidents was to build up, in both operators and union, a strong desire to take bargaining out of the public arena and to avoid Government intervention. The 1956 negotiations provided a good example of the new policy. Meetings between the president of the UMW and the executive officers of the associations were held without publicity, and results were not revealed until the UMW convention early in October. As usual in these negotiations, the Bituminous Coal Operators' Association settled first. Identical terms were subsequently accepted by the Southern Coal Producers' Association and groups representing organized mines in other areas. As for the possibility of Government intervention, there has been no industrywide strike since 1952.

Major Agreement Provisions

The National Wage Agreement was amended in 1956, providing for a wage increase and changes in supplementary benefits. The agreement also provided for an automatic increase effective April 1, 1957. The provisions summarized on the following page reflect the standards in effect as of that date.

Hours.--Since 1947, workers in the mines have had a normal workday of 8 hours underground. The 8 hours include travel time to and from the working face (portal to portal) and a lunch period. Workers on the outside have a 7½-hour day, including a paid lunch period.

Wages.--Rates for inside workers paid on a day basis range from \$21.96 for the lowest paid classification (including helpers and unclassified inside labor) to \$24.68 for loading-machine operators and cutting- and shearing-machine operators. The basic rate for outside dayworkers is \$21.23 with somewhat less going to car cleaners and other able-bodied laborers.

One of the long-range policies of the union has been to eliminate incentive pay. The proportion of inside workers paid on a tonnage or piece-rate basis has been declining with the advancing mechanization of the mines. No change in tonnage and piece rates has been made since 1941; all of the increases to incentive workers since that date have been in the form of a flat daily allowance. Thus, an increasing portion of the tonnage workers' earnings is a day rate which they receive for each day in the mine.

Related Wage Practices.--A premium rate of time and one-half is paid for all work in excess of the normal daily schedule and on Saturdays. Double time is paid for work on Sundays and holidays (recognized in district agreements). Paying for holidays not worked is not provided for in the agreement.

Dayworkers going into the mine in the morning are assured of at least 2 hours' reporting pay. Shift differentials of 4 cents an hour for the second shift and 6 cents an hour for the third are provided. The necessary work tools, safety equipment, and supplies, including miners' lamps, are furnished by the employer.

After 1 year's service, miners receive 14 calendar days of vacation time, at a flat rate of \$220, divided into 2 parts; an 11-day summer shutdown, and December 24, 26, and 31.

Bituminous Coal Welfare and Retirement Fund.--The United Mine Workers Welfare and Retirement Fund, administered under a tripartite trustee system, is the largest industrywide fund in the United States. It is financed by a royalty on each ton of coal mined, paid by all operators under agreement with the union. Starting with a payment of 5 cents a ton in 1946, the royalty was increased to 10 cents in 1947, 20 cents in 1948, 30 cents in 1950, and 40 cents in 1952.

Through the years, the number and types of benefit programs, and the individual requirements for eligibility, have also undergone change, generally depending on the financial position of the fund. As of August 1957, the fund had 4 benefit programs: (1) Pensions of \$100 a month, in addition to social security benefits to miners over 60 years of age who qualify under working time and performance requirements; (2) hospital, medical, and surgical care for miners and their dependents; (3) funeral expense benefits of \$350; and widow and survivor benefits of \$650, paid in installments over 12 months; and (4) disaster benefits, paid to dependents of miners killed or seriously injured in mine disasters. All benefits are self-insured, that is, the fund provides all of them, either in the form of cash or services, without the purchase of outside insurance.

Operating through the Miners Memorial Hospital Association (a nonprofit corporation), the fund has built a chain of 10 hospitals in the more remote coal mining areas, where facilities were inadequate, to provide complete and modern medical, surgical, and hospital services. In other areas, services are provided through available facilities. One of the outstanding functions of the medical program is rehabilitating injured miners, particularly the paraplegic cases. This program has returned many men formerly considered to be hopelessly disabled to useful occupations in which they are fully or partially self-supporting.

Union Security.--The question of union security is not a contested issue in the industry. In recognition of the restrictions on the closed shop in the Taft-Hartley Act, the agreement states that "as a condition of employment, all employees shall be, or become, members of the United Mine Workers of America, to the extent and in the manner permitted by law." The checkoff of union dues and assessments has long been a standard practice in the industry.

Grievance Procedures.--Formal procedures for dealing with grievances were well established in the bituminous-coal industry prior to their inclusion in the master agreement. Procedures currently in effect provide for a series of defined steps to deal with differences arising out of the meaning and application of the agreement: (1) Effort is first made to settle the dispute directly between the aggrieved worker and mine management; (2) if no agreement is reached, the management of the mine and the Mine Committee, the latter being made up of three mine workers elected by local union members, attempt to resolve the dispute; (3) differences unsettled at the second step are taken up by district representatives of the union and a representative of the coal company; (4) the next step

carries the problem to a 4-member board, 2 designated by the union and 2 by the operators; and (5) if the board fails to agree, the matter is referred to a mutually acceptable arbitrator who renders a final decision. Expenses and salary incident to the arbitrator's services are shared equally by the operator or operators affected and the union.

The handling of grievances is one of the major functions of union officers on the district and local levels. From 80 to 90 percent of all grievances are settled at the mine, with or without the intervention of a union district representative. Claims to work, including seniority, discipline, and discharge grievances, and wage and job classification disputes rank as the most important grievance subjects in all areas.

Mine Safety Program

Working miners are protected by the Federal Mine Safety Code for bituminous and lignite mines. This code was adopted in an agreement between the union and the United States Secretary of the Interior in 1946, and has been incorporated in the master collective bargaining agreement as a guide for health and safety in the mines. Federal mine inspectors enforce the provisions of this code, making regular inspections of mines and their equipment to insure that hazards are eliminated and that safe operating conditions are maintained. A Joint Industry Safety Committee, composed of representatives of the UMW and the operators, has been set up to arbitrate appeals filed by either the miners or the operators relating to compliance with recommendations made by the Federal inspector. This committee also consults from time to time with the U. S. Bureau of Mines concerning review and possible revision of the mine safety code.

Local mine safety committees, selected and paid by the local union, have the authority to inspect mining operations and equipment. Copies of reports filed by these committees are provided for the operators. If the committee believes, as a result of its inspection, that immediate danger to the workers exists, it may recommend to management that all workers be withdrawn from the mine. The operator is required to follow this recommendation.

Anthracite

Anthracite or hard-coal mining differs in many respects from the substantially larger bituminous-coal industry. Almost all anthracite produced in this country comes from a 500-square-mile

area in Pennsylvania, whereas bituminous coal is mined in 28 States. Ownership, too, is far more concentrated in anthracite. Anthracite is used primarily for space heating purposes; bituminous coal is predominantly an industrial fuel. Physical characteristics vary greatly among anthracite mines. Although the use of mechanical loading equipment has grown fairly rapidly, anthracite mining lags behind bituminous coal in mechanization.

Anthracite markets are concentrated mainly in the Middle Atlantic and New England States. The production of anthracite, subject to the competition of oil and gas and sensitive to the weather, has suffered a long decline. In 1956, average employment amounted to less than 30,000 workers, reflecting a decline of more than 50 percent in 5 years.

Collective Bargaining Structure

In 1903, the Anthracite Coal Strike Commission, appointed by the President of the United States, handed down a ruling regarding wages and working conditions for the anthracite industry and established a Joint Board of Conciliation to settle disputes arising under the ruling. Up to the present time, this award has been incorporated, by reference, into the collective bargaining agreements between the operators and the UMW, and the Board of Conciliation still functions. This industrywide bargaining and dispute-settlement arrangement undoubtedly represents one of the oldest continuous relationships of its kind in the United States.

Over the past two decades, wage negotiations in anthracite generally have followed, and have been greatly influenced by, settlements in bituminous coal. Moving in the shadow of bituminous-coal developments, collective bargaining in anthracite has not shared the limelight with the larger industry.

Variation among anthracite mines in the physical structure and composition of the coal veins has led to a highly complex wage structure, in sharp contrast to the simple rate structure in effect in bituminous coal. Methods of compensation vary among areas, jobs, and for the same job among locations at the mine. Thus, far more emphasis is placed on local determination of wage or piece rates in anthracite than in bituminous coal. However, the rates established are expected to yield a uniform level of earnings for each job. General wage changes, moreover, are negotiated for the industry as a whole by the UMW and a committee representing the operators, and are embodied in an Anthracite Wage Agreement which also establishes basic conditions of work.

Major Agreement Provisions

Provisions of the Anthracite Wage Agreement are similar in many respects to those of the National Bituminous Wage Agreement. Among the more significant differences are: (1) Anthracite miners have a 7-hour day, portal-to-portal, and a 35-hour week; (2) vacation pay for anthracite miners is set at \$140 for a vacation shutdown of 14 calendar days; and (3) employer contributions for welfare and pension benefits amount to 50 cents a ton of coal, as against 40 cents in bituminous.

The anthracite welfare and pension program provides a \$50 monthly pension in addition to social security benefits, to approximately 15,000 retired miners, and a \$500 life insurance payment to survivors of deceased miners. The fund also sponsors a program of research and treatment of anthracosilicosis, an occupational disease found among coal miners. Under a reciprocal agreement between the anthracite and bituminous welfare funds, all silicosis cases are cared for by the anthracite fund and all back injuries by the bituminous fund. The anthracite fund does not provide other hospitalization or medical care.

3:04 The Railroad Industry

The railroad industry is one of the giants of American enterprise, with an annual income of more than \$10 billion and an investment of more than \$31 billion in road and equipment. Since World War II, the industry has converted almost completely to diesel locomotives. Automatic switching devices, radio-telephone communications, and many other advances in mechanized maintenance and automatic recordkeeping have become more widespread in recent years.

Collective bargaining in the railroad industry has become almost a continuous process since World War II. Agreements cover virtually all workers in the industry, with more than a score of national labor unions representing the various crafts or classes of workers.

The major railroad transportation unions have been in existence for more than 70 years and labor-management relationships have been the subject of specialized Federal legislation since before the turn of the century. Through the processes of negotiation, agreement interpretation and application, a comprehensive system of working rules and pay practices has emerged which is unparalleled in the entire field of industrial relations.

The Industry

Approximately 1,000 companies including switching and terminal facilities report to the Interstate Commerce Commission, the Federal regulatory agency. The smallest has only a few employees and 1 or 2 miles of track; the largest has over 125,000 employees and a track system covering more than 10,000 miles. Approximately 450 line-haul carriers transport freight and passengers; of these, 126 are the large Class 1 carriers; that is, each has an annual revenue of more than \$1 million. ^{1/} In 1952, Class 1 carriers received about 98 percent of total operating revenues; owned more than 220,000 miles of track; and employed 93 out of every 100 workers in the industry.

Operating revenues of Class 1 carriers for the year 1956 approximated \$10.5 billion, of which \$6 billion were paid in wages and salaries to approximately a million employees. Freight transport (nearly 38 million carloads) accounted for 85 percent of the revenue; passenger traffic for slightly more than 7 percent; and

^{1/} Effective Jan. 1, 1956, by order of the Interstate Commerce Commission, Class 1 railroad carriers are defined as those having an annual revenue of \$3 million or more.

mail, express, and miscellaneous for the remainder. Coal was the largest single freight handled, followed by grain, ore, and forest products.

Within the past 30 years, the industry has changed from a position of virtual monopoly of transportation to one of intense competition with the trucking and air transport industries for freight, and with the bus, airplane, and private automobile for passenger traffic. In addition, it competes with pipelines and water carriers for the transport of certain bulk commodities.

Among the largest railway companies are the Pennsylvania; New York Central; Atchison, Topeka and Santa Fe; Southern Pacific; Baltimore and Ohio; and the Union Pacific, each operating more than 6,000 miles of track. The hub of the Nation's railroad network is in Chicago, where the great eastern and western systems meet and connections are also made with routes to the north and south.

Employment on Class 1 roads declined from 1.5 million at the end of World War II to 1.04 million in 1956, approximately the 1940 level. The operating employees--engineers, firemen, conductors, and trainmen--engaged in the switching and movement of trains over the rails account for roughly a fourth of the work force. Non-operating employees include such classes or crafts as shopmen, clerks, telegraphers, maintenance, and similar service employees.

The work force is predominantly male; women constituted less than 6 percent of all employees in 1952. Many employees enter the industry through occupations requiring short periods of training or experience. They advance to better paying and more responsible jobs through extensive apprentice and on-the-job training programs carried out under collective agreements which assure promotion based upon seniority (length of service), fitness, and ability. Workers typically take pride in being a part of the industry and its traditions. There are many railroad families with father, son, and grandfather working for the same company. Membership in the same union for more than 30 or 40 years is not uncommon.

The strict application of the seniority principle results in a stable work force in which younger workers, in terms of service, are laid off first in any reduction in force. More than half the employees in the industry were over 41 years of age in 1952, compared with a median age of 39 for the labor force of the Nation as a whole. More than half the engineers and conductors were over 57 years old.

The Unions

Trade unionism as it now exists in the railroad industry traces its origin to the establishment of the Transportation Brotherhoods--the engineers, conductors, firemen, trainmen, and switchmen--which became active organizations prior to 1900. The first to be organized nationally was the Brotherhood of Locomotive Engineers established in 1863. Many of the other national organizations of railroad employees also were formed before 1900. Efforts before the turn of the century to organize all railroad employees into one comprehensive union failed and the railroad unions historically have developed along craft lines, although some unions represent employees in related activities such as clerical or maintenance-of-way employees.

The 5 Transportation Brotherhoods represent the interests of operating employees; more than 20 other unions represent the various classes of nonoperating employees. These unions also represent employees of express and sleeping car companies, and railroad facilities engaged in water transportation and related activities. The shop craft (nonoperating) unions are affiliated with the Railway Employees Department of the AFL-CIO.

Major Unions in the Railroad Industry¹

Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers, International Brotherhood of²
Electrical Workers, International Brotherhood of²
Firemen and Oilers, International Brotherhood of²
Hotel and Restaurant Employees and Bartenders International Union²
Locomotive Engineers, Brotherhood of (Independent)³
Locomotive Firemen and Enginemen, Brotherhood of
Machinists, International Association of²
Maintenance of Way Employes, Brotherhood of
Marine Engineers' Beneficial Association, National²
Masters, Mates and Pilots of America, International Organization²
Porters, Brotherhood of Sleeping Car
Railroad Conductors and Brakemen, Order of (Independent)
Railroad Signalmen of America, Brotherhood of
Railroad Telegraphers, The Order of
Railroad Trainmen, Brotherhood of
Railroad Yardmasters of America
Railway Carmen of America, Brotherhood of
Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, Brotherhood of
Sheet Metal Workers' International Association²
Switchmen's Union of North America
Train Dispatchers Association, American

¹ Except as otherwise indicated, all unions are affiliates of the AFL-CIO.

² Membership principally in other industries.

³ Not affiliated with the Railway Labor Executives' Association.

The Railway Labor Executives Association established in 1926 is a voluntary association of the chief executives of the standard railroad organizations with the exception of the Locomotive Engineers. Its principal purpose is the formulation of broad policies and the promotion of cooperative action among the various railroad unions. The railroad unions have also published for more than 30 years a weekly newspaper, Labor, which has a wide circulation among American trade unions.

The Collective Bargaining Structure

The national importance of the railroad industry, and the necessity of resolving labor-management disputes without interruptions in service, led the Federal Government, as early as 1888, to adopt specific legislation applicable to railroad carriers and unions. Since that date, successive Federal laws have sought to provide orderly procedures for the settlement of labor disputes.

Currently, collective bargaining is conducted within the framework of the Railway Labor Act of 1926, as amended in 1934. The Act of 1926 was the result of recommendations to the Congress of a joint committee representing both the railroads and the unions, following dissatisfaction with the system governing labor relations in the early 1920's. The Act, which applies only to railroad and air transport, makes it the duty of all carriers and employees to exert every reasonable effort to make and maintain agreements concerning rates of pay, rules, and working conditions. It guarantees each side the right to name its collective bargaining representatives without interference by the other side, and prescribes methods of settling various types of disputes. A Federal agency--the National Mediation Board--is provided to aid in the resolution of disputes involving union representation and those arising out of the negotiation of changes in agreements. A National Railroad Adjustment Board confines its activities to grievance disputes growing out of the interpretation of day-to-day application of agreements.

The Railway Labor Act is designed to encourage settlement of labor-management disputes by the parties themselves through the process of free collective bargaining. To this end, elaborate procedures are prescribed for processing such disputes before the unions may resort to strike action. These procedures include conference and consultation between the parties; mediation at request of either party; voluntary arbitration; and, in the disputes which threaten substantially to interrupt interstate commerce, the appointment of factfinding boards by the President of the United States. Such boards may make recommendations for settlement of the

dispute but their recommendations rely solely upon public opinion for acceptance and may be rejected by either party.

Major changes in wages and working conditions have usually been negotiated on a national basis between one or more unions and a committee representing Class 1 carriers. National bargaining usually occurs, however, only after notices of intent to change existing agreements are served and negotiations conducted between each individual carrier and the unions representing the various crafts or class of employees involved. If negotiations fail to resolve the issue, the parties arrange for the national handling of the dispute through committees representing the unions and the carriers concerned. For example, in national negotiations, the nonoperating railway unions typically designate a subcommittee of union officers to conduct negotiations. Each railroad authorizes 1 of 3 regional (East, Southeast, West) committees to act for it. The agreement disposing of the issues is signed by these representatives. After settlement on a national basis is reached, however, the terms agreed upon are ultimately incorporated into the agreements between the individual carriers and the unions.

If the dispute is not settled through joint conferences, mediation, or agreement to arbitrate, and the dispute threatens to substantially interrupt essential services, the National Mediation Board informs the President of the United States, who may then, and in cases of national importance usually does, appoint an emergency factfinding board. The board has 30 days within which to hear the arguments of the parties and report its recommendations to the President. After the creation of the board, no change in the conditions out of which the dispute arose may be made except by agreement of the parties until 30 days after the board has made its report to the President. This cooling-off period is designed to encourage orderly bargaining and to focus public attention on the recommended settlement.

The recommendations of the board are not binding on the parties and frequently are modified. However, they normally serve as the basis for further negotiations and eventual settlement. In the event of continued disagreement the parties retain the right to strike or lockout. On a few occasions, however, the Federal Government has assumed control and operated the railroads while the parties continued to negotiate their differences.

The formal procedures required by law may take more than 6 months, and negotiations following the report of the emergency board may continue for several months longer. Terms of the wage

settlements are often made retroactive for several months or longer depending upon the duration of the negotiations.

Major Agreement Provisions

Railway employees, with few exceptions, are covered by the nearly 5,000 railroad agreements on file with the National Mediation Board. Probably in no other American industry are working relationships governed by such comprehensive agreements, complex working rules, and long established procedures and customs.

Job Security.--Among the most important provisions in each agreement are those relating to seniority. The general rule in filling jobs covered by agreements is that where ability and qualifications are sufficient, seniority will prevail. When lay-offs are made, workers with the shortest service are furloughed (laid off with reinstatement rights) and are later recalled in the order of their seniority. Each class of employment usually has its own seniority roster, and an employee's seniority is usually limited to his seniority district, which may be the railroad system, a department, shop, office or division.

In 1936, the industry and the unions negotiated a broad agreement relating to railroad consolidations or coordination of facilities which provided that the earnings position of the employees who remain will be maintained and separation allowances will be granted to employees who lose their jobs as a result of these actions. This agreement, fundamentally unchanged, is still in effect.

Wages.--Rates of pay for operating employees performing the same type of work are, in general, uniform or standard throughout the industry, although there are some regional variations. However, operating employees in road service have a pay structure sometimes termed a dual basis of pay under which actual compensation depends on the number of miles traveled by each employee in his tour of duty, as well as the number of hours worked covering those miles. A given number of miles constitutes a standard or basic day calling for the payment of a basic day's pay. Road operating employees' compensation thus depends on time and length of trip, class of service (freight or passenger), and work performed (engineer, conductor, etc.). Engineers and firemen have further pay differentials based on the type or power of the locomotive which were originally negotiated more than 40 years ago.

Thus, a locomotive engineer in freight service operating a train between 2 cities or points has a basic workday expressed in terms of 100 miles and 8 hours. If his assignment calls for a trip

of somewhat less than 100 miles (85, for example), he still receives his basic day's pay provided the trip is accomplished in less than 8 hours. If more than 8 hours are required for the trip, overtime is paid at the rate of one and one-half times the straight-time hourly rate. His rate of pay will also vary according to the size or power of the locomotive--expressed in terms of weight on drivers, i. e., the wheels which provide the tractive power for pulling the train. Also, the engineer's (or fireman's) pay will likewise be affected by whether he is employed in through freight with few, if any, stops, or whether he is in local freight service requiring frequent stops to pick up and set off freight cars.

Conductors and trainmen in freight service have an added differential based on the number of cars making up the train. This mileage system of pay does not apply in yard service where a scheduled 8-hour workday prevails.

The rates for most skilled shop-craft employees--machinists, electricians, carmen, etc.--are generally standard or uniform on most railroads. However, rates of many other classes of non-operating employees, such as the clerks, telegraphers, and track laborers, generally do not reflect the same uniformity of wage rate structures and vary between companies and geographic regions. In a number of instances, rates within a broad occupational classification (for example, telegraphers) will vary, although for the same type of work or responsibility the pay may be identical or nearly so. Most of the nonoperating employees are paid on the basis of an hourly or daily wage or a weekly or monthly salary.

Wage adjustments which result from general wage movements typically are uniform throughout the entire industry. They are nearly always expressed in cents-per-hour and are applied to existing pay rates.

During the Korean conflict, railroad employees received changes in pay based on the Bureau of Labor Statistics' Consumer Price Index. This cost-of-living escalator clause was terminated by the end of 1954 and the wage increases which resulted from its operation were incorporated into basic rates. However, wage escalation was resumed in agreements which became effective in late 1956. Under these agreements semiannual adjustments in wages are made, based upon the Consumer Price Index.

Hours.--Most nonoperating employees work a standard 8-hour day and 40-hour week with time and one-half for additional hours. This reduction in hours from 48 to 40 is a post-World War II development. Operating employees in railroad terminals or freight yards

usually work an 8-hour day with time and a half beyond that, but some, chiefly locomotive engineers and firemen, may work more than 5 days a week at straight-time rates. Train and engine crews in road service have no fixed workday but are paid on the basis of their particular work assignment, as previously described.

Other Benefits.--Retirement pensions and benefits to the unemployed workers have come about as a result of legislative action. The Railroad Retirement Act became effective in 1937 and the Railroad Unemployment Insurance Act in 1938. These have subsequently been expanded and improved by various amendments, with sickness benefits, for example, added in 1946. These nationwide programs provide railroad employees and their families with comprehensive protection against loss of income owing to unemployment, sickness, permanent disability, old age, and death. Retirement benefits depend on the individual worker's earnings and length of service in the railroad industry. Employees and carriers share the cost of retirement and survivors' benefits. Unemployment and sickness benefit rates range from \$3.50 to \$8.50 a day. These benefits are financed solely by contributions from employers.

Although a number of railroads had for many years hospital, surgical, and medical plans (frequently supported by employee contributions), the industry as a whole had no such program until quite recently. In August 1954, an agreement, patterned after recommendations by a Presidential emergency board, was reached between 15 non-operating railroad unions and the carriers to establish a jointly financed hospital, surgical, and medical plan. This comprehensive plan became effective in early 1955 and covered approximately 500,000 workers. In addition, almost 250,000 other workers employed on railroads which have had hospital associations are to receive benefits through those hospitals. An agreement between the unions and the carriers, reached in December 1955, provided that the railroads would assume the full cost of the employees' health and welfare program, effective March 4, 1956. To round out the program, the participating unions made arrangements for a group insurance plan to cover dependents and furloughed and retired workers. This coverage is paid by the workers. 1/

1/ A supplementary layoff pay plan, applicable to 16,000 non-operating employees, was negotiated early in 1957 by the Chicago and Northwestern Railway. It provides for benefits for workers with at least 2 years' service who are displaced by technological change, mechanization, or economy measures. Benefits will supplement payments made under the Railroad Unemployment Insurance Act.

Paid vacations for nonoperating employees went into effect in 1942 and for engine and train service employees in 1944. Vacation provisions were liberalized in succeeding negotiations. Present practice is to provide 1 week after 1 year's service; 2 weeks after 5 years; and 3 weeks for employees who have 15 or more years' continuous service with the same employer. Nonoperating employees also receive pay for 7 designated holidays as a result of the 1954 settlement. Agreements covering operating employees do not as a rule make provisions for paid holidays.

Union Security.--The union-shop provision, whereby all employees are required to join the union which represents their craft, was prohibited by the Railway Labor Act until 1951 when an amendment to the act permitted the negotiation of such contracts. Since then, the great majority of the major rail carriers have agreed to union-shop provisions with the labor organizations representing nonoperating employees. A smaller percentage of operating employees are covered by union-shop contracts since the operating brotherhoods have not campaigned intensively for the union shop. Moreover the requirements of the union-shop amendment to the act may be satisfied by membership in any one of several organizations representing operating employees.

Administration of Agreements.--Disputes growing out of grievances or out of the interpretation or application of agreements may be carried through several steps up to the chief operating official of the carrier designated to handle such disputes. If no settlement is reached at this point, the dispute may be referred, by either party, to the National Railroad Adjustment Board. This is a bipartisan permanent body of 36 members, half of whom are selected and paid by the carriers and half by the unions. The aggrieved parties have the right to be heard in person or represented by counsel; disputes are usually considered on the basis of the written record and decided by majority vote. Deadlocked cases are decided by a referee who may be selected by mutual agreement of the parties, but in practice has usually been appointed by the National Mediation Board.

Cooperation Between Unions and Railroads

Despite differences of opinion and long, involved, and detailed negotiations of wages and working conditions, the carriers and the unions have learned that it is often to their mutual advantage to join forces on problems which may affect the workers or the industry adversely. The maturity and wide acceptance of collective bargaining in this industry is reflected in the basic legislative framework for bargaining which was a joint product of union

and carrier committee recommendations, although subsequent amendments to the 1926 law were not endorsed by the railroads. The most common form of joint action has been the support of legislation considered favorable to the railroad industry, and appearances before State and Federal Government administrative agencies on matters of common concern. Recently union leaders and railroad spokesmen have worked together to bring about a broader public understanding of the regulatory and competitive problems of the railroad industry relative to other means of transportation.

3:05 The Apparel Industries

Overcoming the obstacles of economic instability and an early history of sweatshops (plants characterized by exceptionally low wages and poor working conditions), the labor unions and employer associations in the major apparel industries have developed systems of collective bargaining and labor-management cooperation which have often been cited as models of industrial democracy. Labor and management in the men's and women's clothing industries, over the past four decades, led the way in the development of many features of modern collective bargaining, including the use of arbitration to settle disputes, employee welfare programs, and the sharing of responsibility for the welfare of a particular company or the industry as a whole.

The Amalgamated Clothing Workers of America and the International Ladies' Garment Workers' Union have gained respect and authority in the labor movement, among employers, and in the community at large. Both unions are prosperous, well organized, and faction free. The eminence of these unions and the standard of living now enjoyed by their members stand in sharp contrast to an earlier period, still within the memory of industry and union officials, when sweatshops were common and the newly arrived immigrants who found employment in the industry struggled to master the rudiments of language, custom, and trade union principles.

The Industries

Ready-to-wear garments fill most of the clothing needs of the American people. These garments are factory produced, usually in large quantities of the same size, color, style, and type of material. Custom tailoring and dressmaking establishments, where individual requirements and tastes of consumers are accommodated, produce only a small fraction of the total clothing supply.

The manufacture of wearing apparel, the ninth largest manufacturing industry in the United States, employs more than 1 million people in over 30,000 establishments. More than 50 percent of the establishments and over 30 percent of the work force are located in New York City. In this report, the term apparel industries refers to establishments engaged in the production of ready-to-wear men's and boys' suits, coats and overcoats, separate trousers, sportswear, dress shirts, work clothing, and all women's and misses outerwear. Though certain important apparel items are

excluded, the above groupings include approximately two-thirds of all apparel workers. ^{1/}

Certain characteristics are common to the production of the various types of wearing apparel. The basic processes consist of cutting the cloth, sewing the parts together, and pressing the completed garment. These processes do not lend themselves to extensive mechanization or to some of the mass production techniques used in other manufacturing processes, although high-speed cutting, sewing, and pressing machines are now widely used. However, the sewing and pressing operations, particularly the former, can be divided into a large number of relatively simple operations. Section work, that is, the practice of assigning to each worker a single production operation, has replaced the complete garment method in many apparel lines. Section work is more highly developed in men's wear than in women's clothing manufacture and is most advanced in cotton garment production.

Contracting is a common practice. Under this system, the manufacturer purchases materials, and may cut the garments, but sends them to contracting shops, usually under different ownership, to be sewn. This is known as outside production. When all operations occur on the manufacturer's premises, the shop is referred to as an inside shop.

Although there are some large, well-known producers, the typical apparel establishment is small, with fewer than 50 employees. Entry into the apparel manufacturing field is relatively easy compared with most other manufacturing industries. Extensive credit arrangements and availability of equipment on a rental basis make capital requirements exceptionally low. Ease of entry, combined with the risks of a highly competitive business, results in a comparatively high rate of business turnover.

Seasonal production is another characteristic common to most apparel industries. Generally, two employment peaks occur each year. Seasonality usually results in substantially less than a full year's work for many apparel workers.

^{1/} Among items excluded are women's, misses', children's, and infants' undergarments; children's and infants' outerwear; millinery; fur goods; and miscellaneous apparel, accessories, and fabricated textile products.

In spite of the similarities, the men's clothing, women's clothing, and men's cotton garment industries have developed as separate and distinct operations, and within each of these, several subindustries or branches have developed. Each industry has its own sources of supply and its own sales and market structure. Within each, manufacturers who produce similar products may form trade associations in their particular market area.

Geographical concentration in large urban centers (New York City, Philadelphia, Chicago, Los Angeles, etc.), which is typical of most apparel industries, is not characteristic of cotton garment manufacturing. These plants are spread throughout the East, South, and Midwest in countless small towns. This difference is reflected in the fact that the 10 leading cotton garment areas produce only 60 percent of the industry's total output, whereas the 10 leading women's clothing areas account for more than 90 percent of production.

Although all apparel production processes are essentially similar, difference in product, quality, style, and fabric require varying degrees of skill and dexterity on the part of the workers. Operators experienced in cotton garment production, for example, are unlikely to be employed in either men's or women's wool apparel manufacturing. Skilled dress operators seldom find their way into the men's wear industries. Earnings generally reflect these differences. Certain branches, such as men's tailored wear and women's coats and suits, are known as higher wage lines; work clothing and shirts are in lower brackets.

The industries covered in this chapter employed nearly 800,000 workers in April 1957. Slightly more than 60 percent of all workers in men's tailored clothing are women; the percentage is even higher in other branches. Only pressing and cutting are predominantly male occupations. The majority of the employees are sewing-machine operators. The work force, formerly recruited mainly from emigrants to the United States, is now drawn from a broad cross section of the population. However, young workers have not been attracted to the needle trades. A substantial proportion of the work force, particularly in the large urban centers, is over 50 years of age.

The Unions

Two unions represent most of the workers in the apparel industries. The International Ladies' Garment Workers' Union (ILGWU), in existence since 1900, has organized the workers in women's and children's clothing, whereas the men's and boys'

clothing, estimated to be over 90 percent organized, falls under the jurisdiction of the Amalgamated Clothing Workers of America (ACWA), established in 1914. The ACWA also represents a substantial proportion of the cotton garment workers. The cotton garment industry, however, is not as well organized as other apparel manufacturing. ^{2/} The ILGWU had approximately 451,000 members in 1956, the ACWA about 385,000 members, including some outside of the apparel industries. The growth of union membership since 1932 in these industries is as follows:

<u>Year</u>	<u>ACWA</u>	<u>ILGWU</u>
1932 -----	70,000	45,000
1940 -----	260,000	240,000
1951 -----	385,000	390,000
1956 -----	385,000	451,000

In New York City, the major market area, all but a small proportion of apparel firms operate under union agreements. In men's clothing, all major producing areas operate under collective bargaining agreements. In women's clothing, the organizational task has been more difficult; the newer producing centers, such as Dallas, Los Angeles, and Seattle, are only partially organized. In the apparel industries, organization is a continual process if the union wishes to retain its influence. Shop migration to communities where labor organization is negligible is a constant problem of the union.

During the past 50 years, the apparel industries have progressed from a state of almost continual industrial warfare to the stability of peaceful collective bargaining and perhaps the most extensive system of union-management cooperation to be found in American industry. The ACWA and the ILGWU made important contributions to this development. Both organizations, originally with a socialist point of view, now provide industrial engineering services to management and operate or support training schools in an endeavor to promote a more efficient industry. Both organizations on occasion have

^{2/} The United Garment Workers of America, the first national organization in the clothing industry, represents approximately 40,000 workers in work clothing lines.

extended financial assistance to management. The ACMA owns and operates two banks. Both organizations sponsor large housing projects and vacation resorts for workers and their families. Both operate comprehensive health centers for the garment workers in major producing areas. They also conduct extensive programs of worker education and publish periodicals of outstanding merit, The Advance (ACMA) and Justice (ILGWU).

Collective Bargaining Structure

To match the strength and unity of the two big unions, the employers over the years have developed their own associations to represent them in negotiations with the unions. The formation and continued operation of employer associations have been encouraged by the unions for the stability these organizations bring to labor-management relations in the highly competitive apparel industries. Most collective bargaining agreements in the apparel industries, with the exception of cotton garments, have been negotiated by local or national employer associations.

In men's suits and coats, bargaining on an industrywide basis became a practical reality in 1937. At that time, the major issue (a general wage increase) was worked out between representatives of the ACMA and the Clothing Manufacturers' Association. After acceptance by their memberships, the provisions were then incorporated into the local area agreements. Since 1952, a national men's clothing contract which embodies the basic conditions of employment common to the industry, has been in effect. This agreement leaves to local negotiation the issues appropriate to each area, such as wage rates (except for general changes which are negotiated on a national scale).

In the women's clothing industry, agreements are negotiated in each of the local markets covering the type of product involved. Negotiation takes place between the union Joint Board, which represents all the ILGWU locals in that industry and market area, and representatives of the particular manufacturers' association. In the New York area, for example, the Administrative Board of Dress Manufacturers, representing five employer associations, negotiates with the ILGWU Dress Joint Board. The results of the negotiations are embodied in separate agreements between the member associations and the ILGWU. The New York agreements generally exercise considerable influence over other local area negotiations.

Both the ILGWU and the ACMA utilize the Joint Board arrangement to coordinate policymaking for the local unions in a given product market, and to represent the locals in piece rate and

grievance cases. For example, the New York Dress Joint Board consists of paid officers elected by the membership of the locals involved in the manufacture of women's dresses in the New York area. The manager of this board has authority to act for the union membership in negotiating agreements and in day-to-day bargaining.

The prevalence of the manufacturer-contractor system in the apparel industries has led to a unique collective bargaining arrangement. The union insures the maintenance of agreement standards by the contractors largely through the manufacturer. For example, the latter is held responsible for that portion of the contractor's payroll accrued in the production of his garments should the contractor default on his payments. This responsibility includes the contractor's contribution to the union health, welfare, and retirement funds.

The piecework method of wage payment, which some locals rejected during the 1920's because of its association with earlier sweatshop conditions, has since been firmly established in all apparel markets. Of the production workers, only cutters, spreaders, and work distributors are generally employed on a time basis.

Agreements provide for the mutual determination of the piece rates, on the premises, before the garment is put into production. Frequent style and fabric changes make ratesetting a continuous collective bargaining procedure. Price committees, consisting of representatives of the union and the employer, must agree on the rate for each operation. The rates thus established are designed to maintain the individual's earnings and to conform to the existing shop pattern. A system of standardization of labor costs by means of classification of garments into established grades, with a fixed minimum labor cost for each grade, has simplified piece rate determination in the men's clothing industry.

The apparel industries, historically, have placed great reliance upon arbitration as a method of settling disputes. In men's clothing, arbitration is now generally confined to settling grievance disputes; in some women's clothing branches, arbitration is also used when negotiations over contract changes break down. The arbitrator, often referred to as the impartial chairman, is retained on a permanent basis in the major centers. Generally, a person of stature in the community, acceptable to both union and employers, occupies this position; both unions and employers contribute to the support of this office.

The structures of bargaining maintained in the men's and women's clothing industries are products of decades of experience.

Such integrated systems are not found in the cotton garment industry. Wage structure studies made in cotton work clothing in 1953 and in men's and boys' dress shirts in 1954 indicate that approximately 45 percent of the production workers in the former line and 60 percent in the latter were covered by union-management contracts.

Collective Bargaining Provisions

Existing agreements in the men's and women's apparel industries are, for the most part, multiemployer contracts with a duration of 3 to 5 years. Historically, the written agreement has not played as important a role in these industries as in others. In many situations, successful working relationships between management and the union preceded the formalized collective bargaining agreements. To this day, a large part of labor-management relations lies outside of the agreement. Contracts covering work clothing and cotton garment plants are generally more specific and of 1 or 2 years' duration.

Wages and Hours.--The 35- to 37½-hour workweek has been achieved in most of the women's clothing industry, with overtime work either prohibited or discouraged. In men's clothing, the master agreement provides for the 40-hour workweek except in those areas where a shorter workweek has been established. In cotton garments, the 40-hour week is the predominant practice.

Since collective bargaining over piece rates is a continuous process in the apparel industries, wage provisions in the agreements are generally brief. Minimum weekly and hourly earnings are usually specified for some occupational groups. These, however, are generally in the nature of a wage floor and seldom reflect the actual level of earnings. For example, a Bureau of Labor Statistics survey of earnings in women's dress manufacturing in August 1955 showed pressers and sewing-machine operators (single garment system) in the New York area averaging \$3.61 and \$2.18 straight-time hourly earnings, respectively. Sewing-machine operators under the section system, where employees perform only one operation, averaged \$2.04. The guaranteed minimums in the contract were \$1.76 per hour for pressers and \$1.46 for operators. Cutters, pattern-makers, and graders, employed on a weekly rate basis, are usually among the higher paid production workers. Their earnings vary by industry and market area. In 1955, cutters in the dress industry in the New York market area averaged \$2.88 per hour; in St. Louis, the average hourly earnings for cutters were \$2.23.

The wage clauses in apparel agreements usually specify that shops with existing rates exceeding the minimum are required

to maintain their wage structure. Any changes in general wage levels are subject to collective bargaining. In some cases, final authority to settle wage disputes rests with the impartial chairman.

Union Security.--A union shop clause requiring that all new employees become members of the union within a specified period is found in virtually all agreements in men's and women's clothing, except in States where this provision is not legal. Provisions for checkoff of dues are less common.

Job Security.--After a trial period, usually 2 weeks, a worker may not be discharged except for cause, such as incompetency, insubordination, or misconduct. Discharge cases generally are given priority in the grievance procedure. Provisions for equal division of work among the regular employees during slack seasons are common in apparel agreements.

Supplementary Benefits.--The unions in the garment industries were early sponsors of social insurance and health programs. The ILGWU established its first medical clinic providing free physical examinations to members in 1913. The ACWA established employment exchanges and launched an unemployment insurance plan in 1923. Employer-financed health and welfare programs are now provided by clothing agreements in the major market areas. These programs offer accident, disability, life, hospital, and surgical insurance benefits. Medical services are available in union-operated health centers. A retirement fund is also provided by the major apparel agreements.

A 2 weeks' paid vacation after 1 year's regular employment has become a standard part of the men's clothing agreements. In women's clothing, the employer contributes a percentage of his payroll into the vacation fund of the union. The ILGWU in turn makes the vacation payments to its members.

The national agreement in men's clothing provides 7 paid holidays for all workers. Agreements in women's clothing may restrict holiday pay to time workers only, though some include incentive workers in the holiday pay provision. The agreements in the cotton garment industry are less consistent, but from 4 to 6 paid holidays are common.

Union-Management Cooperation

Union-management cooperation has long been an established practice in the garment industries. In these industries, the general competitive situation bears equally hard on both parties. A realistic approach to their common problems led to the development of effective cooperative relationships. In an atmosphere of mutual respect and trust, disagreements that may have led to strife in another environment have been resolved with a minimum of work stoppages. Research and technological improvement have become important in trade union thinking. Both management and the unions are proud of their record.

The ILGWU and the ACMA assume a high degree of responsibility for the health and stability of the major industry divisions. The unions are recognized and represented on most national programs involving the apparel industries. In cooperation with the clothing manufacturers' associations, the unions assume their share of community responsibility for fund raising and civic projects. The unions and management organizations have contributed generously to postwar rehabilitation projects in foreign countries, particularly in Italy and Israel.

3:06 The Textile Industries

A decisive force shaping labor-management relations in the textile industries is the intense competition between mills in the New England and Middle Atlantic States (the North) and mills in the southeastern States (the South). In terms of the degree of union organization, this represents competition between a region where most mills are unionized and a region where only a small proportion of the workers are covered by collective bargaining agreements. In terms of wage levels and supplementary benefits, the southern segments of the industries have long had an advantage over the higher wage northern mills. The stability of union-management relations is further weakened by the sensitivity of the textile industries to shifts in general economic conditions.

Of all the important mass production industries in this country, the textile industry as a whole has the smallest proportion of workers under collective bargaining arrangements. The two major unions, the Textile Workers Union of America and the United Textile Workers of America, have had many difficult periods in their development. The major problems they have faced in the past two decades were: (1) Advancing the organization of workers in the South, and (2) raising and protecting their standard in the North. Today, these are still their major goals.

The Industry

The textile industries in the United States include plants manufacturing yarn and broad woven fabrics from all fibers; plants producing knit goods, carpets, rugs, felt goods, and bags; and plants engaged in scouring, combing, dyeing, and finishing. ^{1/} The entire textile industry group employed approximately 1,012,000 workers in April 1957.

This chapter deals primarily with the industries producing yarn and broad woven fabrics from both natural and synthetic fibers. These industries employed approximately 553,000 production workers in April 1957, with the greater proportion in the integrated mills which combine spinning and weaving operations. Despite the advances in the production of synthetic and blended fabrics, cotton is still the leading fiber, accounting for 70 percent of the fiber consumed in the United States. Mills primarily engaged in cotton yarn or

^{1/} The production of synthetic filament and fiber, which is essentially a chemical process, is classified by the U. S. Government for statistical purposes as part of the chemical industry. Most workers in this industry, however, are represented in collective bargaining by the textile unions.

goods manufacturing employed approximately 353,000 production workers in 1954. More than 80 percent of the workers in the cotton manufacturing industry are scattered throughout the southeastern States, with only 9 percent remaining in New England, the former cotton center. Integrated mills account for roughly 75 percent of the cotton industry's employment.

In 1953, the last year for which separate figures are available, wool and worsted mills employed about 119,000 workers in the scouring, combing, and manufacturing processes. ^{2/} These mills tend to be smaller, more highly integrated, and more concentrated geographically than those in the cotton industry. It is estimated that more than half of the work force is employed in the New England area, although these mills, too, have started moving southward.

Plants engaged primarily in the manufacture of synthetic fabrics employed more than 100,000 workers in 1954. Synthetics, the growing segment of the textile industry, are also becoming increasingly important in the Southeast. Although spinning and weaving of synthetic fibers may be carried on in any textile mill, specialized equipment is required in weaving. Moreover, production facilities used for natural fibers must be reorganized to spin synthetic fibers.

With intense postwar competition among producers, the pressure for cost reduction has resulted in some migration to the South, in heavy capital expenditure for plant improvement, and in the modernization of production methods. Investment in new plant and equipment has provided an up-to-date technology, with mechanical handling of materials, automatic instruments for the control of production and quality, air conditioning, and other devices designed to increase unit output.

The basic character of the industry is also undergoing change. Textile industries, traditionally consisting of a large number of individual mill owners, are now characterized by a greater concentration of ownership. The trend has been toward consolidation and merger of major companies (frequently formed out of previous consolidations). One recent study indicated that the 43 major textile companies owned 521 plants and employed 52 percent of the workers in basic textiles.

^{2/} According to a TWUA estimate, which takes account of contractions since 1953, 1955 employment in woolen and worsted textile mills was about 80,000.

Employment in these industries declined approximately a fifth between 1950 and 1955. A number of factors have contributed to this decline, including: Increased production of textiles in other countries, which has led to a shrinkage of foreign markets; improved technology, which has increased man-hour productivity; and a long-term change in the Nation's buying habits resulting in a reduction in the proportion of family income spent on textile products. The New England area has experienced a greater decline in employment through the liquidation of mills and continued migration to the South. Although the wage differential between the North and South has narrowed appreciably during the past 30 years, it is still regarded as a factor in this migration.

The work force is comprised largely of unskilled and semi-skilled workers. The major men's occupations include loom fixers, doffers, slubber tenders, weavers, and truckers. More than 40 percent of the factory workers are women, who are employed in large numbers as ring frame spinners, yarn winders, battery hands, and weavers. Child labor, historically associated with the textile industry, has been eliminated.

The Unions

The United Textile Workers of America (UTW) and the Textile Workers Union of America (TWUA) are the major unions representing employees in the textile industries covered by this chapter.

The UTW, chartered by the American Federation of Labor in 1901, brought together a number of craft unions. Its growth was sporadic during the early years. The UTW initiated a general textile strike in 1934 involving over 300,000 workers, which failed to gain the union's immediate objectives, but which called the attention of the general public to the wages, hours, and working conditions of textile workers. For a brief period ending in 1938, UTW leadership joined with the newly formed Committee for Industrial Organization and participated in an intensive organizing campaign. It was successful in New England but not in the southern mill towns. Differences between the two groups resulted in a split and the return of several UTW locals to the American Federation of Labor. Since 1939, the UTW has been primarily concerned with rebuilding its strength.

The TWUA began as the Textile Workers Organizing Committee in 1937 and became a national union in 1939, affiliated with the Congress of Industrial Organizations. It grew rapidly until 1948, principally in the North, but has since suffered a decline in membership, largely due to mill closings.

The trend in membership claims for the two unions is summarized below:

<u>Year</u>	<u>Members</u>	
	<u>UTW</u>	<u>TWUA</u>
1939 -----	1,500	160,000
1941 -----	42,000	215,000
1950 -----	87,000	373,000
1956 -----	100,000	202,000

The postwar attempts to organize the southern cotton mills have met with limited success. The combination of opposition to union organization, the declining industry in the North, and inter-union rivalry complicated the task of organizing textile workers and weakened the bargaining position of both unions. Both unions are acutely aware of the problems facing the textile industry. They maintain full-time research departments which not only engage in studies relative to collective bargaining negotiations, but conduct research into the economic and technical aspects of textile production. In addition, both unions maintain education departments through which they conduct institutes and training programs designed to develop future leaders among their membership.

With the approval of the local unions affected, the Executive Council of the TWUA may establish joint boards to represent geographical or industrial subdivisions of the industry. When established, the primary purpose is to secure united action in collective bargaining and uniform working conditions for textile workers in the area. In areas where two or more UTW local unions have bargaining rights, a textile council is formed with which all UTW locals must affiliate. This group may adopt trade rules and coordinate union activities, but authority to authorize work stoppages remains with the locals, subject to approval by the UTW.

Collective Bargaining Structure

Collective bargaining agreements cover substantially less than half the workers in the cotton, wool, and synthetic textile mills. Although relatively few southern cotton mills are unionized, approximately 50,000 southern cotton workers were under collective bargaining agreements in 1955, compared with 30,000 in the well organized New England area where the industry is declining. This

coverage represented over 90 percent of New England's cotton textile employment, but less than 16 percent of those employed in the southern mills.

Synthetic textile mills have been equally difficult to organize in the South, with only about 5 percent of the workers covered by union agreements compared with 70 percent in New England and almost 50 percent in the Middle Atlantic States. The percentage of agreement coverage in southern woolen mills is also less than in northern mills.

Today, with few exceptions, bargaining generally occurs on a single employer basis. In the New England area, the major portion of the cotton manufacturing industry was covered by agreements negotiated by the Fall River-New Bedford Textile Manufacturers Association and the TWUA from 1942 to the spring of 1955. Following a strike which lasted from April to July 1955, the association ceased to function as a bargaining agency; the settlements made were generally similar but were reached through separate negotiations with individual employers.

Competition within a geographic region of the textile industry is such that once a wage change is negotiated with a leading mill, others in the area soon follow. During the early postwar years, the agreements negotiated by the Fall River-New Bedford Textile Manufacturers Association and the TWUA set the pattern for other cotton mills; in the woolen industry, the American Woolen Company (since merged with Textron, Inc.) was the bellwether insofar as wage changes were concerned. This operates in the case of decreases as well as increases. For example, after the 1952 arbitration awards under which Bates Manufacturing and the Fall River-New Bedford Group were granted wage reductions, TWUA agreed to similar reductions in other organized textile mills in the New England area.

Early labor-management relations were marked by conflicts over rights to organize and to bargain collectively without discriminatory discharge of union workers. The stretchout (increasing the number of machines assigned to the worker) and the speedup (installing faster machines or speeding up old machines) were major issues of the late 1920's and early 1930's. These matters are still sources of disagreement, but they are now more frequently the focus of intensive negotiations than of strikes. Efforts to secure wage increases and to resist proposed wage cuts have been important issues during recent years. With the exception of 1951, however, textile work stoppages since World War II have resulted in a lower percentage of man-days idle than the average for all manufacturing

industries. The reliance upon arbitration has been responsible for the avoidance of many work stoppages.

Major disputes growing out of unadjusted grievances, revision of work standards, and wage negotiations have been submitted to arbitration in the textile industry. The arbitrator becomes the medium through which solutions, which may have been otherwise unacceptable are achieved.

Major Provisions of the Agreements

Wage and Hours.--Wage provisions in textile agreements frequently specify standard base rates for each job classification and minimum hourly rates for all production workers. Incentive or piece-rate wage systems are common in textile mills. In cotton textiles, approximately two-fifths of the workers are on piece rates; in synthetics and woolens, about a third are paid on an incentive basis.

Regional wage differentials still exist. A 1954 wage structure study of the cotton-textile industry, prepared by the Bureau of Labor Statistics, revealed straight-time average hourly earnings of \$1.32 in the New England area. In the southeastern States, where 80 percent of the cotton workers are employed, production workers averaged \$1.17 per hour. However, these differentials narrow when a comparison is made on the basis of fine cotton fabrics, the major product of the New England mills. In synthetic mills, average hourly earnings ranged from \$1.35 in New England to \$1.22 in the Southeast.

Occupational skills, of course, account for other wage differentials in textile industries. The 1954 cotton-textile wage survey reported the following: Men employed as loom fixers averaged \$1.55 per hour, weavers averaged \$1.39, doffers, \$1.23, and truckers, \$1.02. Women weavers averaged \$1.35, ring frame spinners \$1.14, and battery hands \$1.06. Women are usually paid the same rate as men when working on the same job in the same plant.

The 8-hour day and 40-hour workweek prevail in the organized mills, with provisions for the time and one-half for all hours in excess of 8 per day or 40 per week. Premium pay is generally provided for third shift workers, but is not common for those working the second shifts except in the woolen and worsted industry. In November 1954, about half the cotton and synthetic textile workers were employed on late shifts. In woolen mills, more than a third of the employees work late shifts.

Work Assignments and Workloads.--Changes in work assignments of textile workers have been frequently associated with reduced earnings and job insecurity. Employers and union officials have devoted much attention during the recent years to developing equitable procedures for making changes in work assignments and introducing new equipment and techniques. Negotiation on work assignment cases is almost continuous in some mills.

In general, management and the union usually discuss these proposals before they are instituted. Union officials are furnished with sufficient information to understand what is being considered by management. The parties often agree on experimental runs or trial periods to evaluate these changes. Displaced workers are customarily protected through assignment to other jobs, if available, and employees, remaining on a changed job are, at times, compensated by higher rates. Technological severance pay is provided in some contracts for displaced employees.

The determination of mutually acceptable workloads is another difficult labor-management problem. Work levels are generally determined by management through the use of time study techniques, subject to appeal through the grievance procedure. Disputes may be carried to arbitration. In recognition of the complexity of work assignment or workload problems, the unions place considerable emphasis on training their staffs, shop stewards, and members in the engineering fundamentals involved.

Supplementary Benefits.--Most contracts include provisions for paid vacations, the time allowed varying with length of service (e. g., 1 week after 1 year's service, 2 weeks after 5 years); 5 or 6 paid holidays per year; and insurance coverage that includes life insurance, accident, hospital, and surgical benefits for the worker. Hospitalization benefits are extended to dependents in some plans. Provisions for retirement, when present, generally take the form of lump sum separation payments for those who have more than 15 years with the company; plans providing for regular payments for the remainder of the worker's life are less common. In general, supplementary benefits are less extensive in southern than in northern mills.

Union Security.--The union shop, under which workers are required to join the union as a condition of employment, is generally provided in the larger plants and in the northern States. All southern textile States ban union security provisions by law.

Job Security.--The agreements generally provide that management retains the right to discharge, modified, however, by the

provision that the union may appeal discharge cases through the grievance procedure. The contracts usually provide that seniority within departments will determine the order of layoff and recall.

Administration of the Contract.--The problems arising out of work assignment and workload changes, fluctuations in employment needs, and the use of incentive pay systems lend great importance to the day-to-day administration of collective bargaining agreements. Recourse to a grievance procedure is a major safeguard of employee rights. Formal grievance procedures are carefully detailed in most agreements and usually follow a 4-step procedure with established time limitations for each step.

Two large cotton textile agreements, for example, provide that a grievance be discussed informally between the department supervisor and the shop steward accompanied by the aggrieved employee. If unresolved at this step, the grievance is put in writing, dated, and signed; a shop committee and the union business agent meet with a plant representative to work out a solution. After 7 days, if still unsettled, the matter is taken up by a union official and a representative of the company. If this fails to settle the issue within 15 days, it may be submitted to arbitration, the arbitrator's decision to be final and binding. The arbitrator is selected by mutual agreement for the specific case; if they cannot agree, on the choice of an arbitrator, the American Arbitration Association, a private service agency, will be asked to make the selection. Either party may request a three-man board in lieu of a single arbitrator if it so desires. The union and the company share equally the expense of arbitration. In some agreements, several arbitrators are listed, from which the parties must make a selection. In others, an arbitrator is named in the agreement to hear all cases arising during the life of the contract.

Joint arrangements between union and management to promote the economic health of the industry or to adjust to technological change have been attempted but have been hampered by North-South rivalries. Both management and unions in New England are deeply concerned with immediate production and unemployment problems and long-range economic or technological adjustment. They have urged the Federal government to aid in the solution of economic problems facing the textile industries, but have not developed a common approach on specific problems.

3:07 The Meatpacking Industry

The increasing industrialization of the economy and the rising consumption of meat by American families have made the processing and marketing of livestock a major undertaking. The meatpacking industry seeks to satisfy these consumer demands. It consists of a few large, multiplant corporations largely centered in the Midwest, producing a wide variety of meat products and by-products for a national market; several fairly large companies, also concentrated in the Midwest, tending to specialize in a limited number of products for a national or regional market; and hundreds of local packers which usually purchase livestock from surrounding farms and process and market their products to nearby urban centers. The majority of the industry's production or plant workers are covered by collective bargaining agreements negotiated by either of two unions: the Amalgamated Meat Cutters and Butcher Workmen and the United Packinghouse Workers of America.

Trade unionism in the meatpacking industry has a long history. However, the present collective bargaining structure was greatly influenced by the multiplant agreements first negotiated by two large packers and the major unions during the early 1940's. These and subsequent agreements tended to set a pattern for other meatpacking companies; their influence has been felt throughout the industry as well as in the communities in which the big companies operate. Present standards relating to working conditions, employment stability, job security, and wages compare favorably with other manufacturing industries, reflecting a significant advance over the conditions prevailing early in this century.

The rivalry between the Amalgamated Meat Cutters (formerly AFL) and the Packinghouse Workers (formerly CIO) has in recent years given way to cooperation, particularly in preparing for and negotiating key contracts with the large companies.

The Industry

The task involved in bringing meat products from 5 million farms to 50 million tables led to the development of a major industry which employs over 330,000 people, of whom 260,000 are production workers. In terms of value of shipments, the processing of meat products ranks high among manufacturing industries. ^{1/} The meat industry assembles, slaughters, processes, and distributes meat and meat products. Approximately two-thirds of the livestock involved come from west of the Mississippi River. About 100 central

^{1/} Meat products classification includes: Wholesale meat-packing; custom slaughtering; manufacturing of sausage, sausage casings, and prepared meat products; and wholesale poultry dressing and packing.

markets receive livestock from the farms. Nine major markets, primarily midwestern, receive over 50 percent of all shipments: Chicago, Ill.; Omaha, Nebr.; Denver, Colo.; Minneapolis-St. Paul, Minn.; Kansas City, Kans.; East St. Louis, Ill.; Sioux City, Iowa; Fort Worth, Tex.; and St. Joseph, Mo.

Meatpacking firms are generally classified into three groups: Large national packers, sometimes referred to as the "Big Four," namely, Swift and Co., Armour and Co., Wilson and Co., and Cudahy Packing Co.; medium-size packers competing in the national market, such as John Morell and Co., George A. Hormel and Co., and the Rath Packing Co.; and numerous small independent packers serving local market areas. The four largest firms produce almost half of the industry's total output. The largest of these, Swift and Armour, each reported annual sales of more than \$2 billion in 1956, part of which consisted of important byproducts from which soap, drugs, and fertilizers are manufactured.

Meatpacking is credited with being the first major American industry to develop the continuous production line process. The larger plants have simplified processing operations by assigning workers to a series of relatively limited, but in some instances, highly skilled jobs. Many tasks, particularly in the preparation of meat, are performed by hand, frequently under adverse conditions such as cold and wet workplaces. During recent years, the industry has introduced mechanization into such operations as the preparation of sausages and other meat products.

Plant workers, who account for approximately three-fourths of the industry's total employment, are largely unskilled. Women make up approximately one-fourth of the total labor force. In the plants, they are largely employed in the processing departments, where they perform such tasks as weighing and packing sliced bacon, linking sausages, and packaging lard.

The Unions

The Amalgamated Meat Cutters and Butcher Workmen and the United Packinghouse Workers of America are the two major trade unions in the industry. The Amalgamated Meat Cutters received its charter from the American Federation of Labor in 1897. This organization, with a reported membership of 310,000 in 1956, represents retail butchers, packinghouse employees, and other groups such as sheepshearers, fish, poultry, dairy, leather, and fur workers. It has organized many small independent packers and branch plants. The Packinghouse Workers, with an estimated membership of about 150,000,

has its major strength in the larger concerns. The UPWA also represents a substantial number of workers in sugar refineries and canneries. The National Brotherhood of Packinghouse Workers, an independent union, has its membership mainly among Swift employees. Altogether, an estimated 90 percent of the production workers in the wholesale meatpacking industry are under collective bargaining agreements.

The Amalgamated Meat Cutters and the Packinghouse Workers are now affiliated with the AFL-CIO. For several years prior to the AFL and CIO merger, the two unions in the meatpacking field had been cooperating in collective bargaining dealings with the major companies by exchanging information. At the time of that merger in December 1955, the two unions announced that they had reached an accord which would serve as a basis for their own merger. However, by mid-1957, the merger of the two unions had not been consummated, largely because of internal organizational problems.

Collective Bargaining Structure

A large proportion of the agreements in the industry are negotiated by individual employers and union locals covering a single plant. In some situations, employers have formal or informal associations to deal with the union. The major agreements, however, are the multiplant agreements negotiated by the large companies. Swift, for example, negotiates master agreements with the 3 unions representing workers in approximately 45 plants situated throughout the country. These agreements are similar in most respects. The agreements negotiated with the larger companies usually set the pace for many smaller companies.

In many cases, the multiplant agreements are supplemented by separate plant agreements negotiated by local management and union officials. These supplements generally cover specific issues relating to the operation of the particular plant, such as the determination of occupational wage rates or piece rates for new jobs. However, each supplement must fit within the framework of the master agreement. General wage changes applying to all rates typically are provided for in the master agreements.

Prior to 1945, an intricate wage structure, complicated by traditional differentials based on geography, occupation, and sex, had been associated with the meatpacking industry. In that year, the Meatpacking Commission, a joint committee representing labor, management, and the public, was authorized by the National War Labor Board to study and make recommendations concerning certain wage problems in the meatpacking industry. It was the task of the Commission

to study and present a factfinding report on the geographic differentials in the industries and the major factors influencing them, and more important, perhaps, to develop an overall framework within which the parties could review intraplant wage relationships. After a 2-year study, the Commission recommended a simplification of job classifications. The suggested labor-grades system reduced approximately 100,000 job rates to 25 job-rate groupings, with $2\frac{1}{2}$ -cent intervals between rates. These recommendations were adopted by most of the large packers and are currently effective. The wage interval between job classes has since been increased to 4 cents. This development facilitated collective bargaining on company rate structures and led to the elimination or reduction of inequitable job, sex, and plant differentials.

Major Provisions of the Master Agreements

Wages and Hours.--The agreements require wage payments to be made at hourly rates except for certain jobs where piece or week rates are established local practice. The companies provide the unions with the current rate schedule prior to the opening of negotiations for a new agreement. This schedule forms the basis for wage bargaining. The common labor rate may differ between market areas, but practically all jobs are classified according to a specified number of wage brackets above the unskilled or common labor rate.

During the past few years, geographical and sex differentials have been substantially reduced by collective bargaining. Until recently, women received lower hourly rates than men in most areas. This dual wage structure, a tradition in the industry, continued to exist after the rate revision of 1947. However, through negotiation, this differential has been gradually reduced from a range of 5 to 14 cents an hour in early 1952 to a uniform 5 cents later that year; this was reduced to 3.5 cents in the 1954 agreements. In 1956, a further reduction was made, so that this differential has been almost entirely eliminated.

Earnings in this industry compare favorably with those of other manufacturing industries. As of April 1957, production workers in wholesale meatpacking establishments averaged \$93.61 a week and \$2.30 an hour; weekly hours averaged 40.7. Comparable averages for workers in all manufacturing industries were \$81.99 a week, \$2.06 an hour, and 39.8 average weekly hours.

Cost-of-living wage adjustments were included for the first time in the 1956 agreement. Wage adjustments are made semi-annually, in May and November, on the basis of a 1-cent increase in

the hourly wage rate for every 0.5 point increase over the August 1956 level of the Bureau of Labor Statistics' Consumer Price Index. A special formula for wage decreases resulting from declining prices is also a part of the agreement.

A 40-hour workweek and an 8-hour day are the standards specified in the contracts, with time and one-half paid for hours in excess of these limits. All workers not regularly scheduled to work during the weekend receive time and one-half for Saturday work and double time for Sunday. Those normally scheduled to work these days have other assigned days off to which the weekend overtime rates apply if they are called to work on their rest days.

Guaranteed weekly hours are a common feature in meat-packing agreements. Such guarantees represent an attempt to regularize weekly earnings in an industry dependent upon seasonal and daily fluctuations of livestock shipments to the central markets. The Swift agreement guarantees 36 hours' pay to all regular full-time hourly employees called to work at the beginning of the workweek, providing they are neither absent without leave nor late during the week. The Armour agreement contains a similar guarantee, but does not include those workers laid off up to and including the close of the first day of the workweek.

Related Wage Practices.--The agreements provide a premium of 10 cents an hour (effective Sept. 1, 1957) for night-shift workers, 12 minutes a day paid clothes-changing time, and a weekly cash allowance of 50 cents for work clothing not provided by the company. A minimum of 4 hours is paid for when employees are called to work less than a full day. If recalled during a day in which they have worked and have been sent home, time and one-half rates prevail for the additional hours worked.

Regular hourly employees receive pay for 8 holidays and, in addition, are paid double time for any hours worked on these holidays. Vacation benefits, increasing with length of service from 1 week after 1 year to 4 weeks after 25 years, are provided. Regular employees with more than 1 year of service are entitled to sick-leave benefits when absent because of illness or accidents suffered while off the job. 2/ Employees qualifying for such leave benefits are entitled to 2 weeks' compensation at one-half pay for each year of continuous service.

2/ Workmen's compensation insurance, required by law, covers on-the-job disabilities.

Other benefits included in the union agreements with Armour and Co. are life insurance, accident, sickness, hospitalization, medical, and surgical protection for employees. Similar hospitalization, surgical, and medical benefits are provided by the Swift contracts. Group life insurance and a paid sick-leave plan are available to Swift employees but are not included under collective bargaining. In 1952, Armour and Co. incorporated a retirement plan in the collective bargaining agreement. Swift has such a plan in effect for its employees, but it is not covered by the agreement.

Union Security.--The agreements with two large packers do not provide for the union shop; rather, the unions are recognized as the sole bargaining agent for all workers in the bargaining unit. A checkoff clause, providing for the deduction by the employer of union dues and initiation fees from the workers' wages for transfer to the union, appears in each agreement.

Job Security.--Length of service, or seniority, is an important factor in layoff, rehire, and promotion of packinghouse workers. Other factors such as training, ability, and physical fitness may be considered, but detailed contract provisions give seniority primary emphasis. Separate lists for men and women prevail; seniority may be established at both department and plant level.

Dismissal or separation pay for workers permanently laid off due to a reduction in force was included in agreements for the first time in 1949. After 1 year's service, qualified workers at both Armour and Swift are eligible for 1 week's pay; graduated allowances are made to workers with longer service in accordance with schedules incorporated in the agreements. For example, 5 years of continuous service merits 3 weeks' separation pay; 10 years, 7½ weeks'; each additional year above 10 increases the separation allowance by 1½ weeks' pay.

Grievance Procedure.--Detailed provisions in the master agreements outline the grievance procedure from the initial step to final settlement. Grievances are processed by shop stewards or grievance committees designated by the union. If the dispute is not settled between the supervisor and the aggrieved worker (with or without union representation), it moves into the formalized process. In most cases the grievance is reduced to writing at the second step. The matter may be settled here between union stewards and the general foreman or division superintendent; if not, notice of appeal to the third step must be filed with the international union and the main office of the company, although settlement may be reached at the plant level. The fourth step carries the dispute to

the general superintendent of the company and the international union representative.

If these procedures do not lead to settlement, the grievance may be submitted to arbitration by either party, the decision of the arbitrator to be final and binding. Time limits between steps of the grievance procedure must be observed. Employees retain the right to strike after the established grievance procedures are exhausted, if the issues are nonarbitrable. Such issues include grievances over workloads and work assignments.

The Hormel Annual Wage Plan

The firm of George A. Hormel and Co., of Austin, Minn., maintains a guaranteed annual wage plan which has attracted attention for many years as one of the few comprehensive plans of this type in the United States. Introduced in the early 1930's by the employer it was later incorporated in the agreement with the Packinghouse Workers and made subject to collective bargaining. In 1949, a production incentive plan and profit-sharing arrangement were added; the latter, however, was exempted from collective bargaining.

The annual wage feature guarantees each eligible employee 52 paychecks a year, equal to regular full-time weekly pay. Actual hours worked each week may vary, but overtime rates become effective only when the weekly hours worked exceed 53. Workers receive a year-end payment for hours actually worked in excess of the guarantee. Under the work incentive plan, a production norm is established for each department or gang. If the employee's output is in excess of the norm, he receives extra pay in addition to his weekly wage. A further incentive provides that net profits will be divided between the employees and the company on a sliding percentage basis. All plant and office employees are eligible to participate.

According to union spokesmen, the effects of wage security and the incentive program are apparent within the plant. It is claimed that production per worker is considerably higher than in comparable plants; the workers feel they have a direct interest in the company, and on the whole, union-management relations are very good.

3:08 The Petroleum Industry

The growth of the petroleum industry has been closely allied with that of the automobile industry. Technical developments in either industry limit or condition technical developments in the other. Gasoline, lubricants, and asphalt are but three of the hundreds of industrial products derived from crude oil, but they are essential to mass automotive transportation. The use of oil burners for household space heating and the widespread shift from coal to oil-burning locomotives and ships have also contributed to the growth of the industry.

The petroleum industry includes four basic divisions: Production, refining, pipeline transportation, and marketing. The entire industry employs approximately a million people, half of whom are engaged in oil field and refining operations. The nature of these operations, particularly refining, requires heavy capital investment which, in turn, has led to the development of the large integrated companies, now internationally recognized as representing the oil industry.

The Oil, Chemical, and Atomic Workers of America (AFL-CIO) is the major affiliated union and represents about half of the organized workers in the industry. A distinguishing characteristic of industrial relations in petroleum is the number of independent or unaffiliated labor organizations that have secured bargaining rights for production employees on a single plant or company basis.

The Industry

Although underground crude oil resources are found in several States, two primary producing areas--California and the mid-continent fields (Texas, Oklahoma, and Louisiana)--account for almost 80 percent of crude petroleum production in the United States. Refineries are less concentrated geographically than the oil fields, but more than half of the entire capacity is located in four States--Texas, Louisiana, California, and Pennsylvania.

Twenty large integrated oil companies commonly known as the majors, produce over half of the crude oil, control three-fourths of the pipeline mileage, and own 85 percent of the cracking facilities. (Cracking is the name applied to the process of breaking down or rearranging the molecules of heavy oil into the motor fuels necessary for modern high compression engines.) Refineries have always required large capital investments and the newer industrial techniques require more elaborate and costly equipment. Though these processes improve the quality and increase the quantity of gasoline that can be recovered from a given quantity of crude

oil, they are subject to rapid obsolescence and represent too great an investment for all but the very large concerns.

Although petroleum refining and transportation is a highly concentrated industry, small business enterprises are still important in the production of crude oil and account for over 35 percent of the output. Independent contractors dig most of the wells and provide many of the necessary rig and derrick building, dismantling, and well-cleaning services.

In refineries, highly mechanized processing operations require relatively little manual work. Labor costs amount to less than 10 percent of the value of the product. In general, petroleum workers receive higher wages and more liberal fringe benefits than do most industrial workers.

The sharp rise in demand for petroleum products following World War II led to an increase in the output of crude oil from 1,700 million barrels in 1945 to about 2,600 million barrels in 1956. Approximately 330,000 workers were employed in exploration, drilling, extraction, and storage of crude petroleum and natural gas in 1956. Transportation of oil from more than 400,000 producing wells to refineries requires pipelines, tankers, and railroad tank cars. Though employing only a small number of workers (approximately 25,000) pipeline transportation represents a vital link in the industry. In 1956, refining processes required approximately 200,000 employees to convert crude oil into the variety of end products of the petroleum industry.

In both field production and refining, a relatively large number of professional employees are required, including geologists, geophysicists, engineers, surveyors, and chemists. Production workers in the oil fields include equipment operators, craftsmen employed in specialized maintenance operations, and common laborers (known as roustabouts). Approximately a third of the plant workers in a typical refinery are engaged in operating various distillation and cracking units and other processing equipment, most of which are controlled by instrument. More than half are employed at maintenance jobs, such as repairing, rebuilding, and cleaning operating equipment. Other workers are employed in the packaging and shipping departments.

Exploring, drilling, and oil field servicing crews generally consist of relatively young men. Shortly after World War II, 46 percent of oil field and refinery workers were between the ages of 18 and 35; 39 percent between 36 and 50; and 15 percent were over 50. Few women are employed in the industry except in clerical and office jobs.

The Unions

A union local was organized in a Pennsylvania oil field as early as 1872. Most early attempts at unionization were marked by strife and defeat. Except for a short period during and after World War I, organized labor had little success until after 1935. By 1954, it was estimated that more than 80 percent of the workers employed in refining operations were covered by union agreements. Union organization among oil field and pipeline transportation employees is considerably less extensive (estimated at between 20 and 40 percent in 1951).

The International Association of Oil Field, Gas Well and Refinery Workers of America (later known as the Oil Workers International Union) was chartered by the AFL in 1918. It reached a peak membership of 24,800 in 1921, then declined to a reported 400 in 1932. The Oil Workers, originally chartered as an industrial union within the AFL, frequently found itself in jurisdictional conflict with craft internationals of the Federation and joined the Congress of Industrial Organizations in 1938. In 1955, the merger of the Oil Workers International Union and the United Gas, Coke, and Chemical Workers of America created the Oil, Chemical and Atomic Workers International Union (OCAW). This union, affiliated with the AFL-CIO, now represents about half of the organized workers in the industry. Several other AFL-CIO unions also represent some workers in the industry.

Independent or unaffiliated unions organized among the workers in a single plant or company have considerable strength in a number of the larger firms. Some of these unions had their origin in company-sponsored employee representation organizations when such organizations were legal (prior to 1935). Independent unions also have grown with the expanding industry and today represent a substantial number of the organized workers.

Collective Bargaining

Agreements are negotiated with individual companies, generally on a single plant basis. This is true for both the affiliated and independent unions. One major exception is the agreement between the Sinclair Oil Corp. and the OCAW. In this instance, a companywide contract has been in effect since 1934. With the exception of the executive, professional, supervisory, clerical, and technical staff, all employees of the company, whether in refineries, pipeline division, oil fields, or the research department, are covered by the master agreement.

In a few companies, agreements are negotiated on an occupational basis for such employees as machinists, electricians, and boilermakers. The appropriate AFL-CIO craft union represents these employees; in some areas, a metal trades council, including several craft locals, negotiates with the company.

Agreement Provisions

Wages and Hours.--Petroleum workers are among the highest paid industrial workers.

According to a 1951 wage study in petroleum refining, earnings higher than the average for the industry prevailed in the Middle Atlantic and Great Lakes regions for a number of occupations. In western Pennsylvania and southern New Jersey, lower than average earnings were noted. However, these differentials may be influenced by factors other than geography, such as the size of establishment, the surrounding industrial environment, or the particular petroleum product being processed.

Among the oil producing regions, the highest rates paid in 1951 for oil field workers were reported in California and the Mountain States, and with the lowest rates in Kentucky and West Virginia. Current average hourly earnings for workers employed in the production of crude petroleum are below those in refineries but well above the average for all manufacturing industries.

Wage provisions of the agreements, generally detailed, frequently appear as an appendix to the main agreement or as a supplementary document. In those cases where the company bargains for more than one plant, separate rate schedules are generally established for each. Wage rates may be quoted on either an hourly or daily basis. One 1955-56 agreement provided the following hourly rates for refinery workers: Common labor, \$1.84 an hour; first-class mechanics, \$2.67; and operators in charge at the plants, \$2.84. Another provided a rate of \$22.05 a day for a stillman, who is generally the highest paid production worker in the refinery. Helpers in the same department received \$17.35 a day. Day rates in effect at one oil field operation in 1955 were: Rotary driller, \$24.17; derrickman, \$20.31; first-class mechanic, \$19.71; and roustabout, \$17.06. Agreements signed in 1956 and 1957 contained additional wage increases.

Though the 8-hour day and 40-hour week are specified in most agreements, oil field workers may work longer hours with time and one-half for overtime. The nature of the industry requires shift operations, for which wage differentials of 6 cents for the

second shift and 12 cents for the third are common. ^{1/} Reporting pay provisions vary but the practice of guaranteeing a daily minimum number of hours or pay prevails in the industry.

Other Provisions.--With a few exceptions, agreements with major oil companies provide 8 paid holidays each year, though in some instances holiday pay is contingent upon completion of 6 months' or a year's service with the company. Work performed on a holiday, on Sunday, or on the seventh consecutive day is generally paid at two and one-half times the regular rate. After 1 year with a company, most petroleum employees receive 2 weeks' vacation with pay, those with 15 years or more receive 3 weeks, and several companies provide 4 weeks after 20 years.

Severance pay allowances graduated according to length of service are frequently found in petroleum industry agreements, as are straight-time pay allowances for time lost while serving on a jury or because of a death in the employee's immediate family.

Generally, all employees in the petroleum industry are included under rather comprehensive employee benefit plans, many of which have long been in effect. Both companywide and single plant programs exist. In 1951, nearly all refinery workers and over three-fifths of those employed in crude oil production were covered by plans offering one or more of the following benefits: Life insurance, hospital, medical, and surgical insurance; sickness and disability benefits; retirement annuities; and in several cases, employee savings or stock purchase plans. Of 73 plans included in a 1951 study, only 6 were noncontributory, that is, financed entirely by the employers.

Union Security.--A union shop clause is not typical in this industry. Union security is generally limited to exclusive bargaining privileges for the recognized labor organization. However, the OCAW and the Metal Trades Council have negotiated maintenance-of-membership clauses in some agreements. The checkoff, an arrangement whereby the employer withholds union dues from the worker's wage and remits this sum to the union, appears to be an accepted practice in the industry.

^{1/} These rates were increased to 8 and 16 cents in one recent wage settlement.

Job Security.--Employees with several years of service enjoy a high degree of job security. Detailed seniority provisions cover layoff, rehire, and promotion in most plants. The specific seniority provisions vary among the agreements.

Grievance Procedures.--Formalized grievance procedures vary. In some agreements, at least five steps (at any one which the issue could be resolved) are specifically provided before a question may be taken to arbitration. In others, grievances go before a board of review for final decision after only two attempts at settlement.

3:09 The Construction Industry

The construction industry has been characterized as a "group of related firms whose principal common denominator is the employment of the same labor force and bargaining with the same trade unions." Trade unions play an important role in the functioning of the industry. Residential and nonresidential building, and street, highway, and other heavy construction all require highly skilled craftsmen available on short notice. With few exceptions, the employers who deal with the unions rely upon them to provide the work force, whether in the cities or in remote and isolated areas.

Construction workers tend to identify themselves with their craft and their union rather than with the employer with whom many have only intermittent relationships. They look to the union for job leads or assignments, for the improvement of working conditions, and for the maintenance of standard wage scales. The unions, in a sense, contribute a stabilizing influence to what would otherwise be an irregular employment situation.

The existing pattern of relationships between unions and employers in the industry has developed over many years. It is marked by a reliance upon multiemployer bargaining and the observance of union working rules.

The Industry

Expenditures for new construction in 1956 reached a recordbreaking \$46 billion, accounting for over 10 percent of the total value of goods and services produced in the United States. Over 2.5 million workers were employed in contract construction on residential and nonresidential building; another half million worked on streets, highways, dams, piers, and other types of non-building contract construction. 1/

Construction is primarily a service provided by contractors (employers) who agree to build certain structures or installations according to specifications. Contractors fall into two broad classes: General contractors and special trade contractors. The general contractors are responsible for an entire project,

1/ Employment on force account construction (construction work performed by an establishment primarily engaged in some business other than construction, for its own account and use and by its own employees) is not included in the employment totals for contract construction.

and generally specialize on a particular type of construction such as houses, schools, commercial construction, bridges, or roads. They may perform a substantial portion of the contract with their own work force and subcontract particular functions to special trade contractors who usually are not restricted to one type of construction. Both general and special trades contractors tend to organize their work forces around specific projects; that is, they employ only a few workmen on a year-round basis and depend upon obtaining men with appropriate skills as needed. Ordinarily, a contractor procures as well as installs the materials for his part of the project, but in some instances contracting occurs on a "labor only" basis; that is, the contractor assumes no responsibility for purchasing or assembling materials or parts.

Some idea of the size of these operations may be derived from the fact that of the 262,000 contractors (general and special) reporting taxable payrolls (for social security) in March 1953, 205,000 employed fewer than 8 workers and only 2,600 employed more than 100. The larger employers are generally engaged in non-residential building and in the numerous large housing projects which have been developed since World War II. ^{2/} The relatively large number of firms providing construction services in each locality, the ease with which firms enter or leave the field, and the predominantly localized area of competition have greatly influenced the development of labor-management relations in the construction industry.

The construction of skyscrapers, bridges, tunnels, and dwellings requires a variety of highly developed skills. Thus, the building trades comprise the largest concentration of skilled occupations in American industry. Workers who become electricians, carpenters, bricklayers, etc., generally regard their choice as a lifetime occupation. They usually serve an apprenticeship, 4 years being most common, during which they work on the job and attend trade school classes. The journeyman typically regards himself as a member of a given trade, not as an employee of a particular contractor, a reflection of the temporary nature of employment relationships.

Much of the work is performed out of doors and hence is affected by climatic conditions; 36 to 40 weeks constitute a year's

^{2/} These developments may be sponsored by an operative builder who combines the functions of the real estate developer, contractor, and sales manager.

work in some areas. In addition, construction activity is closely tied to the general level of business activity. When business prospects are good, construction commitments are forthcoming; however, since a decision to build is easily postponed, the impact of a recession is quickly felt in the building trades.

The Unions

Worker organization in the construction industry was a forerunner of the modern trade union movement; its origin in this country can be traced to colonial times. For example, a society of carpenters existed in Philadelphia as early as 1724. Most of the national unions were formed before 1900. Currently, it is estimated that more than 2 of every 3 construction workers are covered by union agreements.

Nineteen unions, with more than 4 million members, including workers outside the construction industry, comprise the Building and Construction Trades Department of the AFL-CIO. This department was established in 1908 to deal with jurisdictional problems among its affiliates and to coordinate policy for the building trades unions. The numerous trades represented in the Building and Construction Trades Department include carpenters, construction laborers, operating engineers, cement masons, construction teamsters, painters, plasterers, tile setters, electricians, and others.

County or local area building trades councils, representing the construction unions in the community, play an important part in influencing the policies of affiliated local unions and representing the interests of all construction labor in their areas. A wage policy or strike action of any one local would ordinarily not be approved by the council if it worked to the detriment of the group as a whole. However, work stoppages not officially sanctioned may occur since, in general, local unions in the building trades exercise a high degree of independence in relation to their international unions.

In a changing industry, where craft consciousness on the part of the workers is widespread, jurisdictional issues are bound to arise. Recent changes in methods of construction, including some prefabrication of dwelling units, or factory assembly of wall sections, cabinets, and window units, have led to costly disputes between competing unions. The introduction of new materials in place of traditional wood, plaster, and metal has given rise to new claims for jurisdictional rights. Since 1948, the unions within the

Building and Construction Trades Department have attempted to settle these issues within their own organization through the mechanism of a National Joint Board for Settlement of Jurisdictional Disputes.

Collective Bargaining Structure

Construction contractors have established various local or national associations to represent the interests of those engaged in similar activities, particularly in dealings with the unions. The most typical form of organization among contractors is the local area association to which most of the general contractors in the area belong. Specialty contractors usually form local organizations by trade at the city and county level to negotiate with their labor counterparts. Thus, the dominant type of collective bargaining in the industry is multiemployer bargaining, typically covering a local, rather than a regional, or national, area.

Town, city, or county boundaries are generally used to define the area within which union rules and collectively bargained agreements are applicable. As union organization spreads out from the cities to surrounding areas, the coverage of the area agreements tends to follow.

Labor-management relations in the construction industry are largely governed by terms of the collective bargaining agreement and the working rules in the union constitution and bylaws. This situation has developed over a long period of time. The incorporation of specific job rules in the union constitution, such as prohibiting laborers from performing journeymen's work, assures a consistent or uniform approach to common work practices. Although the purpose of working rules is protective and regulatory from the union's point of view, some appear to be restrictive in operation from the employer's point of view.

In the day-to-day collective bargaining relationship, the business agent, normally a paid union representative, is a key figure, exercising considerable influence on the hiring of workers. Many employers maintain only informal employment records; hiring is usually done by the foreman on the job who notifies the union office or business agent when he needs men. The business agent makes certain that the employer acts in conformity with the agreement and the accepted customs of the trade. He serves as an expert adviser to the grievance committees, often effecting a settlement of a dispute on the premises.

Work stoppages in the construction industry are generally rooted in disagreement over the terms of new contracts; neither employers nor unions are inclined to arbitrate these issues. Wages and supplementary benefits, as in most other industries, have been the primary issues in work stoppages. Intraunion or interunion disputes rank second in importance among the issues leading to strikes in construction trades. According to Bureau of Labor Statistics' estimates, disputes over intraunion or interunion matters, mostly jurisdictional, accounted for about 20 percent of the work stoppages and 8 percent of the man-days idle in the construction industry during the postwar period.

Major Agreement Provisions

Agreements in the industry vary from simple, written understandings on wages, hours, and working conditions, to lengthy documents. However, the brief uncomplicated contract is most common. As previously indicated, many practices subject to collective bargaining in other industries are covered by union working rules in the construction trades. Although not collectively bargained, some practices by custom have been accepted by employers as part of the agreement with the union.

Wages and Hours.--The practice of a standard rate, that is, a uniform rate for all workers in each craft in the area covered by the agreement, prevails throughout the industry. Each agreement specifies the hourly rate for journeymen, frequently referred to as the union scale. Employers on occasion have been known to pay a higher rate, however. Rates will also vary for different types of work; for example, the union scale in Dallas, Tex., for carpenters employed on heavy work was \$3.125 per hour in July 1956, and the regular carpenter rate was \$2.875. The agreements often specify a premium over the journeymen's rate for foremen. Apprentices in each craft are paid on an advancing scale, beginning at a level approximately 40 to 50 percent of the journeymen's hourly rate and increasing at half yearly intervals. During the final 6 months of training, apprentices receive about 90 percent of the journeymen's wage.

Hourly rates in the construction industry are high in comparison with rates for skilled plant maintenance workers in other industries. This is due, in part, to the seasonality of the industry. The union scale for bricklayers and plasterers averaged \$3.62 and \$3.50, respectively, in July 1956; building laborers averaged \$2.20. Building trade unions oppose piecework or other incentive systems of payment.

The 8-hour day and 5-day week have prevailed in most areas since 1920; in some, the specialty trades have secured a 6- or 7-hour day. Overtime rates (time and one-half or double time) apply for all hours worked in excess of the established working day and for any work done before or after the hours established for the normal working day. Double time is generally provided for work on Saturdays, Sundays, and holidays. In contrast with many manufacturing industries, paid holidays and vacations with pay are not common, although the latter have been achieved in some areas. Two to 4 hours' reporting pay, commonly called showup time, is provided for in many contracts, but paid time is seldom allowed for washup and clothers changing.

The Prevailing Wage Law (Davis-Bacon Act) and related acts require contractors and subcontractors on projects financed directly by the Federal Government (or on certain projects financed in part by the Federal Government) to pay the rates prevailing in the area; this requirement does not include supplementary or related wage benefits. In most large cities, the prevailing rate for construction reflects the union scale.

Supplementary Benefits.--Most construction unions have for many years operated union benefit programs providing death, old-age sickness, and disability payments to their members. This helps explain why the development of fringe benefits in the construction industry has been less rapid than in other industries. However, employer-financed health and insurance plans have been negotiated in increasing numbers during recent years. A majority of union members in a number of building trades are now covered by labor-management contracts providing health and insurance plans. These are generally financed by employer contributions of a specified amount per hour of work, paid into a central fund which purchases the necessary insurance coverage for those employed in the area.

Private pension plans supplementing Federal old-age pensions are not common in construction although they have been incorporated into a few agreements. Among the collectively bargained pension plans, probably the most notable is the one between the National Electrical Contractors Association and the International Brotherhood of Electrical Workers. Employers and workers, through the union, contribute to a jointly administered pension fund. Members in good standing for 20 years, upon reaching the age of 65, are eligible for benefits of \$50 a month.

Union Security.--The closed-shop rule, allowing only union members to work on the job, was well established in the construction industry prior to the enactment of the Labor Management

4

Relations (Taft-Hartley) Act of 1947, which forbade such provisions. In practice, the employer generally notifies the union office when he needs workmen. Since enactment of the law, the union must be willing to register nonunion members if it operates an employment service, that is, referral practices must operate on a nondiscriminatory basis.

Grievance Procedures.--Methods of grievance procedure tend to vary with locality and trade, though formal procedures are established in most contracts. In general, if a grievance is not settled between the worker and his foreman directly, the business agent of the union frequently is able to settle the issue on the premises. Disputes which cannot be settled by the employer and the union representative are referred to committees representing the employers' association and local building trades council. Arbitration, though seldom resorted to, is provided as a final solution to those issues that cannot be resolved by the parties. In communities where both employers and workmen are well organized, the terms of the agreements are carefully observed and serious disputes are generally avoided.

Union Working Rules

The shifting or transient working relationships characteristic of the construction industry underlie the existence of union working rules. Through these regulations, codified in their constitutions and bylaws, the unions have helped to influence the supply of labor and the conditions of work.

No one set of working rules prevails. Each local has authority to establish rules within its own jurisdiction as long as they do not conflict with rules of its international union. Typical rules prohibit or limit the amount of trade work that may be done personally by an employer, frequently requiring that he hire at least one journeyman. This prevents a worker from hiring one or two helpers and calling himself a contractor. Some trades require that a foreman be hired if there are three or more men in a crew and that foremen be paid a premium rate when required to work with tools.

The number of apprentices, expressed as a ratio to journeymen in the craft, and the length of apprenticeship training are frequently specified in the union bylaws. In practice, apprenticeship programs are cooperative ventures of both employers and the unions. A registered apprentice program is maintained throughout the United States under the joint direction of the State apprenticeship agencies and the U. S. Department of Labor's Bureau of Apprenticeship.

Several crafts have regulations concerning the tools or labor-saving devices that may be used. These rules seek to protect the health and welfare of the members, but they have been criticized on the ground that they discourage innovation. Recent studies of construction trades seem to indicate that these rules are less burdensome than popularly believed. In housebuilding, for example, postwar developments have led to the use of many modern labor-saving techniques such as portable power saws; most innovations have been introduced with little opposition from the international unions and frequently with their cooperation.

Union-Management Cooperation

The National Joint Board for Settlement of Jurisdictional Disputes, established in the building and construction industry in 1948, is an example of a nationwide union-management cooperation program. It consists of 8 members (4 representatives of participating contractor association and 4 representatives of building and construction trades unions) and an impartial chairman selected by the industry and labor members of the Board. This Board is concerned solely with jurisdictional disputes arising in the industry. During the first 8 years of its existence, several hundred cases have come before it and only a few were not settled through its procedures.

Cooperation between unions and employers in the building trades has frequently centered around the apprentice training programs mentioned earlier. Another joint effort is the Council on Industrial Relations for the Electrical Construction Industry, a union-management group about 35 years old, which makes valuable contributions to a better understanding of labor-management problems in the industry. Through this organization, representatives of the International Brotherhood of Electrical Workers and the National Electrical Contractors Association meet and discuss mutual problems concerning productivity, labor relations, and their community responsibilities.

Another recent example of cooperation occurred in 1953 when the Contracting Plasterers International Association, an employer group, and two unions, the Operative Plasterers' and Cement Masons' International Association and the International Union of Wood, Wire and Metal Lathers, joined forces to establish a code of standards. The new program was launched to meet the competition of wallboard and other types of dry wall construction. Advertising, improved workmanship, and cost consciousness are all part of the program to secure more plastering jobs and more employment for the craftsmen in the industry.

3:10 Electric and Gas Utilities

Output of electric and gas utilities, the source of industrial and residential heat, light, and power, has undergone a tremendous expansion in the past 15 years. The 1956 output of electric energy (over 680 billion kilowatt hours) represented almost a fourfold increase over 1940; natural gas marketed during this period increased by a like proportion. Though residential users buy less than one-fourth of the electric energy produced, most American families have electricity in their homes. The 1950 Census of Housing, for example, reported that 94 percent of all dwellings had electric lights. Farm homes having electricity increased from 33 to 78 percent between 1940 and 1950. Farmer-owned electric cooperatives under the Rural Electrification Administration have brought electricity to many rural areas. 1/

Electric and gas utilities in the United States operate under both private and public ownership and management. Privately owned companies, which greatly outnumber government operations, are regulated in the public interest by Federal, State, and municipal agencies. Under both types of ownership, most of the workers are covered by collective bargaining agreements.

In federally operated systems, and under some State laws, work stoppages are prohibited. Even where there is no restriction on the right to strike, as in most privately owned companies, a recognition of the need to provide continuous service and to avoid public criticism serves as deterrents to work stoppages. In general, both management and labor have adapted their outlooks to the responsibilities of uninterrupted service; both parties generally oppose compulsory arbitration in principle; both recognize the desirability of working out their problems without intervention.

Privately Owned Electric and Gas Utilities

Over 4,000 companies under private and public ownership are engaged in the generation, transmission, and distribution of electric energy and gas for residential and industrial use in the United States. In size, they range from those operating in rural areas with 5 or fewer employees to corporate enterprises with more than 20,000 employees serving the great metropolitan areas. Many

1/ The Rural Electrification Administration, established within the U. S. Department of Agriculture since 1935, has made loans to over 1,000 farmer-owned electric cooperatives. These cooperatives, primarily electric distribution systems, have brought electricity to more than 4 million rural families.

companies, particularly the larger ones, distribute both electricity and gas.

Privately owned electric utilities produce more than three-fourths of the electric energy sold. Federal, State, and municipal power companies account for the rest of the electric energy produced for sale. Many large industrial establishments manufacture power for their own use.

In an unparalleled expansion between 1945 and 1954, natural gas transmission sales more than doubled and electric generating capacity increased 83 percent. Generation by steam is by far the leading method of electric energy production among privately owned companies; only about one-seventh of kilowatt-hour output is produced by hydroelectric generation.

Electric and gas utilities employed approximately 570,000 workers in April 1957. About a fourth of these workers were in office or clerical occupations. The majority of the office workers are women. The plant and service force, accounting for about three-fourths of total employment, is almost exclusively male. In electric systems, the chief occupational groups (in terms of number of workers) are linemen, trouble men, boiler operators, and substation operators at the upper end of the wage scale; truckdrivers and groundmen are among the lower paid groups. In gas production, gas-main fitters and helpers, servicemen, and laborers are the major groups. Servicemen frequently receive the highest wages paid to gas utility workers and the laborers are among the lowest paid. Meter readers are employed in both types of operations.

Most of the larger systems (more than 100 workers) are organized, hence most of the plant workers in these industries are covered by union contract. The International Brotherhood of Electrical Workers and the Utility Workers' Union of America are the major unions. Other unions have also secured recognition, primarily in gas utilities; these are the Oil, Chemical and Atomic Workers International Union; International Chemical Workers Union; and District 50, United Mine Workers. The Brotherhood of Utility Workers of New England, an unaffiliated union, represents workers in several systems in that region. In addition, small, unaffiliated unions represent workers in separate systems throughout the country. It is estimated that more than 320,000 employees of electric and gas utilities were members of unions in 1956.

Collective Bargaining

Multiemployer bargaining is rare in these industries. Negotiations generally involving representatives of a single company or system and a union may take place at the system or plant level. It is not unusual to have more than one union representing different groups of employees within a system. For example, the agreement between the Utility Workers Union of America and Consolidated Edison Co. of New York in effect in 1956 provides for bargaining upon a systemwide basis. The agreement between Detroit Edison and the UAW is a consolidation of the separate agreements between the Union and the 18 individually certified bargaining units, but specifically preserves separate bargaining status for each unit. In both systems, the IBEW continues to represent particular groups; i. e., it negotiates with Detroit Edison for certain employees in the overhead lines department as well as crane and elevator operators in the building and operations department, and with Consolidated Edison for most of the workers employed in the Staten Island operations. On the West Coast, the IBEW represents the operating, maintenance, and construction employees in the 13 geographic divisions of the Pacific Gas and Electric Co., one of the largest privately owned and operated utility systems in the country. Negotiations are on a systemwide basis, but provision is made for varying rates of pay based on the type of service and geographic area.

Collective bargaining in gas and electric utilities is influenced by the essential nature of the services provided. If disputes between management and labor result in work stoppages, the health and welfare of the community may be directly and immediately affected. Consumers generally have no alternative source of heat, power, and light, and even though certain essential services (to hospitals, for example) are available during work stoppages, the public is seriously inconvenienced. On occasion, public opinion thus tends to favor compulsory arbitration of public utility disputes. Work stoppages in public utilities during the early postwar period led several States to adopt legislation prohibiting stoppages and compelling arbitration of disputes. In general, management and labor in public utilities recognize the likelihood of public hardship occasioned by an interruption of service and resolve their problems without resorting to strike or lockout, although occasional work stoppages do occur.

To avoid work stoppages that might develop out of disputes during the administration of the agreement, the parties to the contracts have established comprehensive grievance procedures. One agreement, for example, provides that (1) a grievance may be settled

by an employee, with or without union representation, and his immediate supervisor; (2) if not disposed of within 5 days, it is reduced to writing and is handled by the union grievance committee and the department head; (3) if unresolved after 10 days, the matter will then be taken up by the union with the plant personnel director; and (4) if necessary, the president of the company. In addition to this procedure, the agreement provides for a special board of review composed of an equal number of management and union representatives. If this board cannot reach a satisfactory solution, the matter may then go to arbitration, the decision to be final and binding.

Some agreements provide for arbitration of specific issues that may deadlock the negotiation of a new contract, but both union and management generally have been unwilling to adopt a policy that would bind them to arbitrate all issues. Compulsory arbitration imposed by law usually has been opposed. Both union and management prefer to settle issues at the bargaining table. Recognizing an obligation to provide continuous service, they seek and generally find acceptable solutions to their common problems.

Wages and Related Benefits

The 8-hour day and 40-hour workweek prevail in public utilities, with time and one-half for overtime in excess of the 8-hour day or 40-hour week. In most large companies, wage schedules are well defined, as are the job classifications. It is common practice to provide for a worker's progression from minimum or starting rates for a job classification to the maximum in a series of steps determined by the length of time in the job.

Utility workers typically are among the higher paid groups of American workers. Earnings of plant workers in electric and gas utilities averaged \$2.29 an hour in April 1957, exceeding those of workers employed in all manufacturing, durable-goods manufacturing, and in the communications industries. Regional differences are pronounced; earnings of workers employed in the Pacific Coast, the mid-Atlantic, and Great Lakes regions are above the national average for utility workers, whereas workers in the Southeast, Southwest, and Midwest areas are paid less on the average. Wage rates in systems employing over 1,000 workers are generally higher than in those with fewer employees.

Public utilities require round-the-clock operation and agreements therefore generally provide for shift premiums for second and third shift workers. These may range from 6 to 18 cents an hour for those who work the midnight shift, and from 4 to 12

cents for those on the evening shift. Premium rates are frequently provided for work on towers over a certain height or on live circuits. Reporting and call-back guarantees found in some agreements stipulate that the worker shall be paid at least a minimum number of hours when required to report for duty.

Paid vacations varying with length of service are common. Two weeks after 1 year, 3 weeks after 15 years, and occasionally a fourth week after 25 years' service are provided by union contracts. Paid holidays range from 4 to 12 a year, although 6 to 8 holidays are most common. Formal provisions for sick leave at full pay, ranging from 5 to 10 days a year, with extended sick leave provisions on a partial-pay basis are found in many agreements. Other allowances may include traveltime pay, jury duty allowance, death-in-family allowance, paid military leave, and severance pay.

Insurance and pension plans, financed at least in part by the employer, are almost universal in privately owned electric and gas utilities. Practically all the workers are covered by life insurance and retirement benefits; the majority are covered by agreements including hospital and health insurance.

Union Security.--In a 1954 Bureau of Labor Statistics survey of union security provisions in major agreements, the union shop was found in 65 percent of the gas and electric agreements studied. Provisions for the checkoff of union dues by the employer appeared in three-quarters of the agreements studied.

Industrial Relations in a Government-Owned Utility--The TVA

Federal, State, and municipal power companies serve about 1 out of every 5 consumers of electrical energy in the United States. Among the public-owned facilities is the widely known federally operated Tennessee Valley Authority, one of the largest hydroelectric developments in the country.

Necessarily, labor-management relations and collective bargaining develop along different lines in a publicly owned enterprise like the TVA, where workers are employees of the Federal Government, than in privately owned corporations. Federal workers are permitted to join organizations of their own choosing, but are prohibited from striking and normally would not participate directly in negotiation of their wage rates and working conditions. However, a collective bargaining system and a code of industrial relations practices have developed within the TVA, providing an informative example of labor-management relations in a government-owned power company.

An act of Congress in 1933 created the TVA to develop the Tennessee River, control floods, and produce hydroelectric power. The act prescribed that workers employed at TVA would be paid the prevailing rates for similar work in the area, with due regard to be given to rates determined through collective bargaining. Although the law did not specifically provide for participation by representatives of the employees in the determination of wages and working conditions, the provisions have been interpreted as contemplating such an arrangement.

The first written agreement between TVA and the Tennessee Valley Trades and Labor Council representing 15 international unions of employees in the trades and labor classifications was adopted in 1940. A similar agreement between TVA and the Salary Policy Employee Panel representing 6 unions of white-collar employees was signed a few years later. The written agreements provide for recognition of organizations representing a majority of the workers in the craft or group and, since 1951, have included a modified version of union security which provides for preference to union members in hiring or layoff. Union membership is not required as a condition of remaining on the job.

The working agreement sets forth the procedural steps through which wages are negotiated. Prevailing wages paid by other employers in the vicinity are used as the basis for bargaining. The establishment of the prevailing wage involves a preliminary conference between union and management, a wage survey, and a subsequent conference in which the accuracy of the data obtained is assessed. Negotiations are then conducted on the basis of the respective labor and management interpretations of the figures.

Job content and job classification problems are the responsibility of the Joint Classification Committee established in 1941. Any problems arising out of classification issues remaining unsettled after committee action are referred to the director of personnel of the TVA and the president of the TVA Trades and Labor Council.

Perhaps the outstanding achievement in labor relations at TVA has been in labor-management cooperation. In 1942, the Tennessee Valley Trades and Labor Council and TVA established a cooperative committee to help management and labor work together on matters of mutual concern. Elimination of waste, conservation of materials, improvement in quality of workmanship, promotion and training, safety, health, and correction of conditions leading to grievances have been the objects of the committee's attention. A Central Joint

Cooperative Committee coordinates activities of the subcommittees organized at major construction projects. The extensive committee program at TVA is credited with producing a team spirit between labor and management which is essential to the public purposes for which TVA was established.

3:11 The Local Transit Industry

The local transit industry provides intracity transportation for passengers via public vehicles operating on established schedules. Though facing a shrinking demand for their services, local transit systems carry more passengers (around 9.2 billion riders in 1956) than any other public carrier. In the United States, a company offering urban transportation may be either publicly or privately owned. In some cities, both types operate, though on separate routes.

Urban transportation is a public utility and is subject to regulation in the public interest. A request for increased fares frequently coincides with or follows negotiated wage increases; if collective bargaining procedures break down, service may be disrupted. In either case, the general public holds an immediate and direct interest in transit labor-management relations.

Two labor organizations represent the majority of workers in the industry. The Amalgamated Association of Street, Electric Railway and Motor Coach Employes of America has been in existence for more than 60 years and includes within its membership workers in both large and small communities. The Transport Workers Union of America, approximately 20 years old, has its major strength in New York City and Philadelphia; it also represents workers in some smaller cities. Both unions are affiliated with the AFL-CIO.

The Industry

Local or intracity transportation, frequently referred to as urban transit, is provided by motorbus, streetcar, electric trolley, and elevated railway and subway systems operating on a regular schedule. Almost 1,500 separate operating companies, representing a gross investment of approximately \$3.8 billion, provided transportation to urban communities in the United States in 1955. ^{1/} A single company may include one or more types of service. Motorbus operations are the most common; almost 95 percent of the operating companies provided motorbus service exclusively in 1955. Multiple and integrated services are usually found in the larger cities.

Urban transportation systems are either publicly or privately owned and operated; in some cities, publicly built and owned systems are privately operated. Privately owned systems function

^{1/} American Transit Association, Annual Report, Transit Fact Book. This figure excludes the companies operating only a few vehicles in small communities.

under the provisions of a municipal franchise. Municipal ownership is more common in larger communities. Of the 10 largest cities in the country, 5 own and operate local transportation systems--New York City, Chicago, Detroit, Cleveland, and Boston. In Philadelphia, Los Angeles, Baltimore, St. Louis, and Washington, D. C., privately owned systems provide transportation services.

Both private and public systems may operate in the same city, serving different routes. For example, 10 privately owned buslines operate in the New York City area in addition to the publicly owned subways, elevated trains, and buslines that are operated by the City Transit Authority. At one time, the 3 New York City subway lines, build and owned by the city, were operated by separate managements, 2 private and 1 public.

The industry has been beset by many problems during the past few years. Both public and private systems have reported increased operating costs, fewer riders, and lower earnings. The number of transportation rides per capita dropped from 312 in 1945 to 195 in 1950, and to 124 in 1955. The necessity of serving expanding suburban areas, where the payload is less, has been a complicating financial problem. Though less frequent service and higher fares have been approved by municipal authorities, the anticipated increase in total revenue is often not realized because of the increasing use of private automobiles. How to continue to provide adequate, efficient urban transportation has become a major problem for many large metropolitan areas.

Employment in the local transit industry has declined steadily since 1945, when the American Transit Association reported 242,000 transit workers employed by the public and privately owned companies comprising their membership. In 1956, member companies of this association employed 186,000 transit workers.

The work force is primarily male. Women generally perform clerical duties, although some drive buses or operate streetcars. From two-thirds to three-fourths of all transit operating employees are vehicle operators. Maintenance men comprise the next most numerous group.

The Unions

The Amalgamated Association of Street, Electric Railway and Motor Coach Employes of America (SERMCE), formerly affiliated with the AFL, and the Transport Workers Union of America (TWU), formerly with the CIO, represent the majority of workers in the industry. Other unions representing transit workers include the Brotherhood

of Railroad Trainmen; the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America; and also the International Association of Machinists, whose members service and repair the equipment rather than operate vehicles.

Since its formation in 1892, SERMCE has been the largest union organization in local transit and in intercity or over-the-road bus transportation. Representing workers in cities from coast to coast, the union reported 144,000 members in 1956. Some of the larger cities in which transit systems operate under collective bargaining agreements with SERMCE are: Chicago, Cleveland, Milwaukee, Detroit, Cincinnati, Buffalo, Boston, Baltimore, Pittsburgh, Washington, D. C., Atlanta, Newark, Dallas, St. Louis, Minneapolis, Los Angeles, and Seattle.

The TWU was organized in 1933 by New York City transit workers and affiliated with the CIO in 1937. In 1937, TWU won collective bargaining rights for subway workers in New York City; in 1944, the union negotiated its first agreement with the Philadelphia transit system. These two cities are the source of TWU's major strength in the local transit field; however, agreements are also in force in a number of scattered communities, including Akron and Houston. TWU also has membership in airlines, railroad shops, universities (maintenance employees), and other industries, mainly in New York and Pennsylvania communities. In 1956, the union reported a membership of 130,000.

Collective Bargaining

Collective bargaining normally occurs between a local union and the private company, or in some communities between the union and the public authority operating the transportation system. Negotiations may cover all local transit workers in the city, as a single operating company frequently holds the franchise to serve the entire municipality.

Employees of municipally owned transportation systems are apt to be included under the civil service regulations of the municipality in which they are employed. Some publicly operated systems may negotiate and sign collective agreements with labor organizations; others recognize and negotiate with a union and incorporate mutually acceptable rules and working conditions into a memorandum of understanding, but do not execute a formal collective bargaining agreement; some publicly operated systems are expressly forbidden by law to sign an agreement with any labor organization. The agreement negotiated in 1954 between the TWU and the New York Transit Authority marked the culmination of a 14-year struggle for union

recognition and the written agreement. The Transit Authority and its predecessor, the Board of Transportation, had maintained they did not have authority to recognize and negotiate with the union.

Local unions of the SERMCE generally negotiate their own agreements, but they frequently draw upon the national organization for assistance and legal counsel. The SERMCE maintains a field staff of elected vice presidents and executive board members whose duties include assisting local divisions whenever necessary. Upon request, these officials provide assistance in handling grievances, negotiating new contracts, or in other matters where their experience and point of view are valuable.

In the TWU, the executive board guides all collective bargaining policy; its permission is necessary for all negotiations, conferences, or strikes. Because the TWU has its major strength in large urban areas, individual locals are broken down into smaller groups. For example, Local 100 in New York City, with membership in both public and private operations, is divided into branches uniting the workers of each employer; these branches in turn are divided into sections to unite workers by craft, trade, or department.

Bargaining generally occurs on a local area basis, but intercity comparisons of rates of pay and working conditions are common. These comparisons generally are made between cities of comparable size. The need for municipal authorization of fare changes is an important element in collective bargaining. During wage negotiations, unions in the transit industry have generally taken the position that ability to pay is primarily a management problem. They maintain that transit wage rates must keep pace with those of other workers in the community, otherwise transit employees, in effect, would be subsidizing low cost transportation to the public. Although the unions have resisted tying wage negotiations to fare increases, they have on occasions supported management in public hearings before regulatory commissions.

Marked reliance upon arbitration as a means of resolving disputes is a feature of collective bargaining in the transit industry. The SERMCE constitution stresses the principle of arbitration and requires the local union, upon pain of forfeiture of strike benefits, to offer to arbitrate before striking. Charters or ordinances governing municipally operated systems frequently specify certain collective bargaining procedures and provide for arbitration to settle all unresolved disputes, including those arising over the terms of a new contract.

Recently, some privately owned transit systems have shown less willingness to arbitrate the terms of new agreements and, on occasion, transit facilities have been made idle because of work stoppages. Though disrupting service, these stoppages are probably less serious in local transportation than in other public utilities since the private automobile provides a substitute service. Though sometimes seriously inconveniencing the public, urban transit work stoppages have generally been allowed to run their course, free from government intervention.

Agreement Provisions

Wages and Hours.--A Bureau of Labor Statistics survey of union wage scales of local transit operating employees in all cities of 100,000 or more population, as of July 1, 1956, found that most union contracts covering local transit operating employees established hourly pay scales on a graduated basis according to length of service. An entrance or starting rate, one or more intermediate rates, and a maximum or top rate were usually provided. In about four-fifths of the cities studied, the entrance rate applied to the first 3 or 6 months' employment. The maximum or top rate was usually reached after 1 year's service. Length of service was not a determining factor in a few cities as only a single rate was specified in the agreement.

Entrance or starting rates for 1-man car and bus operators varied from \$1.35 an hour in Charlotte, N. C., and Little Rock, Ark., to \$2.12 in Seattle, Wash. Maximum scales for these operators varied from \$1.45 in Charlotte to \$2.24 for multiunit car operators in Boston.

The average union scale for operating employees was \$1.99 an hour. The average rates varied from \$2.18 in Seattle, Wash., to \$1.45 an hour in Charlotte. The level of rates tended to vary with the size of the community, although averages differed widely within each population group.

Typically, the standard workweek was 40 hours, though some cities reported longer workweeks, a few reporting as many as 54 hours as the regular workweek. Among 1-man vehicle operators, about 1 out of 10 worked a 48-hour week; about 3 out of 10 motormen and conductors on 2-man cars worked a 48-hour week. Premium overtime rates were paid for hours in excess of the regular workweek. The nature of transit service requires that some operators work split shifts in order to accommodate rush hour traffic. In most agreements, premium rates apply when the spread (total time span involved in a split shift) exceeds a specified number of hours.

A related provision frequently found specifies the number of straight runs (runs completed in a specified number of consecutive hours) a company must schedule, expressed as a percentage of the total number of runs scheduled.

Provisions for cost-of-living adjustments, based upon the Bureau of Labor Statistics' Consumer Price Index, are now found in many agreements. In those communities for which the BLS compiles separate price statistics, the local CPI is often used as a basis for wage changes. Quarterly adjustments are generally provided.

Related Wage Practices.--The transit industry was one of the first to provide vacations with pay to hourly paid employees. As early as 1937, almost 70 percent of the employees in electric railroad and motorbus operations were included under paid vacation plans. Currently, vacations range from 1 to 4 weeks, depending upon length of service. The introduction of pay for holidays not worked and premium pay for work performed on holidays met with employer resistance in the urban transit industry because of the need for continuous operations. However, from 5 to 10 paid holidays, plus, in some cases, premium pay for work performed on these days, are provided for in many current agreements. Paid sick leave, an early objective of the union, has been achieved in several systems.

According to the BLS survey, pension plans are in effect in companies employing more than 90 percent of the workers studied. Health and insurance provisions covered 87 percent of all workers. Contributory plans, i. e., plans jointly financed by workers and their employers, covered 80 percent of the employees included under health and insurance programs and 60 percent of those covered by pension plans.

Union Security.--In the privately owned sector of the industry, except in those States with right-to-work laws, the union shop prevails. Union security provisions are included in some agreements negotiated by publicly owned and operated systems. For example, in Boston and Chicago, where publicly owned systems operate, maintenance-of-membership clauses are in effect.

The checkoff, a practice whereby the employer withholds union dues from the workers' earnings and remits this sum to the union, is an accepted practice throughout most of the transit industry; the exceptions usually are municipally operated systems.

Job Security.--With relatively stable employment, transit systems typically have a large group of employees with many years of service. Thus, seniority tends to have considerable importance.

Among vehicle operators, promotion possibilities are generally limited, hence the seniority principle is applied more frequently to job assignment and schedule changes. For example, jobs similar in character but differing substantially in detail may be open for bid on a strict seniority basis. Among maintenance employees, where a promotion sequence may exist, the seniority principle is frequently modified by the necessity of demonstrating ability to perform the task. Layoffs affecting either group are generally made on the basis of straight seniority.

Agreements often include provisions which guarantee operators a minimum number of hours per day or minimum earnings per pay period. Transit workers thus have some protection against part-time earnings, frequently a consequence of peak hour service and split-shift operation.

Administration of Agreements

Grievance procedures are an important part of the day-to-day administration of contracts in local transit companies, both publicly and privately owned. Established grievance procedures vary from system to system. However, nearly every agreement provides for arbitration of unresolved disputes.

The agreement with the New York City Transit Authority, for example, provides that a grievance must be processed through a five-step procedure before it may go to arbitration. The employee, personally or through his representative, must first present his complaint, either orally or in writing, to his foreman or immediate supervisor. If the foreman's decision is unacceptable, the employee or his representative may appeal, in successive order, to the superintendent of the division, the head of the department, the general superintendent, and to a committee of officers of the Transit Authority. Time limitations must be observed in moving from one step to another. After step 5, an unresolved grievance may be filed with the impartial advisor, who will hold a hearing and hand down a decision. The decision or recommendation of the impartial advisor was not final or binding until recently. In August 1956, TWU and the Transit Authority amended the agreement to provide for final and binding arbitration on disputes arising from interpretation of rules and regulations.

The United States merchant marine engaged in deep-sea shipping today transports less than a third of the total import and export trade of the country. Because an active merchant marine is essential to the national welfare, Government subsidy payments are allowed which enable United States shipowners, operating on essential sea routes, to compete with foreign vessels. Although only a part of the merchant marine is subsidized, these payments have increased considerably during the past several years. Subsidized shipowners are finding their costs and operation subject to increased Government scrutiny, although a policy of Governmental noninterference in collective bargaining prevails.

Though union organization dates from the late 19th century, organized seamen have been an increasingly effective force in the American shipping industry as a whole during the past two decades. The larger and more powerful seafaring unions are the unlicensed seamen's organizations, the Seafarers' International Union (formerly AFL) and the National Maritime Union (formerly CIO). These organizations have secured substantially higher wages, shorter hours, and improved working conditions for their membership in a relatively short span of time. The licensed officers' unions have also made substantial gains.

Crowded and unsanitary living conditions, low wages, and erratic income--characteristic of the life of an American seaman 25 years ago--have largely disappeared. Most of the changes were achieved through collective bargaining.

The Maritime Industry

The merchant marine can be divided into three segments, according to type and place of operations: Oceanborne, Great Lakes, and inland waterways shipping. Oceangoing passenger-cargo vessels, freighters, and tankers constitute the major part of the merchant marine. Great Lakes shipping is primarily composed of bulk freight. Towed barges and tankers predominate on the inland water routes. Lake and inland shipping provide important links in the transportation system but account for a relatively small part of the merchant fleet. This chapter is limited primarily to the oceanborne shipping industry.

The American merchant marine occupies a status somewhere between the military and the civilian sectors of the economy. The critical role of the merchant marine during periods of national emergency underlies much of the Federal legislation affecting shipping and seamen.

American deep-sea shipping has undergone frequent and rapid expansion and contraction. During World War II, deep-sea shipping increased by more than four times over the prewar level; by 1950, it had contracted to a volume slightly above the prewar level. The Korean conflict required renewed expansion, again followed by a drop in shipping volume in subsequent years, with the cessation of hostilities.

Most seagoing vessels flying the American flag are privately owned and operated. As of March 31, 1957, 710 of 861 dry cargo ships in service were owned by 134 private steamship companies; the other 151 were Government-owned ships operated by private companies, 145 of which were bare-boat chartered ^{1/} and 6 were under general agency agreement for military direction. Steamship companies vary in size; 11 leading companies, each owning 15 or more ships, owned a total of 334 ships while 78 smaller concerns owned 109 seagoing ships. Three hundred and thirty-six tankers bring the active oceanborne fleet to over 1,000 vessels. More than twice this number are listed under the inactive maring administration reserve. Approximately 380 American-owned vessels were registered under foreign flags on March 31, 1957, 80 of which were dry cargo and 295 were tankers; these vessels are not subject to American wage, safety, and insurance standards. Tankers owned by large oil companies accounted for the greater part of this group. Neither these nor the ships operated by the Military Sea Transportation Service in transporting troops and military supplies are considered part of the merchant fleet.

Increased competition from foreign shipping is one of the serious problems facing the American merchant marine. American shipping carried 60 percent of all United States imports and exports at the close of World War II, but dropped to less than 25 percent in 1956. This decline has been accompanied by a substantial drop in employment--from 165,000 seagoing jobs in 1946 to 60,000 in 1957. As early as 1936, recognition of the differences in operating and construction costs between American and foreign-owned vessels led to the passage of the Merchant Marine Act of that year. This law provides direct subsidies to ship operators engaging in foreign trade on essential sea routes. In 1957, some 14 companies operating 300 ships were eligible for subsidy payments. The total cost of the operating differential subsidy reached about \$100 million in 1954 when 280 ships were included. Items subsidized included wages, subsistence, maintenance and repairs, and insurance.

^{1/} A system under which ships are leased to private companies for outfitting and operation.

Since 1953, legislation known as the "50-50 rule" has bolstered American shipping volume. This law requires that at least 50 percent of Government-financed cargoes to foreign countries be shipped in American vessels.

The Unions

Several strong active unions today represent virtually all licensed and unlicensed seamen sailing on American vessels. The major unions representing unlicensed offshore personnel are the Seafarers' International Union (SIU) and the National Maritime Union (NMU). The SIU was chartered by the American Federation of Labor and the NMU by the Congress of Industrial Organizations; both unions are now affiliated with the AFL-CIO.

The Seafarers' International Union, which claimed about 75,000 members in 1956, is the dominant seagoing union on the West Coast. It has several affiliated unions, including: The Sailors' Union of the Pacific (SUP), which has been in continuous existence since 1885; the Pacific Coast Marine Firemen, Oilers, Watertenders, and Wipers Association; and the Atlantic and Gulf, Great Lakes, and Canadian Districts. The SIU also has membership among fishermen and in fish canneries.

The Sailors' Union of the Pacific, the chief affiliate of the SIU, was instrumental in the formation of the International Seamen's Union, chartered by the AFL in 1892. The ISU reached the peak of its influence during World War I, but suffered a sharp decline thereafter, accelerated by internal dissension. With the dissolution of the ISU in 1938, the Sailors' Union of the Pacific, which had separated from the ISU in 1921, rejoined the AFL and was responsible for the formation of the Seafarers International Union in 1938.

The National Maritime Union was created by dissident members of the failing International Seamen's Union on the East Coast and became an affiliate of the CIO in 1937. Once plagued by Communist infiltration, the NMU has successfully removed the leftwing dominated section from control. In 1956, it claimed 40,000 members. Its membership includes unlicensed personnel in deck, engine, and steward departments of seagoing vessels and some workers on the Great Lakes and inland water routes. A majority of the vessels sailing out of East and Gulf Coast ports are covered by contracts negotiated between the U. S. flag operating companies and the NMU.

In an effort to further the common objectives of its affiliates, the AFL established a Maritime Trades Department in 1945.

The merger of the AFL-CIO has brought the frequently competing maritime unions within a single federation, although the former CIO maritime unions have not, as of mid-1957, joined the Maritime Trades Department.

Licensed seamen are represented by the Masters, Mates and Pilots (MMP); the Brotherhood of Marine Engineers (BME), affiliated with the SIU; the National Marine Engineers Beneficial Association (MEBA); and the Brotherhood of Marine Officers (BMO). Ship radio operators, classified in the officer group, are also represented by two organizations, the American Radio Association (ARA) and the Radio Officers' Union (ROU). These organizations are now affiliated with the AFL-CIO.

Collective Bargaining Structure

Multiemployer bargaining is the predominant form of bargaining in the maritime industry. On the East Coast, major negotiations are carried on between committees of two employer groups representing owners of dry cargo vessels and the maritime unions. The American Merchant Marine Institute represents approximately 65 Eastern shipping companies in negotiations, but has no authority to sign for its members; each company executes its own contract after a uniform agreement has been reached. A committee bargains with the NMU for unlicensed personnel; another committee negotiates with the MEBA and the MMP for licensed officers; and a third committee bargains for radio operators with the ARA and the ROU. Another employer organization known as the Informal Atlantic and Gulf Group bargains for companies having contracts with the SIU. Negotiations take place on an informal basis until a satisfactory settlement is reached, after which each company concludes a separate agreement with the SIU.

On the West Coast, one dry cargo and passenger employer organization, the Pacific Maritime Association, negotiates with offshore unions (and with stevedoring and terminal labor groups as well) and executes the agreements for its members. Negotiations occur on a service and area basis, resulting in separate sets of working rules for ships engaged in Alaskan, coastwise, and offshore trade.

On the East Coast, five tanker companies negotiate through an informal group but execute individual agreements. West Coast tanker operators negotiate and sign separate agreements. In addition, several leading tanker companies on the East Coast negotiate exclusively with independent unions representing offshore seagoing personnel on their vessels.

Agreement Provisions

Wages and Hours.--An outstanding characteristic of the industry's wage structure is the fact that the basic wage represents only part of the seamen's take-home pay. Additional payments for assuming extra work or responsibility amounted to as much as 50 percent of the basic wages paid unlicensed seamen on American ships in 1956. These include overtime allowances, weekend pay, and so-called penalty rates for dirty work.

The basic wage is quoted on a monthly basis. There has been a rapid rise in basic wage rates and earnings of maritime labor since 1937 when an able seaman received \$72.50 per month. In 1957, for example, able-bodied seamen shipping out of East and Gulf Coast ports received \$333.27 per month base pay, plus the additional payments mentioned above. Basic monthly rates effective in 1956 for licensed engine department personnel on both coasts ranged from \$993.21 for the Chief Engineer to \$546.37 for his third assistant. These rates include skill and responsibility differentials which vary with the power and tonnage classification of the vessel.

Premium rates, almost universal in offshore operations, are generally quoted on a cents-per-hour basis. A dual premium rate structure exists. One rate, frequently termed "penalty," pertains to certain types of work performed during the regular working day; another, the overtime rate, applies to additional hours. Although the 40-hour, Monday through Friday week has been considered the base workweek since about 1951, 56 hours represent the actual offshore workweek for all watchstanders. Different overtime rates may be paid for midweek and weekend watches. The 1955 SIU wage settlement on the West Coast took into consideration the 56-hour week for watchstanders at sea and established a new base pay schedule which included overtime and penalty earnings in an attempt to simplify the wage structure. The rate for able seamen was set at \$423.

The manning scale, an important part of the agreements, specifies the personnel required for a full crew. Some agreements provide that in the event a vessel sails without its full crew of unlicensed seamen owing to the fault of the company, the wage equivalents of the unfilled job or jobs are to be divided among the other crew members of the department.

Supplementary Benefits.--Agreements with the major unions representing unlicensed seamen include 9 paid holidays and paid vacations from 2 to 8 weeks. A recent development provides for a pooled vacation plan under which cash allowances for time worked for

separate employers is accumulated into one fund. Under this system, which has now been generally accepted, seamen can change jobs without sacrificing vacation rights, but those employed by one operator for a year receive more vacation.

Most American seamen are included under negotiated pension and welfare plans. Though provisions of particular plans vary, in general they are employer financed and include retirement benefits, disability payments, and life insurance; in addition, they provide surgical and hospital benefits to dependents. Traditionally, merchant seamen have been provided with hospitalization and medical care in marine hospitals operated by the United States Public Health Service.

Job Security.--Seamen are "signed on" on a voyage basis. The shapeup on the dock, whereby men were required to line up so that a shipping master could choose among available workers, is a thing of the past. Hiring in this fashion has been replaced by the hiring hall, an office maintained by the union through which workers are referred to jobs, usually on a rotation basis; i.e., "the man longest on the beach has first chance at the job." First established by the SUP in San Francisco in 1886, lost during the 1920's and re-established in 1934, the hiring hall is regarded as a mainstay of the maritime unions.

An employment security plan was initiated in the June 1955 contracts between the NMU and the operators of passenger ships, freighters, tankers, and colliers, providing for employer contributions of 25 cents per man-day. Payments from this fund will supplement the Federal social security program and provide additional unemployment insurance for seamen, the amount to be worked out jointly by union and shipowners.

Union Security.--Through the hiring hall, the unions were able to maintain the type of security associated with the closed shop, where only union members were employed. Since this is no longer legal, it has been replaced by the union shop whereby non-union men may be hired, but once hired must join the organization within a specified period. A 1954 NLRB New York Regional Office ruling requires that nonunion seamen are to be provided use of the hiring hall in that area.

The agreement between the Sailors' Union of the Pacific and steamship companies in the offshore and intercoastal trade contains the following preferential hiring clause:

The Employers agree in the hiring of employees in the classifications covered by this agreement to prefer applicants who have previously been employed in the deck department on vessels of one or more of the companies signatory to this Agreement or on vessels of other Pacific Coast steamship companies. Employees with 3 years or more of such prior employment shall have preference over employees with less than 3 years employment. The Union agrees that in furnishing deck personnel to employers through the facilities of its employment offices it will recognize such preference and furnish seamen to the employers with due regard thereto and to the competency and dependability of the employees furnished. When Ordinary Seamen with prior experience are not available, the Union will in dispatching seamen prefer graduates of the Andrew Furuseth Training School.

When an employer rejects men furnished who are considered unsuitable and unsatisfactory, the employer shall furnish a statement in writing to the Union stating the reason for the rejection and the Union may thereupon refer the matter to the Port Committee and the Port Committee shall then hear the case.

Historically, the checkoff, a practice whereby the employer retains union dues from employees wages for transfer to the union, has not been common in the industry. However, a 1953 amendment to the NMU agreements provides for the checkoff and payment of union dues from the member's accumulated vacation fund.

Working Rules.--Seafaring, a strenuous and hazardous way of life, denies to seamen a normal home and family environment. The unions have thus insisted upon provisions in the contract to assure sailors decent and comfortable quarters, good food, and recreation facilities. Rules covering working conditions are sometimes elaborately detailed, even to specifying the brands of soap acceptable for the crew's quarters. Health and safety provisions, detailed job descriptions, itemized overtime duties, essential equipment lists, and similar matters are specified in the working agreements.

Administration of the Agreement.--A great deal of emphasis has been placed upon providing just and equitable procedures through

which disputes aboard ship can be resolved. Ship committees composed of members from each department provide a forum within which grievances may be aired and processed. It is the responsibility of the ship committee to see that conditions of the agreement are enforced when the ship is at sea. Under the NMU agreement, a department delegate is appointed to handle grievances arising on board ship. If unresolved at sea, these may be settled at any 1 of 4 stages: (1) They go before the port patrolman (a union representative) at the first union port-of-call; (2) if he fails to secure a satisfactory settlement, a written report and recommendations are submitted to the national port committee; (3) this committee reviews the case and may take it to top company officials; and (4) a grievance unsettled at this stage is referred to the national union and may then be placed before the Disputes Board, a permanent arbitration panel, for final settlement.

The SUP agreements with Pacific Coast shipowners provide for a 4-member Port Committee consisting of 2 union representatives and 2 from the operators. This committee handles grievances not resolved aboard ship. If it fails to settle the issue, the dispute could then be taken before a mutually agreed upon referee for a final decision. The SUP reports that most cases are settled between the port representative and union delegate and seldom reach higher levels of the grievance procedure.

3:13 Nonferrous Metals Mining

The mining and initial processing of nonferrous metals such as copper, lead, and zinc is a relatively small but highly important industry, particularly in terms of national defense. The industry is largely concentrated in the western part of the United States, remote from the major centers of population and industry. The strategic importance of the industry and its geographical isolation are among the factors which have influenced its labor-management relations.

Although the vast majority of mines now operate under the terms of union agreements, many difficulties have attended the development of collective bargaining. These difficulties have by no means been eliminated. The predominant union in the industry, under the influence of syndicalist ideas, rejected collective bargaining in its early days; later, its position in the industry and in the American labor movement was seriously impaired by decades of leadership disputes and ideological conflicts. Other factors contributing to the instability of labor-management relations were long-continuing employer opposition to unionism, the economic problems of the industry, and rival unionism. Although similar obstacles to the development of sound collective bargaining relationships were overcome in other industries, the continuation during the past decade of internal and external union controversy (sparked by a Communist-dominated leadership) has kept the nonferrous miners' union in legal difficulties and isolated from the mainstream of the labor movement.

Nonferrous Metals Industry

Nonferrous metals production involves separate but closely interrelated industries which mine and process copper, lead, zinc, gold, silver, and other metals not containing iron. The nature of nonferrous metal deposits and the similarity of the processes necessary to refine these metals account for the overlap and interrelationship of the industries. Ore deposits generally contain more than one metal; lead, zinc, and silver are frequently found together and also occur with copper deposits.

Mining, milling, concentrating, smelting, and refining are essential processes for all nonferrous metals. Each of these functions may be performed by separate companies or by a single integrated company that may carry the process through to the manufacture of finished products.

In general, industrial concentration increases as the production process moves forward. There are hundreds of mines in operation, a smaller number of smelters, and still fewer refineries,

the latter generally owned by large concerns. In the copper industry, three firms--the Anaconda Co., Kennecott Copper Corp., and the Phelps Dodge Corp.--control almost 85 percent of copper ore resources. These three and the American Smelting and Refining Corp., a custom smelter and refinery, are known as the "Big Four" of the copper industry. Lead production is also concentrated in a few large companies, but hundreds of small mines are in operation.

Because resmelting and refining scrap (secondary metal) is less costly than extracting virgin metal from ore, scrap has accounted for at least half the lead production in recent years. Zinc production is less concentrated in ownership and less integrated functionally than either copper or lead.

Although mining and initial processing of major metals are largely concentrated in the western part of the United States, refineries are located near the metal fabricating industry. Almost 70 percent of the copper refining capacity is on the Atlantic Coast, close to the concentration of fabricating plants in Connecticut.

The labor force engaged in mining and initially processing copper, lead, and zinc is estimated to be less than half as large as it was 50 years ago. In April 1957, copper, lead, and zinc mines employed a total of 44,000 production workers. With modern machinery and methods, these men produced almost twice the output of the earlier period.

The Unions

Unionism among metal or hard-rock miners has had a long and turbulent history, marked by ideological controversies which were either absent or more subdued in other unions. The first major organization--the Western Federation of Miners--was formed in 1893, although local organizations were in existence at least 30 years before that time. From its inception, the WFM was dominated by militant socialist influences which set it apart from the mainstream of the American labor movement and created conflict within the organization and between the union and other labor groups. The WFM was instrumental in organizing the Industrial Workers of the World (IWW) and was affiliated with that organization between 1905 and 1908. In 1911, under the sponsorship of the United Mine Workers, the WFM joined the American Federation of Labor. In 1916, the name of the union was changed to the International Union of Mine, Mill and Smelter Workers, more popularly known as Mine Mill or MMSW.

Internal friction and loss of bargaining rights at the Anaconda mines in Butte, Mont., brought about virtual disintegration

of the union during the 1920's. By 1933, the union had only 1,500 members. The general revival of trade unionism beginning in 1933 brought membership gains to the union, but the union again was thrown into bitter leadership controversies. As the leftwing group secured greater working control, the opposition became weaker.

The MMSW became a charter member of the Congress of Industrial Organizations and remained with that Federation until 1950, when it was expelled on charges of Communist domination. Both prior to and after the expulsion, several locals seceded from the MMSW to join other national unions. Since 1950, MMSW has been unaffiliated.

At the peak of its strength, the MMSW claimed more than 100,000 members, including a substantial number in Canada, in mining, fabricating, and related activities. At the time of its expulsion from the CIO, it had approximately 90,000 members, of whom 25,000 were in Canada. In 1956, the union claimed 100,000 members; however, some observers believe that present membership is substantially below that level. Nonetheless, MMSW remains the predominant union in nonferrous metals mining.

With the expulsion of the MMSW from the CIO, the United Steelworkers assumed jurisdiction for the CIO in the Western non-ferrous metals industry. Although the Steelworkers bargain for only a small proportion of the workers in the industry, it remains a significant competitor to the MMSW on ideological grounds and a force to be reckoned with because of its overall size and strength.

In addition, several craft unions formerly affiliated with the AFL have for years represented a substantial number of workers in Western mines and, in 1952, revitalized a Nonferrous Metals Council to coordinate bargaining and organization. District 50 of the United Mine Workers also has some representation in the industry.

Collective Bargaining Structure

Contract negotiations generally take place between a local union or unions and the management of a single plant. Multi-plant corporations seldom bargain on a companywide basis, although substantially similar agreements may be signed at each plant. One company may deal with several local unions, as when a company bargains with craft groups. In this instance, the agreements may follow a basic pattern or all the locals may become parties to a single agreement. One major copper producer negotiates with Mine Mill for all miners in one branch plant, with craft locals for workers in another, and with the United Steelworkers for the men employed in a

third operation. Another company negotiates with Mine Mill for all workers in an area except those covered by a craft agreement, which is negotiated separately.

Management generally does not look with favor on industry-wide bargaining although Mine Mill has tried to promote negotiation on a wider scale. Despite the predominance of local bargaining, a settlement reached by one of the major companies tends to influence settlements negotiated by other companies.

Agreement Provisions

The Butte, Mont., mine of the Anaconda Co., is one of the chief sources of copper ore in the United States. The provisions of the collective bargaining agreement negotiated in June 1956 between the Anaconda Co. and the MMSW, Local Union No. 1, covering the Butte operation are summarized below. This agreement has a 3-year term.

Wages and Hours.--The 8-hour day and the 40-hour week prevail in this mine, as in the nonferrous mining industry generally. Premium pay at the rate of time and one-half is paid for work in excess of these hours, for work performed before or after regular working hours, and for all time spent underground which is due to causes over which the employee has no control (i. e., mine accidents). Time and one-half for Sunday work as such is granted to a small category of employees. Employees scheduled to work the second or third shift receive a shift differential of 5 cents and 10 cents an hour, respectively, and those on an intermediate shift are paid a premium of 7½ cents.

The minimum daily compensation is 4 hours' pay at straight-time rates. The same minimum guarantee also holds for workers who report for work at their regular starting time but are not given an opportunity to work.

A daily rate of \$16.71 is paid to regular miners and crusher men. Laborers' helpers and watchmen, the lowest classification, receive \$15.32, and shaft miners, dispatchers, and underground pipemen, \$17.65. The daily rate applies to an 8-hour day, including travel time to and from the face of the mines. Many miners are paid on a contract (incentive) basis. The 3-year agreement provides for automatic wage increases in July 1957 and July 1958.

Supplementary Benefits.--The contract provides for 7 paid holidays, 1 of which is the employee's birthday anniversary. Work on these days is compensated for at double time. Vacations with pay

increase with length of service as follows: 1 week after 1 year of service (with 5 or 6 days of pay, depending on the weekly work schedule of the employee), 2 weeks after 5 years, 2 weeks' vacation and 2½ weeks' pay after 10 years, and 3 weeks after 15 years of service.

The contract provides for jointly financed hospital and medical benefits for employees and their families, as well as a sickness and nonindustrial accident insurance plan for employees. Maximum payments under the latter plan are set at \$32.50 a week. A regular and disability retirement plan financed by the company is in effect for all employees.

Union Security.--A union shop clause requires that all new employees become members after 30 days. Provision for the checkoff (the collection of union dues by the company for transmittal to the union) is also in the agreement.

Job Security.--This agreement contains no seniority provisions governing layoff or recall to work. A discharged employee, however, is entitled to a written statement giving the reasons for such action. He can, of course, avail himself of the grievance and arbitration procedure.

Grievance Procedure.--Detailed provisions in the agreement outline the grievance procedure from the initial step to final settlement. A misunderstanding or disagreement concerning any rule, practice, or working condition which cannot be resolved between the aggrieved employee and his immediate supervisor may be settled by the worker--or his representative--and the foreman or mine superintendent. Any grievances not settled at this step must be formalized in writing before moving to higher levels of union and management authority. If still unresolved after a meeting of union and company representatives, the dispute is finally referred to an arbitrator, whose decision is final and binding. The expenses of arbitration, including the fees of the arbitrator, are shared equally by the company and the union. The contract specifically provides that wage matters are not subject to arbitration.

Safety.--Matters relating to safe working conditions are the special concern of a joint committee, composed of 2 management and 2 union representatives. The agreement also sets forth safety rules for blasting during working hours.

Should a work stoppage occur, the union agrees to permit certain employees to enter the mine for the sole purpose of protecting the property from damage or destruction.

3:14 Agriculture

Because of the nature of farming and the preponderance of family farms, American agriculture does not have labor problems or labor-management relations like those found in other American industries. Less than one-fourth of the total farm labor force works for wages; farm operators and their families supply the rest of the work force. Of the almost 2 million workers who worked 25 days or more on a farm for wages in 1954, only half reported farm wage work as their chief activity. Necessarily, nonfarm work provided supplementary or primary income to many farm laborers.

The relationship between workers and employers in agriculture in the United States has been shaped in large part by the history of this Nation's rural economic development. Farm families were the pioneers who settled the West during the 19th century. With the exception of the South, small land holdings (one-family operations) typified farming in this country and are still predominant.

However, the scene is changing. Owing to mechanization and improved techniques, farms are becoming larger. Machines have replaced many laborers previously employed at regular farm work. Unlike other major industries, the seasonal nature of agricultural production requires a large supply of transient and migratory labor. Area specialization in particular crops intensifies this need.

Trade unions have not gained many members in American agriculture, not even in those areas where hired farm workers are used extensively. Attempts at unionization have had little success. Despite past failures, new attempts at organizing farm labor are being made. The National Agricultural Workers Union, the United Packinghouse Workers Union, the Amalgamated Meat Cutters, and the Teamsters (all affiliates of the AFL-CIO) have organizers working in agricultural regions. At the same time, these unions are actively promoting legislation which they believe will improve wages and working conditions of hired farm workers.

Agriculture As An Industry

Agriculture, long considered not only an industry but a way of life, is rapidly changing. Though the family-type farm still predominates, increased mechanization has made many small farms unprofitable and has hastened the growth of large-scale farming. The U. S. Department of Agriculture reported approximately

600,000 fewer farms in 1954 than in 1950. Of the 5,400,000 farms in the United States in 1950, 3,700,000 were classified as commercial operations. ^{1/}

The total value of farm output in 1956 was approximately \$33.2 billion, slightly above the 1955 level. Increased physical output marketed at lower prices, with production costs remaining firm, resulted in net income to farm operators about equal to that of 1955. Since 1941, agricultural output per man-hour has increased at an average rate of 4.7 percent per year. Average total farm employment, which was over 10 million in 1947, dropped a million by 1950, and another million by 1955. A further decline was registered in 1956. Farm operators and their families accounted for over three-fourths of the agricultural work force. Peak seasonal activity requires about 3 million hired workers for a brief period of time.

Comparatively few farms employ labor regularly. Of the 2,300,000 farm units reporting hired labor in the 1950 census, only 460,000 paid \$1,000 or more during 1949 in money wages (exclusive of room and board or other perquisites where applicable), and only 183,000 reported wage expenditures of over \$2,500. According to the report of the President's Commission on Migratory Labor, 1951, less than one-fifth of the hired farm workers secured steady employment; among those regularly employed were foremen, tractor drivers, and dairy farm workers. More than a fourth of the hired farm workers are employed 2 months or less per year. The seasonal nature of the harvest and the specialization of regions in the production of certain crops require the migration of a large number of farm workers annually, a situation which creates many difficult social and economic problems, not only for the migrant workers and their families, but also for the farm communities.

Characteristics and Earnings of the Hired Farm Work Force

The varied types of farming found in the United States make generalization difficult. Roughly, the hired work force may be classified as either regular or seasonal; seasonal workers may

^{1/} U. S. Department of Commerce, Bureau of the Census. Commercial farms are defined as those where the total value of farm products sold equaled \$1,200 or more, or farms where the total value of farm products sold ranged between \$250-\$1,199, providing the farm operator worked off the farm less than 100 days and the value of total farm products sold exceeded the income the farm operator and his family received from other sources. Approximately 1,700,000 farms were part-time or residence units from which there was no significant production for sale.

be migratory or nonmigratory. Nonmigratory seasonal workers include housewives, school children, and persons otherwise employed who do not depend upon harvest earnings for a livelihood.

The traditional hired hand--a regularly employed farm worker almost indistinguishable from a working farmer--is rapidly disappearing. Farmers in the upper Midwest and Great Plains regions have largely replaced labor with machinery. With modern equipment, one man engaged in small grain farming (e. g., wheat, oats, etc.) can plow, plant, and harvest an acreage that formerly required several hired men. Areas employing the most hired labor are the South Atlantic, South Central, and Pacific States. In many southern States, share croppers (tenant farmers who operate small parcels of land for a share of the produce instead of wages) account for a large part of the agricultural employment.

Most hired farm labor is needed intermittently. Migratory families whose principal income is earned from temporary farm employment and who, in the course of a year's work, move one or more times, often through several States, supply a large part of the seasonal labor needs of all major farming areas. These workers, frequently called stoop labor, work in gangs or crews on routine tasks. The employment relationship is typically casual, hence neither employer nor worker has the opportunity to develop the formalized responsibility toward the other that may be found in other industries.

In 1951, the Presidents Commission on Migratory Labor in American Agriculture estimated the migratory farm work force at approximately 1 million. At that time, native born and naturalized citizens from varied ethnic backgrounds accounted for approximately half of the migrants; foreign labor entering the country under contract between their government and the United States, and workers entering the country illegally, ^{2/} accounted for the rest. During World War II, the scarcity of farm labor led to agreements with Mexico and other neighboring countries whereby their nationals could legally enter the country for temporary employment in the

^{2/} Mexican farm workers who entered the country illegally were known as "wetbacks", because they waded or swam the Rio Grande River to avoid detection by the authorities. Once here, this group presented a constant threat to agricultural wage scales and working conditions. The exact number of these persons in the country at any one time was unknown; the number of apprehensions varied from year to year. More stringent Border Patrol action has reduced the number of illegal entrants to a negligible figure in recent years.

harvest fields. This practice has been continued and even expanded; at the peak period of employment in 1956, as many as 312,000 of such contract laborers, the majority of whom were Mexican, were employed in the United States.

Foreign nationals are admitted to the United States under contract only when local labor shortages are acute. The agreement with Mexico requires employers to pay a minimum wage rate (determined through a local survey), and provide housing and transportation to and from the border. The Department of Labor administers the recruiting program and selects workers suitable for farm employment and for admission under United States immigration laws, including a medical examination by an officer of the U. S. Public Health Service.

Regularly employed farm workers are generally hired by the month. They are usually furnished with a house or with board and room. In some areas, day or week rates are common; in others, hourly or piece rates prevail, particularly during the harvest seasons.

It is difficult to compare hours and earnings of farm workers with other workers in the economy; shelter and food may or may not be included as part of the wage payment and the work-day or week is less rigidly established than in most other industries. The average workweek reported in 1955 was approximately 49 hours, with a 9-hour day and a 6-day week not uncommon. Working time, usually defined as time-in-the-field, tends to understate the actual length of the working day in many farm areas.

As of July 1, 1957, average farm wage levels for the United States as a whole, as reported by the Department of Agriculture, were as follows: \$177 a month with housing furnished; \$6.20 a day with board and room; and 93 cents an hour when board and room were not furnished. Regional differences in both rates and method of payment were pronounced; average hourly rates without board and room ranged from 57 cents in the East South Central States to \$1.16 in the Pacific region.

Farm workers have generally been exempted from most important labor legislation. Neither the Fair Labor Standards Act, which sets the minimum wage and overtime standards for most industries, nor the Labor Management Relations Act, guaranteeing workers the right to organize and bargain collectively, include agricultural

labor within their scope. ^{3/} Most farm workers are also exempt from State workmen's compensation and unemployment insurance laws. Until recently, farm workers were exempt from Federal social security legislation, but regularly employed farm workers are now included under the Old-Age and Survivors' Insurance program as are farm operators.

Trade Unionism Among Farm Workers

Efforts to form effective farm workers' unions have been largely unsuccessful. To some extent, the nature of the labor supply explains this situation. Hired farm workers lack cohesion; many of the most able and aggressive workers regard farm jobs as temporary; some plan to become owner-operators in the near future. The seasonal farm worker and the migratory workers, moving in and out of jobs and communities, are generally unaware of, or are uninterested in, the long-term aspects of union organization. Where farm labor organizations were established, they frequently suffered from the infiltration of radical groups attempting to subvert legitimate trade unionism to their own ends.

Employer opposition is also an important factor. Employer attitudes and practices are still influenced by the traditional relationship between the working farmer and his help. In certain areas, farm employer groups have exerted organized resistance to unionization of farm workers.

The National Agricultural Workers Union was chartered by the AFL in 1946 and set out to protect and improve working standards in the West and Southwest. With the assistance of the AFL, legislation was sought to improve the economic status of migrant workers and to prevent the further importation of farm labor; at the same time, an organizing drive was started. In 1956, however, the union reported a dues-paying membership of only about 4,500 workers.

Some organization of farm workers has occurred in specialized areas and in a few large-scale operations. In a few instances, unions recognized in the packing sheds or processing plants have been able to include field workers in their membership. For example, milkers' unions affiliated with the International Brotherhood of Teamsters have secured recognition and collective bargaining

^{3/} Hired farm workers employed in the production of sugar beets and sugar cane are guaranteed a minimum wage established by the Secretary of Agriculture under the provisions of the Sugar Act.

agreements in the Los Angeles and San Francisco milk sheds and in the State of Connecticut. The Meat and Cannery Workers, an affiliate of the Meat Cutters and Butcher Workmen, have a union shop contract covering all field and processing workers employed on one 50,000 acre farm in New Jersey. The United Packinghouse Workers, with collective bargaining relationships in the Louisiana sugar refineries, is attempting to organize sugar cane and beet workers.

Unions attempting to organize agricultural workers stress administrative and legislative action in the belief that improved working conditions for farm laborers will come about through corrective legislation, if not through labor union activity. In line with their general interest in farm problems, the major labor federations have devoted considerable attention to migratory labor in recent years. The first convention of the AFL-CIO, in December 1955, adopted a resolution dealing with migrant farm workers and foreign contract labor which stated, in brief: Foreign laborers, coming in under loose certifications of need, have jeopardized the jobs of United States farm workers. Recognizing that under certain conditions domestic agriculture does require the services of foreign contract labor, and that the United States owes a tremendous debt to the foreign nationals who enabled this country to provide food and fiber to the allied cause during World War II, the AFL-CIO pointed to the depressing wage effect of this practice. Congress and State legislatures were urged to enact laws designed to meet this special problem. In addition, the resolution called upon the Government to guarantee to contract farm labor full rights and social benefits equal to those enjoyed by United States labor, including protection against discrimination and the right to union affiliation and representation.

4. General

4:01 Glossary of Current Industrial Relations Terms

The terms listed in this glossary are those likely to be encountered most frequently in reading about industrial relations in the United States. The definitions are brief, designed primarily to identify the terms according to current usage rather than to provide a technical discussion of meanings and applications. Many of the terms listed have a specific legal meaning, either through legislative enactment or judicial interpretation, which may differ in important respects from ordinary usage. Thus, this glossary should not be considered as reflecting the official views or opinions of any agency of the United States Government.

ABSENTEEISM

In a general descriptive sense, applied to unjustified failure of workers to report to work when scheduled. From the point of view of personnel administration, as in determining rate of absenteeism, may be applied to all absences, whether for justified (e. g., sickness) or unjustified reasons.

ACCIDENT AND SICKNESS BENEFITS

Regular payments to workers who lose time from work due to off-the-job disabilities through accident or sickness. Provided in four States by law, but generally part of private group health and insurance plan financed in whole or in part by employers. (See Insurance Plan; Temporary Disability Law; Workmen's Compensation.)

AFL-CIO

Designation of the federation created by merger of the American Federation of Labor (AFL) and the Congress of Industrial Organizations (CIO) in December 1955.

AGREEMENT, COLLECTIVE BARGAINING (CONTRACT)

Written contract between an employer (or employers) and a union, usually for a definite term, defining the conditions of employment (wages, hours, vacations, holidays, overtime payments, etc.), the rights of the workers and the union, and procedures to be followed in settling disputes or handling issues that arise during the life of the contract.

AMERICAN FEDERATION OF LABOR (AFL)

National federation of autonomous trade unions formally organized in 1886, although tracing its origin to 1881. Merged with Congress of Industrial Organizations in December 1955. (See AFL-CIO.)

ANNUAL IMPROVEMENT FACTOR

Wage increase granted automatically each year, in addition to cost-of-living adjustments, in recognition of employees' share in increased productivity due to improved technology and methods. Introduced in 1948 agreement between General Motors Corp. and United Automobile Workers.

APPRENTICE

Person, usually young, who enters into agreement with employer to learn a skilled trade through supervised training and experience, usually for a specified period of time. Practical training is supplemented by related technical off-the-job instruction.

ARBITRATION (VOLUNTARY, COMPULSORY)

Method of settling labor-management dispute through recourse to an impartial third party whose decision is usually final and binding. Arbitration is voluntary when both parties, of their own volition, agree to submit a disputed issue to arbitration, and compulsory if required by law to prevent a work stoppage.

ARBITRATOR

Impartial third party or member of a board to whom disputing parties submit their differences for decision (award).

AUTOMATION

Term used to describe several types of technical developments, including (a) a continuous-flow production process which integrates various mechanisms to produce a finished item with relatively few or no worker operations, usually through electronic control; (b) self-regulating machines that can perform highly precise operations in sequence; and (c) electronic computing machines. Often used merely to describe advanced mechanization.

BARGAINING UNIT

Group of employees in a plant, firm, or industry recognized by the employer or designated by an authorized agency, such as the National Labor Relations Board, as appropriate for representation by a union for purposes of collective bargaining.

BASE RATE

Amount of pay for work performed during a unit of time, e. g., hour, day, week, month, or year, exclusive of overtime or incentive earnings. Under incentive systems, term may refer to amount paid for established task or job standard. (See Guaranteed Rate.)

BONUS PLAN

Wage system that includes payment in addition to regular or base wage for production in excess of the standard for the job. May also refer to any payment in addition to the regular wage (e. g., Christmas bonus).

BOYCOTT

Concerted attempt by a union to discourage the purchase, handling, or use of products of an employer with whom the union is in dispute. When such action is extended to another company doing business with the employer involved in the dispute, it is termed a secondary boycott.

BUMPING

Practice that allows a senior employee (in length of service) to displace a junior employee in another job or department during a reduction in force.

BUSINESS AGENT

Generally a full-time paid representative of a local union whose duties include day-to-day dealing with employers and workers, adjustment of grievances, enforcement of agreements, and similar activities.

BUSINESS UNION(ISM) - ("BREAD-AND-BUTTER" UNIONISM)

Union policy that places primary emphasis on securing higher wages and better working conditions for its members through collective bargaining rather than through political action. Usually applied to objectives of trade union movement in the United States.

CALL-IN PAY (CALL-BACK PAY)

Amount of pay guaranteed to a worker recalled to work after completing a work shift. (See Reporting Pay.)

CHECKOFF

Practice whereby the employer, by agreement with the union and upon written statement from each employee, regularly withholds union dues from employees' wages and transmits these funds to the union.

CLOSED SHOP

Form of union security provided in agreement under which employer may hire only union members and retain only union members in good standing. (See Union Shop.)

CLOSED UNION

Union which bars new members or makes membership difficult in order to protect job opportunities for its present members or for other reasons.

COLLECTIVE BARGAINING

Method whereby representatives of the employees (the union) and employer determine the conditions of employment through direct negotiation, normally resulting in a written agreement or contract setting forth the wages, hours, and other conditions to be observed for the duration of the agreement. (See Agreement, Collective Bargaining.)

COMMON LABOR

General term used to describe unskilled workers performing heavy labor. In specific situations, may refer to unskilled workers not assigned to a particular job.

COMPANY UNION

Historically, a term used to describe a labor organization which is organized, financed, or dominated by the employer.

COMPULSORY RETIREMENT

In general, involuntary separation from employment in a company upon reaching a specified age. Age of compulsory retirement is that point at which worker loses the right of deciding whether he should retire or continue on his job.

CONCILIATION (CONCILIATOR)

Attempt by a third party to help in the settlement of disputes between employers and employees through interpretation, suggestion, and advice. In practice, conciliation is synonymous with mediation. Conciliator--term used to designate person who undertakes conciliation of a dispute.

CONGRESS OF INDUSTRIAL ORGANIZATIONS (CIO)

Federation of autonomous national unions formed in 1938 by industrial unions, most of which were formerly affiliated with the American Federation of Labor. Merged with the AFL in December 1955. (See AFL-CIO.)

CONSUMER PRICE INDEX (CPI)

Monthly measurement of average change in the prices of goods and services purchased by urban families. Official Government index issued by the U. S. Department of Labor's Bureau of Labor Statistics. Sometimes referred to as the "cost-of-living index."

COST-OF-LIVING ADJUSTMENT

Raising or lowering wages or salaries in accordance with changes in the cost of living as measured by an appropriate index, usually the Bureau of Labor Statistics' Consumer Price Index.

CRAFT

Usually a skilled occupation requiring a thorough knowledge of processes involved in the work, the exercise of considerable independent judgment, usually a high degree of manual dexterity, and, in some instances, extensive responsibility for valuable product or equipment.

CRAFT UNION

Term applied to a labor organization which limits membership to workers having a particular skill or working at closely related trades. In practice, many so-called craft unions also enroll members outside the craft field.

CREDIT UNION

Not a labor union but a cooperative savings and loan association operating under Federal or State law.

DAVIS-BACON ACT

(See Prevailing Wage Law.)

DAY SHIFT

(See Shift.)

DAY WORK

Usually refers to work for which pay is computed on an hourly rate or on a per-day basis in contrast to piece or incentive work.

DISMISSAL PAY (SEVERANCE PAY)

Monetary allowance given to employees upon permanent termination of employment through no fault of their own. May be voluntary on part of employer or provided for in collective bargaining agreement.

DOUBLE TIME

Penalty or premium rate for overtime work, for work on Sunday, etc., amounting to twice the employee's regular rate of pay.

DOWNGRADING

Reassignment of workers to tasks with lower rates of pay.

DOWN TIME

Brief periods of idleness while waiting for repair, setup, or adjustment of machinery. Under incentive wage systems, may refer to payment made to employees for such lost time.

DUAL UNION(ISM)

Term applied to a situation where two rival unions or federations claim jurisdiction over and the right to organize workers in a particular industry or line of work.

EARNINGS, AVERAGE HOURLY

Arithmetical average of ~~hourly earnings~~ of all employees in a specific grouping of occupations, establishments or industries. As published by the Bureau of Labor Statistics, gross average hourly earnings include shift differentials and premium pay; straight-time average hourly earnings exclude such compensation.

EMPLOYERS' ASSOCIATION

Voluntary organization of employers established to deal with problems common to the group. May be formed specifically to handle industrial relations and to negotiate with a union.

ENTRANCE RATE

Hourly rate at which new employees are hired, at times referred to as probationary or hiring rate. May apply to establishment as a whole or to particular occupation.

ESCALATOR CLAUSE

Provision in a collective bargaining agreement whereby wage rates are automatically increased or reduced periodically in proportion to changes in the cost of living, as measured by an appropriate index.

EXPIRATION DATE

Formal termination date established in a collective bargaining agreement, or the earliest date at which the contract may be terminated.

FACTFINDING BOARD

Group of qualified individuals appointed under Government authority to investigate, assemble, and report the facts in a labor dispute. May also have authority to make recommendations.

FAIR LABOR STANDARDS ACT (FLSA), (WAGE AND HOUR LAW)

Federal law passed in 1938 which prohibited oppressive child labor and established the principle of a minimum hourly wage and premium overtime pay for hours in excess of a specific level (now 40 per week) for all workers engaged in, or producing goods for, interstate commerce. The latest amendment raised the minimum wage to \$1 an hour, effective March 1, 1956. Administered by the U. S. Department of Labor.

FEATHERBEDDING

Term implying criticism applied to a union working rule of agreement provision which allegedly limits output or requires employment of excess workers and thereby creates "soft" (hence "featherbed") or unnecessary jobs for union members; or a charge levied by a union upon a company for services which are not performed or not to be performed.

FEDERAL LABOR UNION

Local unions affiliated directly with the American Federation of Labor (now AFL-CIO) rather than with a national or international union.

FEDERAL MEDIATION AND CONCILIATION SERVICE (FMCS)

Independent United States Government agency which provides mediators and conciliators to assist the parties involved in negotiations or in a labor dispute in reaching a settlement.

FRINGE BENEFITS

General term used to describe supplemental benefits, such as pensions, insurance, vacations, and paid holidays, received by workers in addition to regular wages.

GRIEVANCE

A complaint or expressed dissatisfaction by an employee in connection with his job, pay, or other aspects of his employment.

GRIEVANCE PROCEDURE

Usually a formal plan, specified in the collective bargaining agreement, which provides a channel for the adjustment of grievances through progressively higher levels of authority in company and union.

GROUP INCENTIVE PLAN

Payment of incentive earnings (piece rate or bonus) based on total or group output.

GUARANTEED ANNUAL WAGE

Plan whereby qualified employees are assured wage income or employment for a full year or the greater part of a year.

GUARANTEED RATE

Rate of hourly or weekly pay guaranteed to a worker under an incentive system. (See Base Rate.)

HEALTH CENTER

Usually a clinic administered by a union where members and their families may receive medical examination and treatment free or at a nominal charge.

HIRING HALL

Office maintained by the union for referring workers to jobs.

HOLIDAY PAY

Pay to workers, typically at premium rates, for work on holidays. (See Paid Holidays.)

HOSPITALIZATION BENEFITS

Supplementary benefit paid for in whole or in part by employers which provides the worker, and in many cases his dependents, with hospital care or cash allowances toward the cost of such care for a specified number of days. Usually part of a more inclusive health and insurance program.

IMPARTIAL CHAIRMAN

Arbitrator employed jointly by the union and employer or employers, usually on a long-term basis, to assist in administering the collective bargaining agreement and to decide disputes arising during the life of the contract.

INCENTIVE WAGE SYSTEM

Method of wage payment which relates earnings of workers to their actual production.

INDEPENDENT UNION (UNAFFILIATED UNION)

Term applied to local or national unions not affiliated with the AFL-CIO (or with either of the federations before the merger).

INDUSTRIAL RELATIONS

General term covering matters of mutual concern to employers and employees and the relationships, formal or informal, between employer and employees or their representatives.

INDUSTRIAL UNION

Labor union that represents all or most of the employees, both skilled and unskilled, in an industry or company.

INDUSTRIAL UNION DEPARTMENT

Department in AFL-CIO devoted to furthering the interests of industrial unions.

INBQUITIES

Term applied to wage rates or working conditions that differ substantially from those prevailing in the plant, company, locality, or industry for comparable work.

INITIATION FEE

Payment required of an individual when he joins a labor organization.

INJUNCTION, LABOR

Court order restraining one or more persons or unions from performing some act which the court considers injurious to property or other rights of an employer or community.

INSURANCE PLAN (HEALTH AND INSURANCE PLAN)

Program through which employer assumes part or all of the cost of providing financial protection to the worker and his family against death, illness, accidents, and other risks. May be underwritten by a commercial insurance company or self-insured.

INTERNATIONAL UNION

National union claiming jurisdiction outside continental United States (usually Canada and United States territories). Sometimes applied to all national unions.

INTERSTATE COMMERCE

Legal concept describing trade, traffic, commerce, transportation, or communication among the several States. Authority to regulate interstate commerce is reserved to the Federal Government by the Constitution of the United States.

JOB ANALYSIS

Study of a job to discover its specifications, its mental, physical, and skill requirements, and its relation to other jobs in the plant, usually prepared for wage setting or job simplification purposes.

JOB CLASSIFICATION

Arrangement of tasks in an establishment or industry into a limited series of jobs or occupations, rated in terms of skill, experience, training, and similar considerations for wage setting purposes. Term may be used in reference to a single cluster of jobs.

JOB DESCRIPTION

Written statement listing the elements of a particular job or occupation.

JOB EVALUATION

Determination of the relative importance or ranking of jobs by systematically rating them on the basis of selected factors such as skill, responsibility, or experience. Ordinarily used as a means of eliminating wage inequities.

JOURNEYMAN

Qualified craftsman, generally having mastered his trade by serving an apprenticeship.

JURISDICTION (UNION)

Right or claim to represent certain workers within specified occupations, industries, or geographical boundaries.

JURISDICTIONAL DISPUTES

Conflict between two or more unions over the organization of a particular establishment or whether a certain type of work should be performed by members of one union or another. Jurisdictional strike--A work stoppage resulting from a jurisdictional dispute.

LABOR GRADES

Series of jobs or job groups in the wage rate structure of an establishment. Generally established through job classification and job evaluation.

LABOR MANAGEMENT RELATIONS ACT, 1947 (TAFT-HARTLEY ACT)

Federal law, amending the National Labor Relations Act (Wagner Act) of 1935, which establishes legal obligations and prohibits certain activities in the conduct of labor-management relations in industries affecting interstate commerce.

LABOR MARKET AREA

Term describing the geographical area from which workers may be recruited, surrounding a concentration of establishments. Usually a metropolitan area, consisting of a central city and its suburbs.

LABOR MOVEMENT

General term usually applied to the growth, structure, and activities of organized labor.

LABOR TURNOVER

Rate at which workers move into and out of employment, usually expressed as the number of accessions and separations during a given period per 100 employees. Monthly turnover rates, by industry, are computed by the Bureau of Labor Statistics.

LAYOFF

Separation from employment for a temporary or indefinite period, without prejudice, as a result of slack work or because of other reasons. Monthly layoff rates by industry are computed by the Bureau of Labor Statistics.

LEARNER

Generally a beginner learning a job which does not require extensive technical training or experience.

LOCAL INDUSTRIAL UNION

Local unions affiliated directly with the Congress of Industrial Organizations (now AFL-CIO) rather than with a national or international union.

LOCAL UNION (UNION LOCAL, CHAPTER, LODGE, etc.)

Labor organization comprising the membership within a particular community or establishment, which has been chartered by, and is affiliated with, a national or international union.

LOCKOUT

Work stoppage resulting from denial of employment to workers by an employer during a labor dispute.

MAINTENANCE OF MEMBERSHIP

Arrangement provided for in a collective bargaining agreement whereby employees who are members of the union at the time the agreement is negotiated, or who voluntarily join the union subsequently, must maintain their membership for the duration of the agreement as a condition of employment.

MAKE-WORK

(See Featherbedding.)

MANAGEMENT

Term applied to the employer and his representatives, or to corporation executives, who are responsible for the administration and direction of an enterprise.

MANAGEMENT PREROGATIVES

As used in union-management relationships, term is applied to rights reserved to management which are not considered subjects for collective bargaining or which are expressly noted as such in a collective bargaining agreement. Usually includes such matters as the right to schedule production, to determine the process of manufacture, to maintain order and efficiency, to hire, etc.

MASTER AGREEMENT

Uniform collective bargaining agreement covering a number of plants of a single employer or the members of an employers' association.

MEDIATION

(See Conciliation.)

MERIT INCREASE

Increase in the wage rate of a worker given on the basis of efficiency and performance on a particular job.

MIGRATORY WORKERS

Persons whose principal income is earned from temporary employment (usually in agriculture) and who, in the course of a year, move one or more times, often through several States.

MINIMUM WAGE

Rates of wages, established by law or through collective bargaining, below which workers (other than learners or handicapped) cannot be employed. Usually expressed as an hourly rate.

MULTIEMPLOYER BARGAINING

Collective bargaining between a union and a group of employers, usually represented by an employer association.

MULTIPLANT BARGAINING

Collective bargaining between a company and the union representing workers in more than one of its plants.

NATIONAL LABOR RELATIONS ACT, 1935 (WAGNER ACT)

Federal act passed in 1935 which guaranteed workers the right to organize and bargain collectively. Amended by the Labor Management Relations Act of 1947.

NATIONAL LABOR RELATIONS BOARD (NLRB)

Agency created by the National Labor Relations Act, 1935, and continued in the Labor Management Relations Act of 1947, whose functions are to define appropriate bargaining units, to hold elections to determine whether a majority of workers want to be represented by a specific union, to certify unions to represent employees, to interpret and apply the act's provisions prohibiting certain unfair employer and labor practices, and otherwise to administer the provisions of the act.

NATIONAL MEDIATION BOARD

Agency established by the Railway Labor Act of 1926 to provide aid in settling disputes between railway companies and unions over union representation or negotiation of changes in agreements.

NATIONAL RAILROAD ADJUSTMENT BOARD

Federal agency established in 1934 which functions as a board of arbitration, handing down decisions on disputes arising out of grievances in the railroad industry.

NATIONAL UNION

Union composed of widely dispersed affiliated local unions. The Bureau of Labor Statistics, in its union directory, defines a national union as one with agreements with different employers in more than one State.

NEGOTIATION

(See Collective Bargaining.)

NIGHT SHIFT

(See Shift.)

NO-STRIKE CLAUSE

Provision of a collective bargaining agreement by which the union agrees not to strike for the duration of the contract.

OLD-AGE AND SURVIVORS' BENEFITS

Retirement income and survivors' payments available to eligible workers covered by Federal Social Security legislation.

OPEN SHOP

Term commonly applied to an establishment with a policy of not recognizing or dealing with a labor union. May also be applied to an establishment where union membership is not a condition of employment.

OPEN UNION

Union which will admit any qualified person to membership upon payment of reasonable initiation fees.

OVERTIME

Work performed in excess of basic workday or workweek, as defined by law, collective bargaining agreement, or company policy.

OVERTIME PAY

Payment at premium rates for work in excess of basic workday or workweek, generally at rate of one and one-half times the worker's regular rate.

PACKAGE SETTLEMENT

Term used to describe total money value (usually quoted as cents per hour) of a change in wages and supplementary benefits achieved by workers through collective bargaining.

PAID HOLIDAYS

Holidays are days of special religious, cultural, social, or patriotic significance on which ordinary work or business ceases. Paid holidays are those, established by agreement or by company policy, for which workers receive their full daily pay without working.

PAID VACATIONS

Excused leave of absence of a week or more, with full pay, granted to workers annually for purposes of rest and recreation. Vacations are frequently graduated by length of service, e. g., 1 week of vacation after 1 year's service; 2 weeks after 5 years; and 3 weeks after 15 years.

PAYMENTS BY RESULTS

(See Incentive Wages.)

PAYROLL DEDUCTIONS

Amount withheld from employees' gross earnings by employer for social security, income taxes, and other governmental levies; also may include union dues, group insurance premiums, and other voluntary wage adjustments.

PENALTY RATE

Premium rate paid for particularly hazardous or onerous work. Term is at times applied to any premium or overtime rate.

PENSION (RETIREMENT) PLAN

Any plan providing regular payments to employees after retirement. If employee shares in cost, plan is contributory; if cost is borne entirely by employer; plan is noncontributory.

PER CAPITA TAX

Regular payment made on the basis of membership by local union to its national organization, or by national union to federation.

PERQUISITES

Food, lodging, or other services and merchandise given to workers by employer in addition to monetary compensation.

PICKETING

Patrolling near employer's place of business by union members to publicize the existence of a labor dispute, persuade workers to join the work stoppage, and discourage customers from buying or using employer's goods or services.

PIECE RATE

Amount paid per unit of output to worker under piecework incentive plan.

PIECEWORK

Method of wage payment based on number of units produced.

POLICE POWER OF STATE

Authority of Government to regulate in those areas "affected with the public interest."

PORTAL-TO-PORTAL PAY

Payment for time spent in traveling to and from plant or mine entrance to working site.

PREMIUM PAY

Compensation at greater than regular rate. May refer to overtime, shift differentials, or penalty rates.

PREVAILING RATE

Frequently called the "going rate," term has no precise statistical meaning in ordinary usage. May refer to average level of wages paid by employers for specific occupations in a community or area; or rate most commonly paid; or rate paid to most workers; or rate established by collective bargaining agreements.

PREVAILING WAGE LAW (DAVIS-BACON ACT)

Federal act passed in 1931 (with subsequent amendments) requiring the payment of prevailing wage rates in the locality on construction, alteration, or repair of public buildings or public works performed under contract with the Federal Government. Administered by the Department of Labor.

PRODUCTION WORKERS

Employees directly connected with the manufacturing or operational processes as contrasted with supervisory or clerical employees.

PRODUCTIVITY

Term referring to efficiency of production; usually stated as a ratio of units of output to a unit of input, e. g., 10 units per man-hour. Productivity indexes (rate of change) are computed by Bureau of Labor Statistics.

PROFIT SHARING

Any procedure under which an employer pays employees, in addition to regular pay, special current or deferred sums based on the prosperity of the business as a whole.

PROGRESSION SCHEDULE

(See Wage Progression.)

PUBLIC CONTRACTS ACT

(See Walsh-Healey Act.)

PYRAMIDING

Payment of overtime on overtime which may result from paying both daily and weekly overtime for same hours of work. Usually prohibited in collective bargaining agreements.

QUIT

Termination of employment initiated by employee.

RAIDING

Term describing a union's attempt to enroll members belonging to another union or already covered by a collective bargaining agreement negotiated by another union.

RAILWAY LABOR ACT

Federal law passed in 1926 which established a framework for industrial relations in the railroad industry and (later) the airline industry.

RAILROAD RETIREMENT ACT

Nationwide program providing railroad employees with retirement benefits based on the individual worker's earnings and length of service in the railroad industry.

RATE CUTTING

Term describing a reduction of established incentive or time wage rates in the absence of comparable changes in job content, or actions by companies in reducing wages to meet competition.

REAL WAGES

Purchasing power of money wages or the amount of goods and services that can be acquired with money wages, taking into account changes over time in the price level as measured by an appropriate index.

REOPENING CLAUSE

Clause in a collective bargaining agreement usually stating the time or the circumstances under which negotiations on wages or other economic issues can be requested, prior to the expiration of the contract.

RELATED WAGE PRACTICES

(See Fringe Benefits.)

REPORTING PAY

Minimum pay guaranteed to a worker who is scheduled to work, reports to work, and finds no work available, or less than the guaranteed period (usually 4 hours). (See Call-in Pay.)

REST PERIOD

An interruption in the workday, usually of 5 to 15 minutes' duration, during which the worker rests, smokes, or takes refreshments without loss of pay.

RETROACTIVE PAY

Wages due for past services. Frequently required when increases are made effective as of an earlier date.

RIGHT-TO-WORK LAWS

State legislation which prohibits any requirement that a worker join a union in order to keep his job, thus banning all types of union security provisions in agreements.

RUNAWAY SHOP

Term used by unions to characterize business establishments which change location to evade a union or State labor laws.

SCAB (STRIKEBREAKER)

Union term to describe an employee who accepts employment or continues to work in a plant where a strike is in process.

SCANLON PLAN

Incentive program conceived by the late Joseph N. Scanlon, onetime research director of the Steelworkers union and later on the staff of the Massachusetts Institute of Technology, which has for its objective the reduction of labor costs through increased efficiency and the sharing of the resultant savings among workers.

SCIENTIFIC MANAGEMENT

General term covering application of industrial engineering techniques, such as time and motion studies, to production processes in order to increase production and decrease costs.

SENIORITY

Term used to designate, for layoff or promotion purposes, an employee's status in a plant acquired through length of service. Straight seniority--seniority acquired solely through length of service. Qualified seniority--other factors such as ability considered with length of service.

SEVERANCE PAY

(See Dismissal Pay.)

SHIFT (DAY, EVENING, NIGHT, FIXED, ROTATING, SPLIT, SWING)

Term applied to the daily working schedule of a plant or its employees. Day shift--usually the daylight hours; evening shift--work schedule ending at or near midnight; night (graveyard) shift--work schedule starting at or near midnight. Fixed shift--scheduled hours remain the same, week after week, for each group of workers. Rotating shift--a practice whereby crews change their hours at periodic intervals. Split shift--a daily work schedule divided into two or more parts. Swing shift--the fourth or rotating shift used on continuous 7-day or "round-the-clock" operations.

SHIFT DIFFERENTIAL (SHIFT PREMIUM)

Additional compensation paid to workers employed at other than regular daytime hours.

SHOP STEWARD (UNION STEWARD)

Union's representative in a plant or department elected by the membership to carry out union duties, adjust grievances, collect dues, and solicit new members. Usually an employee.

SKILL DIFFERENTIALS

Differences in wage rates paid to workers engaged in occupations requiring various levels of skill.

SLOWDOWN

(See Strike.)

SOCIAL SECURITY ACT

Federal law passed in 1935, and since amended, establishing a national social insurance program. The law provides for: Old-age and survivors' benefits; public assistance to the aged the blind, and to needy children; unemployment insurance; and disability benefits.

SOLE BARGAINING

Right of union, when designated as the bargaining representative, to be sole negotiator for all employees in the unit, including nonmembers. Common to all collective bargaining.

SPEEDUP

Union term for conditions which force workers to increase efforts or production without a compensating increase in earnings.

STOCK PURCHASE PLAN

Plan which enables employees to purchase stock in the company, with or without employer contributions, generally under more favorable terms than are available on the open market.

STRETCHOUT

Term used by workers when they are required to tend more machines or assume additional duties without a corresponding increase in earnings.

STRIKE (OUTLAW, QUICKIE, SLOWDOWN, SYMPATHY, WILDCAT)

Work stoppage by a union to enforce a demand for changes in the conditions of employment or for recognition. Outlaw strike--work stoppage not sanctioned by parent union and one which violates labor agreement. Quickie strike--spontaneous work stoppage by group of employees without approval of union. Slowdown--deliberate reduction of output in order to force concession from employer. Sympathy strike--strike of workers not directly involved in a labor dispute, but who wish to demonstrate worker solidarity or bring additional pressure upon company involved. Wildcat strike--same as outlaw strike.

STRIKE BENEFITS

Union payments made to members who are on strike.

STRIKEBREAKER

(See Scab.)

STRIKE FUND

Amount of money allocated by union to defray expenses of a work stoppage, which may include benefits to members on strike, publicity costs, and legal fees.

STRIKE NOTICE

Formal notice of an impending work stoppage presented by the union to the employer or to the appropriate Government agency.

STRIKE VOTE

Vote conducted among members of a bargaining unit to determine whether or not a strike should be called. Frequently required by union constitutions.

SUBSTANDARD RATE

Rate of pay below the established plant or occupational minimum, allowed for workers who are physically or otherwise unable to meet the production quota. Also applied to all rates below Federal or State minimum wages or prevailing levels.

SUGGESTION SYSTEM

Device whereby employee ideas that may increase efficiency or improve operations within the plant are channeled to the attention of management; usually combined with system of rewards for acceptable ideas.

SUPPLEMENTAL BENEFITS

(See Fringe Benefits.)

SUPPLEMENTARY UNEMPLOYMENT BENEFIT PLAN (SUB)

Introduced by agreement between Ford Motor Co. and the United Automobile Workers in mid-1955 and subsequently adopted by other companies; these plans provide compensation to laid-off workers in addition to regular State unemployment insurance. Financed by employer.

SURGICAL BENEFITS

Supplementary benefit paid for in whole or in part by employers, which provides workers, and in many cases their dependents, with surgical care or cash allowance toward the cost of such care. Generally part of a more inclusive health and insurance program.

TAFT-HARTLEY ACT

(See Labor Management Relations Act.)

TAKE-HOME PAY

Gross earnings for payroll period, less required deductions.

TEMPORARY DISABILITY LAW

Provision enacted into law in four States providing payments for a limited period to workers suffering a loss of wages due to disabilities incurred off the job. (See Workmen's Compensation.)

TIME AND MOTION STUDY

Study of time required and motions involved in performance of a job for purposes of establishing standards of performance and wage rates.

TIME AND ONE-HALF

Premium rate consisting of one and one-half times the employee's regular rate.

TIMework

(See Daywork.)

TRADE AGREEMENT

(See Agreement, Collective Bargaining.)

TRAINEE

Term applied to worker receiving formal training for a particular job.

UMPIRE

(See Impartial Chairman.)

UNAFFILIATED UNION

(See Independent Union.)

UNEMPLOYMENT INSURANCE

Joint Federal-State program, established in 1935 under the Social Security Act, under which State administered fund obtained through payroll taxes provides payments to eligible unemployed persons for specified period of time.

UNFAIR LABOR PRACTICE

Action by either an employer or union which violates provisions of the National or State labor relations acts, such as refusal to bargain in good faith.

UNFAIR LIST

Union list of employers designated as unfair to labor.

UNION ASSESSMENTS

Special charges levied by union on its members for purposes not provided for by regular dues.

UNION DUES

Fee paid periodically, usually monthly, for membership in a labor union.

UNION LABEL

Tag, imprint, or design attached to an article as evidence that it was produced by union labor.

UNION LOCAL

(See Local Union.)

UNION-MANAGEMENT COOPERATION

Voluntary participation of union and management in solving problems outside the determination of wages, hours and working conditions, such as production, safety, community work, etc.

UNION RATE (SCALE)

Minimum hourly rate paid to qualified persons in specific occupation or trade, Usually established through collective bargaining.

UNION RECOGNITION

Employer acceptance of a union as the representative of the employees; fundamental to establishment of collective bargaining relationship.

UNION SECURITY

Protection of union status by provisions in collective bargaining agreement establishing closed shop, union shop, maintenance-of-membership, and checkoff system.

UNION SHOP

Provision in a collective bargaining agreement that requires all employees to become members of the union within a specified time after hiring or after the provision is negotiated, and to remain members of the union as a condition of employment.

UNION STEWARD

(See Shop Steward.)

U. S. DEPARTMENT OF LABOR

Established by Act of Congress in 1913 to "foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment." The Department also has important functions in the field of international labor affairs. The bureaus and divisions of the Department include: Bureau of Apprenticeship and Training, Bureau of Employees' Compensation, Bureau of Employment Security, Bureau of Labor Standards, Bureau of Labor Statistics, Bureau of Veterans' Reemployment Rights, Wage and Hour and Public Contracts Divisions, and Women's Bureau.

UPGRADING

Process of advancing workers to jobs with higher rates of pay.

VACATION PAY

Wages received by employee for his vacation period. (See Paid Vacations.)

VESTING (VESTED RIGHTS)

Guarantee to worker of his equity in a pension plan should his employment be terminated before he becomes eligible for retirement.

WAGE DIFFERENTIALS

Differences in wages among occupations, plants, areas, industries, etc.

WAGE-HOUR LAW

(See Fair Labor Standards Act.)

WAGE LEADERSHIP

Influence exercised by wage settlement reached by large firm or group of firms on other settlements in an industry or area.

WAGE PATTERN

Wage increase negotiated with a major company which is followed by similar increases in other companies in industry or area.

WAGE PROGRESSION

Plan providing pay increases, generally at specified time intervals, for workers in occupations having established minimum and maximum wage rates. May also be based on merit.

WAGE RATE

Monetary compensation for given unit of time or effort, exclusive of premium payments for overtime or other extras.

WAGE SCALE

Rate schedule specifying the pay structure for an establishment, industry, or locality. May also refer to single rate.

WAGE STRUCTURE

Sum total of the various elements and considerations that characterize a specific rate schedule in an establishment, industry, area, or the country as a whole.

WAGNER ACT

(See National Labor Relations Act, 1935.)

WALSH-HEALEY (PUBLIC CONTRACTS) ACT

Prescribes basic labor standards for work done on U. S. Government contracts exceeding \$10,000 in value for materials, articles, supplies, equipment, and naval vessels. Secretary of Labor is authorized to set minimum wage standards for these contracts.

WELFARE PLAN

An employee benefit program which may include life insurance, hospital, medical and surgical protection, and similar items. Usually synonymous with health and insurance plan.

WHITE-COLLAR WORKERS

Term used to describe office and clerical employees in administrative, sales, professional, and technical departments, as contrasted with production and maintenance employees who are sometimes referred to as "blue-collar" workers.

WORKING RULES

Set of rules adopted by union that specify certain conditions under which members may or will work.

WORKLOAD

Amount of work to be performed by worker, or output expected, in a given period.

WORKMEN'S COMPENSATION

Insurance systems required by State or Federal law and financed by employers which provide payment to workers or their families for occupational illness, injuries, or fatalities resulting in loss of wage income.

WORK SHARING

Arrangement in lieu of layoff whereby available work during slack periods is spread as evenly or equitably as possible by reducing each worker's daily or weekly hours.

WORK STOPPAGE

(See Strike; Lockout.)

WORKWEEK

Expected or actual period of employment for the week, generally expressed in number of hours.

YELLOW-DOG CONTRACT

Oral or written agreement whereby employee pledges not to become or to remain a union member. Banned in 1932 by Norris-LaGuardia Act.