1) Collective Bargaining (U.S. Mediation + Conciliation Work - Jan 67)
A Look Ahead

Bill Simpkin

Jim Taylor — Mrs Day

→ and Nebbey - ~~Mrs Day~~

~~and Simpkin~~ - ~~to find~~

wisdom + with - / and Nebbey

On most occasions

(Fed Mediators

meet ~~you~~ with ~~you~~

parties) stress + strain

face Strike deadline

time —

at

when — the only thing

that fits a Mtg —

~~can~~ seem to agree upon is that

Mediation - Conciliation + Umpiring

are useful because they are Expedients.

Dear Taylor — And
[redacted] Mr Day 1917 Boston
Mrs Newhouse
instruct
Clerk Day
for
[redacted]
[redacted]
1547

The SHOREHAM

Washington, D.C.

2) The Future of Collect Barg ⁊
is tied closely to
to the Central Question

→ How does a Free Society
make maximum use ⁊ its
economic Potential

→ How does it Not
determine its Priorities
and allocate its Resources

→ How does it create the
necessary voluntary ec + social
~~mechanism~~ instrumentalities
to achieve an equitable
distribution ⁊ its wealth
on a basis compatible
with the value ⁊
free Society

How do we
Gift Act 1946

3) We have made progress

in the field of Great Bay
(natural growth process
Living -
Program Policies Practices
Collect Data - increasingly complex
Great Bay *
Great Estuary

We must develop

new ideas

concepts

new

new innovation

new and imaginative

meet new problems

realize new opportunities

for Great Bay)

(face / ameliorate
Technological progress -

4/ I am amazed —

how often people

accept most advance

ideas in full Technology

remain veiled —

unlit except

full Great Being.

We must free ourselves
from the fight to be freed
Until Will —

develop Objectivity —

judge each new idea —

by its author not its source.

5) Suggest* a number of ~~[illegible]~~ I believe are needed to make future Collective Bay a more Rational + Responsible Procedure

*) Short Term

more equal dimension / new problems

1) Mature Collect Bay can not be built upon an Ocean - and Fire Relationship

Collective Bay - Continuous process — Continuous Dialogues

exploring - anticipating new problems → search for answers —

6) St study committee
act Ind — STW
stop Right Direction

John Lewis
Nat Rights

only single step
Protect — Time Emotional adjustment
advance with

2nd Collect Bay —
can be raised above
the pronation + rotation
level 7 struggle
between Ex Powers
groups —
only as Decision
are based on Ex Facts
not Ex Powers
so that — Person 7 Power
is replaced by Power 7 Person.

7) Basic problem —

negotiate 3 yr contract

pretend we have the

— outside Bde

wisdom

to determine —

+ compile

relative equity

1 worker

standard

measure —

3 yrs before the fact.

How can create

Basis to bind

in Facts

before Facts are known

How share on Emp. by Bd —

8) Corp - mon retarde

→ Corp Execution

→ Stabilen

Executive bureaucracy

Thi Prefet - Bonne

9) 3rd) Recognize that

ach method/payment

to-pe — { Buy
and Receive

→ hurt overall —

→ can unravel —

→ madly indebted

and unstable

economy?

a 20th

Electric

Electric

Auto

Ford and Chevy Dealers

what's Blue Collar Worker

Purchase Amount —

→ Trust · not why — How —

1) Mr Ern Santa Claus
his wife . his Eyebrows
moved Pushing

---

2) Fr Santy .
Full Eyes .
Pure Deity
in Corporeal

---

3) Public -
internet transl
appeals without
Jesus
to me

10) 4th - Wage Price Freeze

Philosophy - Productivity - (in the sixties)

→ Public sentiment turned - The Nixon Free Enterprise → Price Freeze

wages + Economic they fail to deal are forms income

→

Pro - La. Mgt - Labor Com

stud

" We believe that in a free society any policy to achieve Price Stability will be acceptable and effective only if it bears equitably on all forms of income

We need Income Policy - that bears upon all forms of income.

11) URW - urged (Post audit work
creation —

Public - Wage Price Corp
*) Price Review Board —
with authority not to provide controls

but to bring the
pressure / sights and
public opinion —
to bear discipline —
a voluntary program
and make Price Decisions
or refuse to
Public Review.

12) 5th Free Society.

Chart Party —

based upon

and stated

Totalitarian Society.

and Power.

Free Society —

and Power —

Harmonize Ex - My Rel

by Product.

Ex + Am Products.

Personal profits = Corp Product
workers demand = of Enterprise.

13) Workers — ~~1215 Ea Pkwy~~ - 99 Times (out by my Bay —

work —

what kind / minded

+ mind opener

conclude —

800,001 — En -

900,000

con sued.

non upfeeling income

big up — minded

mitten

8000 —

9000 —

shop —

hill opening -

Portland

+ Responsible

and servant

+ En

~~Fo~~ Sh ~~Ou~~ —

Cola Bay — for) the hospital Room

+ & Fellow —

14) 6th need more realistic more equitable procedure —

meeting emergency Strikes —

UAW
GE strike at Erwood GE Plant

8) TH Dynamics —

---

one big issue:
repeal of GE —

3210 Drives arbitrate grievance — 26th Ltr

GM —

1941 — Hog wage

Hog wage — (while many Purchase
GM steel — elephant — the right to wage

→ GE — Purchase — Committee Chairman right.

15) TH 81 dry August

only description Lebanon

+ assembly engine

rust - multiple

alterations —

Bear quality with Porter

unknown - uncertainty

simple with Porter

---

no simple Lyndt

answer

Lyndt — the answer

to But Pregnancy

at one time.

16) Use of my
Mind explore —

new approaches
to Problem)

Reading the Office
with out prejudice
Public welfare in jeopardy

—————x—————

(A) Then,
my study should be expand

160)

7 ±

Industry must
accept + share
welcome
development /
Coal Creek Bay
Coal Creek.
natural except
- parallel.
structure
modern Multi
Plat Coup

Not Change - Mountain
view Residence

16) News paper boy

industry complete

Forbes Coop Boy

Student whose ox is gored

8th Structure/ Modern

Corp —

my resume —

Centralized Policy Making

→ need — Decentralized

control elements

→ need — Decentralized

authority

and Tied by the Price

Fuller used

work plans

17) 9th Major aspect

Any society —

private negotiated

Presume

supplants

Public sept —

An Security.

→ no other security or

th. May —

We must.

make front Pan

Same

Pub

Sept

→ Super Fed Reserve

→ Mon - Portfolio -

only Unit =

18) Finally —

We must broaden
the circle of Lu-my Relationship
Lu + my must
join with others
to Build —
a creative community
Partnership —

to develop new —
forms of service or support
necessary to
deal with the
problem, the Total
community.

19) Let us pray

work together —

to meet problems

in church

in the Parish

& Synod Office

to plan Prot-

with in the bond

of peace)

Common Cause

& Common Counter —

Cross Purpose - with

Mission

20) Comment
started moved
below that on Friday
completed.
complete. expect
much
as per agreed
weekly basis
* called
Bob
with Dan Scott
Dan, Can Perform
Complete from Comp.
I have worked for
in the capacity/function
as per below
in the future, Facility

21) I believe —

Voluntary Process

) Credit Bureau.

with access

supervision

access to his

Lawful

can be made

at any Retail & Personal

Person —

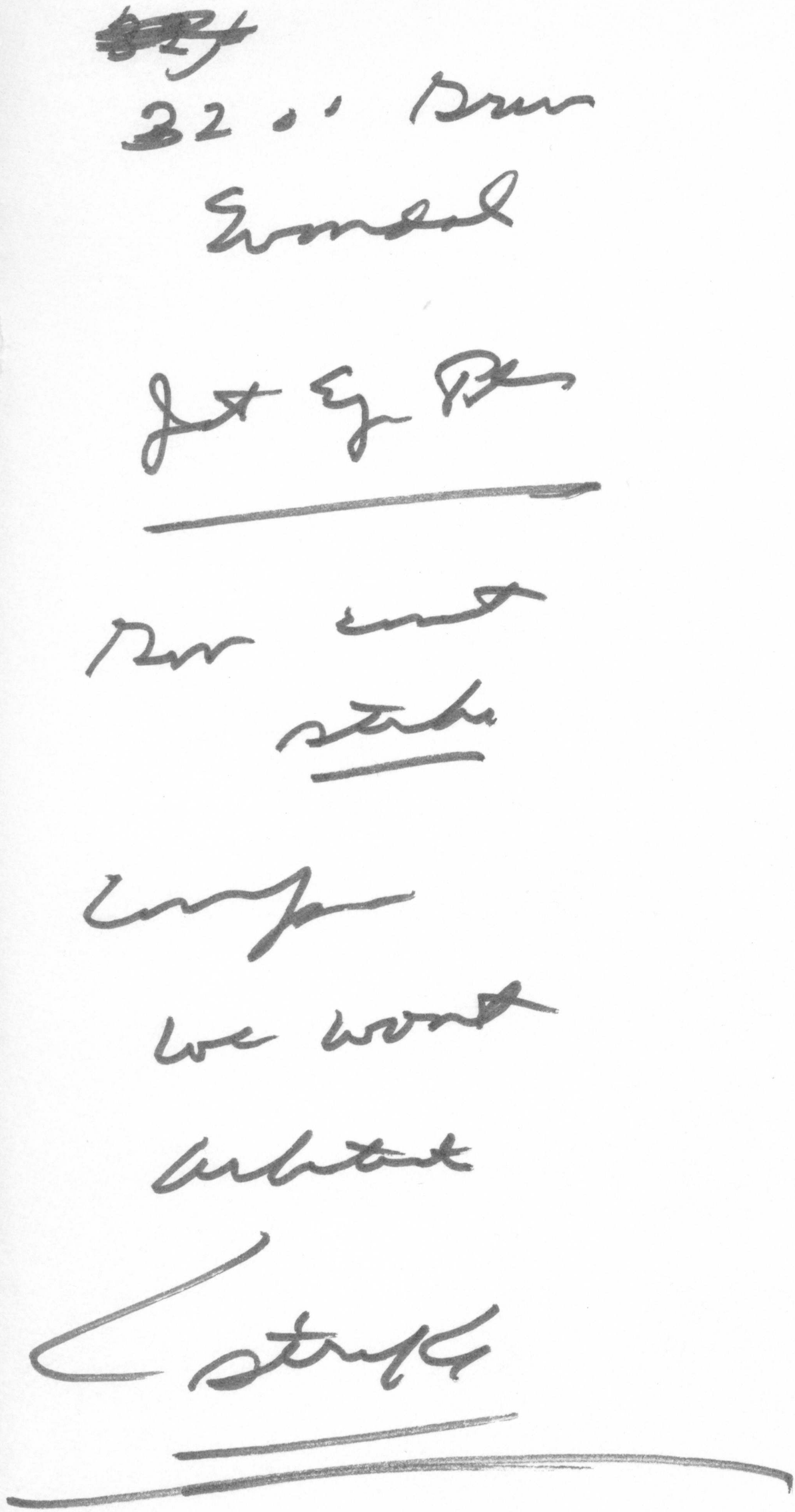
and can [redacted]

[redacted] to our fair Activity.

work. Through [redacted]

2000 [redacted]

2.01 Rule & Fraud



21st Century

Tech

19th Century

Industry

Basic

difference - friction,

Mediation

+ Union Negotiation

Union Rep

trying get equity

Mediation

settlement

1964

open
150 000 entries
night with out
sales

18/10 7. — The work Time
to Date — 1964
much free com col

Manger Hotels

CHARLOTTE, N. C.
CLEVELAND, OHIO
INDIANAPOLIS, IND.
NEW YORK CITY
ROCHESTER, N. Y.
SAVANNAH, GA.
WASHINGTON, D. C.

AE -

1965 - 18% AT -

1966 - 18% to 20%

Ind - average - 11%

Westinghouse - 10%

Profits per employee

$2400.00

Manger - The Friendliest Name in Hotels

Any Company - whose
to arbitrate Power
Impose Water
Steam Coal Mine Company
Ore Deposit
Hide - Cattle Meat Product
Gen. Investment
Co
Ore Deposit
1941 -
Coal cost Buy (Newspaper Advertising - Capital Buy - (Coal Buy)
[In Coal] Fuel cost
Power

Coordinated Collect Org.

net — subnet — network —

national out grouth —

dump Truck —

upper Cap Secular

Appraisal — net Internal

Printable

(management Industries — (client —

→ when one having group

CBS — owns NY Yankees

~~Fox~~ but Telegraph + Telegraph

own ABC —

+ Avon

Armour — Baldwin Locomotive

Remington Rand

Prices of Manufactured Goods Increase In Spite of Drop in Unit Labor Cost

Between the second quarter of 1960 and the third quarter of 1966 straight-time hourly earnings of manufacturing workers increased from $2.19 to $2.59, or by 18.3 percent. If fringe benefits could be taken into account, this increase might be a little greater.

Nevertheless, unit labor costs declined during this period by 1.3 percent, because manufacturing productivity increased faster than hourly employee compensation (including fringe benefits).

In spite of this decline in unit labor costs, wholesale prices of manufactured goods during the same period increased by 5.1 percent.

The consequence of these price increases was the sharp rise in manufacturing profits. Between the second quarter of 1960 and the second quarter of 1966 a/ profits before taxes of manufacturing corporations increased by 61.8 percent.

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a/ Third quarter data not available.

SOURCE: U.S. Department of Commerce

(see attached card for summary)

SUMMARY

In manufacturing, between second quarter 1960 and third quarter 1966:

Average straight-time hourly earnings rose 18.3 percent.

Unit labor costs fell 1.3 percent.

Wholesale prices rose 5.1 percent.

Profits before taxes rose 61.8 percent.

Frederic G. Donner Made $412 Per Hour in 1965

In 1965, the GM board chairman received $200,000 in salary and $625,000* in bonus, or $825,000 in all.

Assuming a 2,000 hour work year, this amounted to $412.50 per hour, or $3,300 for an 8 hour day.

Because of heavy overtime the average GM hourly worker in the U.S. earned $8,300 in 1965. Donner made nearly twice that much every week.

---

*Includes contingent stock option credits.

SOURCE: GM Reports

Compensation Paid to 56 GM Officers and Directors for 1965 Exceeded Total Salaries of 547 Top Government Officials

The $17,518,000 paid in bonuses and salaries to GM officers and directors for 1965 exceeded the total salaries of the President of the United States, the Vice President, the members of the cabinet, the 100 senators and the 435 members of the House of Representatives.

EXECUTIVE PAY

Frederic G. Donner, Chairman of GM's Board of Directors, made $825,000 in salary, bonus and contingent stock option credit in 1965. This was 8-1/4 times the salary paid to the President of the United States and 99 times the 1965 earnings of the average fully-employed GM worker, who was paid $8,304 (including substantial overtime).

Henry Ford II, Chairman of Ford Motor Company's Board, received $650,000 in salary and bonus award in 1965 - $6\frac{1}{2}$ times the President's salary, and 78 times the 1965 earnings of the average Ford worker, who made $8,358.

Lynn A. Townsend, the president of the Chrysler Corporation, received a 1965 compensation totaling $489,800, almost five times as much as the President, and 65 times as much as the average Chrysler worker with a 1965 income of $7,540. a/

---

a/ Chrysler workers' earnings are not calculated by the corporation on the same basis as those of Ford and GM workers.

SOURCE: Corporation Financial and Proxy Statements to Stockholders

The Rich Get Richer and the Poor Get Poorer

In spite of the war against poverty we have made progress backwards in recent years. In 1960 the 40 percent of all families with the lowest incomes received 16 percent of the total personal income and the 10 percent of all families at the top received 27 percent of the total personal income. In 1964 the 40 percent of all families at the bottom received 14 percent and the 10 percent at the top received 30 percent of the total personal income.

SOURCE: University of Michigan: 1965 Survey of Consumer Finances

Top 10% — Bottom 40% — income figures

1960 = 27% — 16%

1964 = 30 — 14%

Income of Rich Corporate Executives Rises Six Times as Fast as Income of Unskilled Workers

Salary increases of corporation executives frequently are difficult to pin down. What frequently happens is that they are promoted to a better paying job, or the job they hold is changed around on the organization chart in order to give the impression that they receive a raise because they are given additional responsibilities.

But the following figures show what really has happened in recent years: In 1960, 25 percent of all corporate managers and officials received an income of $11,670 or more. By 1964 this lowest income of the top 25 percent had risen from $11,670 to $21,970 or by 88.3 percent.

If this same comparison is made for blue collar workers, we find that the lowest family income of the top 25 percent has risen by 22.0 percent for skilled craftsmen, by 25.3 percent for machine operators and by only 15.4 percent for unskilled workers. (Detailed figures on attached card.)

SOURCE: University of Michigan, Survey Research Center, 1965 Survey of Consumer Finances

Family Income by Occupation
1960 - 1964

	Third [a]/ Quartile Point		Percent Increase
	1960 (dollars)	1964 (dollars)	
Managers, Officials	$11,670	$21,970	88.3%
Craftsmen	8,510	10,380	22.0
Operatives	7,190	9,010	25.3
Laborers, Service Workers	5,070	5,850	15.4

a/ Lowest income of the top 25 percent

SOURCE: University of Michigan, Survey Research Center, 1965 Survey of Consumer Finances

Unions Won Victories in 97.1 Percent of All Union Shop Elections

Originally, the Taft-Hartley Law provided that union negotiators could not even request a union shop clause until after the rank and file workers, in a secret ballot conducted by the NLRB, had specifically authorized it.

But this provision boomeranged. The unions were so successful in these elections that the lawmakers looked silly. For this reason, this provision was repealed in 1951.

Prior to the repeal the NLRB conducted 46,119 union shop elections.

In 44,795 or 97.1 percent of these elections, the union shop clauses were approved.

SOURCE: NLRB

GM's Net Worth Grew Nearly $4 Billion in Ten Years Without a Public Stock Offering

During the ten-year period, 1956-1965, GM's net worth (book value of the stockholders' equity) increased by $3,982 million or 93.6 percent, from $4,255 million at the beginning of 1956 to $8,237 million at the end of 1965.

Of this nearly $4 billion increase in capital, not a nickel was raised through a public offering of stock.

On the contrary, $3,581 million or 90 cents of every dollar of the new capital came from ploughed-back profits. That is, it came out of the pockets of consumers.

The remaining $401 million, or 10 cents per dollar of the new capital, was obtained from the sale of stock to GM's stock purchase plan for salaried personnel and to the GM stock option plan for executives. Neither of these plans was intended primarily to be a capital raising scheme. The stock purchase plan is a form of compensation to GM salaried workers, while the stock option plan exists primarily to provide the corporation's top brass with company stock at bargain basement prices and on a tax-favored basis.

SOURCE: Company Reports

Labor Productivity Increases 50 Percent Faster Than Labor Purchasing Power

Between 1960 and 1965 productivity in the total private economy increased at an annual rate of 3.8 percent. During the same period total employee compensation per manhour (measured in current dollars without adjustment for price increases) increased at an annual rate of 3.7 percent. Consequently, unit labor costs were slightly declining during this period.

In spite of this decline in unit labor costs, prices increased substantially. Consumer prices as measured by the CPI increased 1.3 percent annually. Real employee compensation per manhour, therefore, increased at an annual rate of only 2.4 percent, compared with the 3.8 percent annual increase in productivity. In other words, the amount of goods and services the average worker was able to produce in an hour of work increased 50 percent faster than the amount of goods and services the average worker was able to buy with the compensation for an hour of work.

SOURCE: U.S. Bureau of Labor Statistics

Labor Productivity Increases 50 Percent Faster Than Labor Purchasing Power

Between 1960 and 1965 productivity in the total private economy increased at an annual rate of 3.6 percent.* During the same period total employee compensation per manhour (measured in current dollars without adjustment for price increases) increased at an annual rate of 3.7 percent. Consequently, unit labor costs remained stable (increasing very slightly) during this period.

In spite of the stability of unit labor costs, prices increased substantially. Consumer prices as measured by the CPI increased 1.3 percent annually. Real employee compensation per manhour, therefore, increased at an annual rate of only 2.4 percent, compared with the 3.6 percent annual increase in productivity. In other words, the amount of goods and services the average worker was able to produce in an hour of work increased 50 percent faster than the amount of goods and services the average worker was able to buy with the compensation for an hour of work.

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*The productivity figure of 3.8 percent used by the CEA on September 12, 1966 has since been revised by BLS to 3.6 percent.

SOURCE: U.S. Bureau of Labor Statistics

Labor's Earnings Have Lagged Far Behind Nonlabor Income

A great gap has been developing between income from work and income from property. From the second quarter of 1960--the peak period of economic activity before the last recession--to the second quarter of 1966:

Wages, salaries and fringe benefits of all employees in the private economy rose	41.7% ✓
Corporate profits before taxes rose	60.0
Corporate profits after taxes rose	75.2 ✓
Dividends rose	56.3
Interest income going to persons rose	81.5 ✓

SOURCE: U.S. Department of Commerce

".....Thus brushing aside the past, looking at things as they are now with the spotlight focused on the individual in our great industrial fabric, and having in mind that what we are really concerned with is the trend of that animated and developing thing we call 'collective bargaining,' let us turn our attention to the basic question: what is the end in view?

"That fundamental question is not too hard to answer. The right answer grows, I think, out of the interlinking of the morality of collective bargaining with the total morality of a democratic society. Dr. Albert Einstein has very truly said that the human goal of the Judeo-Christian tradition is 'the free and self-responsible development of the individual so that he will freely and joyously put his energies at the service of the community of man.' And, he continued, this is also a sound expression of the fundamental principle of democracy. I add further that it is a perfect definition of the goal of collective bargaining. What better directive could there be for the conduct of industrial relations in a great production plant than this: the free and self-responsible development of the individuals (managers and workers) so that they spontaneously and with self-satisfaction put their energies at the service of the common enterprise?"

"With acceptance of the end in view, the need is for development of understanding and mutual confidence. The tools available are the basic tools of democracy: inherent belief in the dignity and worth of the individual as a person; full acceptance of the creative values of persuasion as against the deadening hand of force; and consciousness that facts are all important but hard to get at so that the two sides agree never to disagree about a fact but rather to continue to search together for the facts until they find out what they really are. With these tools, by processes of rational persuasion, shunning each resort to force as a failure and setback, it is possible to modify conflicting beliefs and step by step reach more and more creative compromises. That is, I submit, the logic of collective bargaining. Wherever an area of exploration exists between the present climate of opinion and the final wall of necessity, there lies a promising field of creative progress by reasonable persuasion; and the fertilizer is the collective goal, the free and self-responsible development of the individual toward voluntary and self-disciplined cooperation."

Inter-Office Communication

November 17, 1966

To Walter P. Reuther

From Nat Weinberg

Subject Labor-Management Committee Statements on "Emergency Disputes" and Automation

Dear Walter:

The full text of the above statements are attached. I take it you want me to summarize their major recommendations. This is done below.

EMERGENCY DISPUTES

The specific recommendations are preceded by the following paragraph:

> "Extraordinary measures should be applied with great restraint, and only when no other means are available to protect the national health and safety. Whenever it becomes necessary to place restraints or inhibitions on the freedom of the parties to pursue what they consider to be legitimate objectives, it is imperative that methods be provided for equitable solution of the disputed issues."

The recommendations are:

1. (a) The Director of the Federal Mediation and Conciliation Service (FMCS) would have the authority to recommend to the President the appointment of an Emergency Dispute Board in any situation "in a major or critical industry which may develop into a dispute threatening the national health or safety."

   (b) The Board would be authorized to mediate and to recommend procedures or techniques for settlement. In doing so it would work closely with FMCS.

   (c) The Board could ask the President for authority to make -- and, with his approval, could make -- recommendations as to the terms of settlement.

   (d) The members of the Board would represent the public, but might "in certain cases" include members with labor or industry backgrounds.

2. (a) The President could ask the Board to hold hearings on whether the dispute threatens the national health or safety.

(b) Upon receipt of the Board's report, the President would determine whether such a threat exists and, if he so finds, could declare the existence of a national emergency.

(c) Upon such declaration, the President could direct the parties to continue or resume operations "in whole or, to the extent practicable, in part," for up to 80 days.

(d) The President's declaration of emergency would be subject to court review at the instance of any affected party.

3. (a) Upon a declaration of emergency, the Board would be authorized to continue mediation, to make findings of fact, and, at the President's discretion, to make recommendations for settlement. These could include recommendations with respect to effective dates of any changes in terms and conditions of employment.

(b) The Board could also make recommendations regarding changes in terms or conditions of employment to be put into effect during the 80-day period "on a concurrent or retroactive basis." [NOTE: The labor members of the Labor-Management Committee, in a dissenting footnote, urged that the President should have the authority to order changes in terms and conditions of employment during the 80-day period.]

4. The provision of the Taft-Hartley Act which calls for a vote by the workers on the employer's last offer during the 80-day injunction period would be eliminated.

5. If it appeared likely that there would be a strike or lock-out at the expiration of the 80-day period, the President would be authorized to refer the matter to Congress with recommendations for appropriate action.

* * * * *

As you know, the procedures summarized above, except for the provisions regarding recommendations for terms of settlement, put no more pressure upon the employer to settle than does the Taft-Hartley Act. As far as the workers are concerned, the only changes are:

(a) That a Presidential Order is substituted for an injunction; and

(b) That the "last offer" vote is eliminated. If my recollection is correct, whenever such a vote has been taken, a majority voted for rejection of the employer's last offer.

* * * * * * *

AUTOMATION

Aside from the standard recommendations with respect to such matters as economic growth, collection of data, education, etc., the major recommendations in this document were as follows (the numbers below are the same as those in the Statement):

"4. Acceptance by management of responsibility for taking measures, to the maximum extent practicable, for lessening the impact of technological change, including:

a. Adequate lead time.

b. Open reporting to the employees involved.

c. Cooperation with representatives of the employees to meet the problems involved.

d. Cooperation with public employment services.

e. The timing of changes, to the extent possible, so that potential unemployment will be cushioned by expected expansion of operations and normal attrition in the work force (through separations resulting from retirement, quits, and so forth).

"5. ...

a. Private employers and unions faced with automation or technological changes should make every reasonable effort to enable workers who are being displaced, and who need to be retrained, to qualify for new jobs available with the same employer, and to enjoy a means of support while so engaged.

...

"6. ...

a. The duration, coverage, and amount of unemployment compensation, where inadequate, should be increased and made subject to realistic uniform minimum requirements under the Federal-State system.

b. Employer supplementation of public unemployment compensation should be accomplished through severance pay, supplemental unemployment benefits, and similar measures.

c. Attention should be given to provision for the special case of the worker who is displaced during the period when he is approaching retirement. This may appropriately include consideration of provision for early retirement, through private arrangements or social security measures; but alternative possibilities of more constructive temporary uses of such services warrant exploration.

"7. ...

a. Financial aid in the transfer of employees to other plants in a multiplant system, and protection of existing rights for individuals so transferred.

...

c. The improvement of public and private protection of pension rights."

* * * * *

Carrol Coburn is listing for you those recommendations of the Automation Commission which were summarized in the UAW Administrative Letter on the subject.

Fraternally,

NW:pms
cc: Irv Bluestone

opeiu42aflcio

Inter-Office Communication

December 6, 1966

To Walter

From Irv

Subject

In 1949, Will Davis gave an address before the Institute of Industrial Relations, University of California, on the subject "The Logic of Collective Bargaining".

His basic concepts are still valid and I thought you would be interested in reading a few particular paragraphs.

IB:lm
opeiu42
att.

COLLECTIVE BARGAINING AND ARBITRATION

A CONFERENCE CONDUCTED IN
SAN FRANCISCO AND LOS ANGELES

Presented by the
Institute of Industrial Relations, University of California
and the Conference of Junior Bar Members
in coöperation with the Committee on
Continuing Education of the Bar of the
State Bar of California

INSTITUTE OF INDUSTRIAL RELATIONS
AND UNIVERSITY EXTENSION

MARCH 3, 5, 1949

The Logic of Collective Bargaining

WILLIAM H. DAVIS

MY FIRST REACTION to the title, "The Logic of Collective Bargaining," was to say: There is no logic in collective bargaining; things are not carried in collective bargaining to logical conclusions, but rather to acceptable compromises. The request to deal with this question was like being asked to talk on the snakes in Ireland after St. Patrick went through.

To the superficial observer the adjustment characteristic of collective bargaining comes with an overtone of disparagement; the idea of compromise gets mixed up with the now so-disreputable idea of "appeasement." But in this discussion here we do not want to be superficial. I think the students and practitioners here at all levels want to see things as they really are, as of today. If we are to serve the future usefully it will be by helping toward a realistic view of the present; a view that can add to foresight so that the younger men, if they get anything from our older experience, will be helped to know how to handle concrete situations; the problems and responsibilities that confront them now or that lie immediately ahead of them.

Looking at the thing that way, I have asked myself: what does it really mean that we say there is no logic in collective bargaining; that such a sound economist as Dexter Keezer calls collective bargaining "that excessively praised process of fumbling, bluffing, and bulldozing toward an adjustment that should be made with hairbreadth precision," and yet prefers to fix wages by that process; that in spite of its cumbersomeness and crudity we nonetheless hold profoundly to the belief that collective bargaining is a thoroughly creative thing?

This idea that collective bargaining necessarily leads to acceptable compromises rather than to logical conclusions reaches to the very heart of things. It leads that way because it is a driving social organism with a way of life of its own. Collective bargaining is a process of growth; it is the reflection of something that is always becoming. It is a part of the developing morality that manifests itself in our industrialized society, and as such it links in with the basic moral principles of our world. Its logic is the logic of man's progress in the creative role assigned to him in the general scheme of things. It, like the cosmic order of the

universe, has an order and harmony of its own, instituted by reason but opposed by the forces of disorder. The generating "cause" of this dynamic organism is an ideal of end, persistently exercising a force of attraction, and perhaps energized by some impulse in the thing itself, constantly aspiring towards the ideal; a cause which goes on in time from one achievement to another, sometimes wavering and sometimes forging strongly ahead. Thus, when we ask ourselves what the logic of collective bargaining is, we are really asking what is its *trend?* Its goal is a social ideal, its trend, and therefore its "logic," marks the direction and perhaps the rate of man's struggling progress toward that goal against ignorance, unenlightened selfishness and fear. For the mathematically inclined, as the trend is to the goal, so is belief to truth.

It is impossible to judge a trend—the progress or retrogression of any movement—except with reference to the end in view. It seems of utmost importance, therefore, to understand the end in view—the fundamental purpose—of collective bargaining.

But first let us turn back a little. I want to put emphasis on the present and the future, to look around in the present and look ahead into the future. I want to avoid too much entanglement with the past, because I think that is one of the principal sources of trouble in industrial relations today, that we are still dragging behind us the clanking chains of misunderstanding and superstition. We have had a telescoping of events in collective bargaining that is almost too much for the lifetime of one man. We would have been better off if those who now have to go forward in the field had been born after the things that have been going on in this country since I was a young man had ended.

We do need some perspective, even to see things just in front of us; and as one looks back over the last thirty years it may be seen that the development of industrial relations in this country can be divided roughly, perhaps with some oversimplification, into three periods:

1. Prior to 1918, the "yellow dog days," interrupted during World War I by the War Labor Board of 1918 with its recognition of the right to organize, and the return to vigorous antiunionism after the First World War. In this period the spotlight was on the individual, then thought of as a self-sufficient atom of society, rendered undesirable as an employee if he sought to join with his fellow workers for mutual aid and protection.

2. The period of struggle of individual workers for the uninterfered with right to organize; of Section 7a in the National Industrial Recovery Act; and of the Wagner Act of 1935 validated by the Supreme Court in 1937. In this period the spotlight swung to the union as an association of individual employees exercising their right to organize and to choose

their own representatives for collective bargaining, struggling under the protection of the Wagner Act for "recognition."

3. The current period of acceptance of organized labor as a component factor of industrialization with the spotlight moved again to the individual, but now as a member of a society at least partially integrated and within which the individual finds satisfaction not alone in take-home pay but, more importantly, in his relation to his fellow workers, to the enterprise for which he works, and to the community in which he lives.

It is with the spotlight in this third position that we have to look at industrial relations today. It is in this light that we need to think of our subject: what is the logic of collective bargaining? Thus brushing aside the past, looking at things as they are now with the spotlight focused on the individual in our great industrial fabric, and having in mind that what we are really concerned with is the trend of that animated and developing thing we call "collective bargaining," let us turn our attention to the basic question: what is the end in view?

That fundamental question is not too hard to answer. The right answer grows, I think, out of the interlinking of the morality of collective bargaining with the total morality of a democratic society. Dr. Albert Einstein has very truly said that the human goal of the Judeo-Christian tradition is "the free and self-responsible development of the individual so that he will freely and joyously put his energies at the service of the community of man." And, he continued, this is also a sound expression of the fundamental principle of democracy. I add further that it is a perfect definition of the goal of collective bargaining. What better directive could there be for the conduct of industrial relations in a great production plant than this: the free and self-responsible development of the individuals (managers and workers) so that they spontaneously and with self-satisfaction put their energies at the service of the common enterprise?

If one accepts this definition of the end in view, then the next question is: what means are available to achieve that end, and what are the forces of opposition? For those who are now students or practitioners, that is the fundamental question. The job ahead is to search out and understand the limits of persuasion and of necessity that determine the character and reflect the possibilities of the struggle toward that goal.

The greater part of that limit-fixing job has yet to be done. It can hardly be said that we have done more up to now than scratch the surface of the subject, although the experience I have had and the observations I have made leave me with the strong conviction that we are headed in the right direction. Experience convinces me of that. If you look back

as I do over thirty years, you cannot help but feel that we are going ahead and even at an extraordinary rate. The real adventure belongs to you who will have charge of things in the future, rather than to those of us who have had experience in the past. It is, I think, a great adventure, and I certainly wish you well.

The remarks I am now about to make as to where persuasion ends and necessity begins are not made in any dogmatic sense. They are tentative suggestions—almost random thoughts—put out for critical examination and with no more than a modest hope that you may be able, by further research and experience, to distill some truth out of them or to check and reject their errors.

For establishing and maintaining conditions favorable to this development of the individual which is the goal of collective bargaining, both management and organized labor must assume responsibility. Elmo Roper has listed the goals of the individual worker in this order: first, security; second, a chance to advance; third, being treated like a human being; and fourth, a desire for simple genuine dignity. There is nothing in these goals incompatible with the desires or with the needs of either management or organized labor. They may be hard to satisfy but nobody objects to a wageworker wanting security and dignity, to get on in life, and to be treated like a human being. We may expect, of course, in these relations the difficulties which come from the fact that, as David Harum used to put it, "there is as much human nature in one man as there is in another, if not more." These difficulties always tag our footsteps in every relation of human life. If we cannot suffer them gladly we have to suffer and surmount them as best we can.

Having made this reservation, I think we can agree that there is nothing on the employer's side fundamentally incompatible with the goal of free and self-responsible development of the individual, as we have defined it. Special instances aside, it is the normal desire of an employer to be on friendly terms with his employees. In my native state of Maine, I know today of many small enterprises—machine shops, boat yards, automobile repair establishments, and the like—in which the relation between the boss and the men is filled with that mutual respect and mutually helpful association for which the normal employer, even in our huge enterprises with tens of thousands of employees, still has a nostalgic longing. Although, in many large modern enterprises the old-time employer is now pretty much replaced by salaried managers, yet we can still expect that the managers have this same natural desire, although perhaps with slightly different motivations and slightly different emphases. Indeed, it may be assumed that the free and self-responsible development of individuals as the end in view is quite

definitely compatible with the relationship of salaried managers to wage earners, since that goal includes them both. Here again we must, of course, make considerable allowance for human nature with its misunderstandings, its fears, and its tendency to flee from reason long, long before it is compelled to surrender to necessity.

The true limitations imposed by necessity on rational agreement from the employer's side are fixed by those requirements which are really necessary to the discharge of the obligations of management.

Searching for these limitations we must take as necessities those things which are truly necessary to the upkeep of a "free private enterprise" system because there is no doubt that management and organized labor in the United States agree in their resolve to put their money on that system, at least for one more turn of the wheel. But within that one acceptable generalization almost every particular application is in dispute. This is a situation which by the logic of collective bargaining presents the greatest opportunity for progress. Tested by the criterion of free and self-responsible development of the individual up to the point of spontaneous coöperation, the true limits of necessity lie far, far beyond the present position of belief and practice. And as belief is related to truth so is the trend related to the goal.

With acceptance of the end in view, the need is for development of understanding and mutual confidence. The tools available are the basic tools of democracy: inherent belief in the dignity and worth of the individual as a person; full acceptance of the creative values of persuasion as against the deadening hand of force; and consciousness that facts are all important but hard to get at so that the two sides agree never to disagree about a fact but rather to continue to search together for the facts until they find out what they really are. With these tools, by processes of rational persuasion, shunning each resort to force as a failure and setback, it is possible to modify conflicting beliefs and step by step reach more and more creative compromises. That is, I submit, the logic of collective bargaining. Wherever an area of exploration exists between the present climate of opinion and the final wall of necessity, there lies a promising field of creative progress by reasonable persuasion; and the fertilizer is the collective goal, the free and self-responsible development of the individual toward voluntary and self-disciplined coöperation.

The general nature of such a new approach is indicated by the statement adopted by this Committee on August 18, 1966, which concluded by saying:

> "We believe that in a free society any policy to achieve price stability will be acceptable and effective only if it bears equitably on all forms of incomes."

The guideposts policy has failed because it did not meet the test of equity. It has disadvantaged wage and salary earners while other groups have gained at their expense.

In the private economy as a whole, employee compensation (including wages, salaries, fringe benefits and overtime pay) per man-hour during the 1960-65 period closely paralleled productivity. Thus, increases in employee compensation did not put significant upward pressure on the general price level. Nevertheless, prices rose. In consequence:

1. Real hourly employee compensation has lagged behind increases in productivity.

2. The nation's wage and salary earners have not shared fairly in the fruits of advancing productivity.

3. Other forms of income -- notably, profits, dividends and interest -- have increased faster than total employee compensation. The distribution of national income has been distorted in favor of property income to the disadvantage of employment income and lower-income families.

(Statistical data supporting the foregoing points are presented in the attachment to this memorandum.)

THE EXTENSION OF COLLECTIVE BARGAINING TO NEW FIELDS

BY JACK T. CONWAY

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IRRA 19th Annual Meeting

San Francisco, December 29, 1966

The items I propose to discuss with you here today are based, in large part, upon the experience of the IUD over the past year and on the action of the IUD executive board which met in Washington earlier this month.

They fit quite well into the category we are discussing and they have implications that I think need only be touched on for a group as perceptive as this one.

I am talking,first of all, about the growth of coordinated collective bargaining which, in this past year, has proceeded at a pace that has surprised even the most optimistic of us. And I am talking, secondly, about the extension of the union movement into the community and its participation, through community unions, in the national war on poverty.

It has already been made quite clear to all of us that coordinated collective bargaining is more than a mere conglomeration of unions acting together for the sake of achieving more or less the same wages and working conditions from the same company. Its implications and its dimensions, as we shall see, go far beyond that.

Coordinated collective bargaining is going to lead, I think, to a great growth in organizing because it provides, better than any index we have yet devised, a measure of where we need to shore up our strength for an effective confrontation with those in the private sector who make the economic decisions that affect the lives of so many.

The development of coordinated collective bargaining has made even more clear the need for technicians and the creative use of technical equipment made possible by computer technology. I think it was Professor Dunlop who pointed out that while in the early days, unions were more proficient than their opponents across the bargaining table, in preparing their case, today they are lagging behind. That is a deficiency that I hope we can overcome.

The growth of coordinated collective bargaining will do much to eliminate, or at any rate soften, some of the jurisdictional disputes which have sapped much of the strength of the labor movement and which have given it a bad name. It has directed the attention of our organizations from a struggle over the right to represent a limited number of union members to a struggle to increase the total number of members. I know you will not misunderstand if I liken it to our fight in the economic field to divide up a pie of abundance instead of fighting over a pie of scarcity.

And, finally through coordinated collective bargaining we are making it evident, once again, that the struggle at the bargaining table is a struggle on behalf of the entire labor movement, not just one particular segment of it. Where there is a basic issue at stake, both the labor movement and industry know that the entire resources and commitment of the labor movement will be involved.

These, then, are the five implications of coordinated collective bargaining that we can now see. There will, perhaps, be others as we move along but I have indicated enough, I think, to make the point that in moving into this area we are doing more than making mere mechanistic re-arrangements. We are creating a new-- and needed---instrument to meet new conditions.

These new conditions have not been of our making. And it is not necessary for me here to speculate withyou about the reason they have arisen. But we are all aware of the drastic change that has taken place in industry with the growth of industrial conglomerations. There may be some rationale for the Columbia Broadcasting System

to own the New York Yankees. There maybe some slight basis for International Telephone and Telegraph to own the American Broadcasting Company and even less for it to own Avis. But I am unable to find any rational reason why the meat packing firm of Armour should own the Baldwin Locomotive Company or why the soap maker, Proctor and Gamble, should make coffee.

The reasons, as we all know, are financial rather than the outgrowth of a rationalizing of the industrial process. Technology is developing new products and firms in declining industries like textiles are reaching out into other industries in search of survival. Extended prosperity has provided more cash for corporations and their natural reaction is to look for profitable places to spend this cash. Emphasis on research and development has led to a natural alliance of firms with new products and new ideas. Growth and bigness have become ends in themselves in the industrial world and the broader the range of corporate interests the more impressive are its financial statements.

This merger and acquistion characteristic of industry is not new but the pace is increasing. Between 1954 and 1958 there was an increase of 59% in the number of companies operating in more than one industry. In 1964 alone there were nearly 1,800 acquisitions---or business mergers---a gain of 21% in the span of a single year.

Obviously, this presents the labor movement with problems because the power to make decisions on basic issues has been placed even further from the point at which the issue is generated. And no one union organization, as presently constituted, has the resources to join the issues at that level.

The 3 M company, for instance, is located in 17 states, manufactures some 40 product lines turning out 25,000 separate items, and deals with 18 different international unions. Olin Mathieson, another corporation that is moving rapidly into the catch-all field, deals with 15 different international unions.

In the negotiations with General Electric, 11 different international unions were involved.

This is the background against which we are developing our coordinated collective bargaining committees. More than 70 of them have been established and, of these, 50 are in the early stages of development. These are committees where the IUD has played a key role in providing essential information on contracts, pensions and insurance plans, financial reports, and contract termination dates, and similar information. And it is at this point where the data processing operation which we have established is brought into play. It will be able to provide us with the information we need in the coordinated form in which we need it and within the time span that it is needed.

And I may add that it is at this initial phase that it is vital for the top leadership of the international unions involved to make the key policy-planning and strategy decisions. Coordinated action is important not only for successfully applying economic pressure against the company but also for maintaining and strengthing relationships within the committee.

In the case of General Electric bargaining, a committee composed of representatives designated by the presidents of the various international unions, along with a representative of the IUD, provided the energy and the financing and made the policy and strategy decisions which contributed to the successful outcome.

Based on that experience and on the initial work the IUD has done so far, the structure for coordinated collective bargaining toward which we are moving might look something like this:

1-A policy committee consisting of the presidents of the international unions with local unions having contracts with the corporation and

2- A conference of unions whose members would be made up of representatives designated by each of the international union presidents on the policy committee and a representative of the IUD. The conference would plan for and handle the information exchange, set the goals for bargaining, develop strategies and

related policy issues.

3 - The conference might find it useful to select a smaller, steering committee which would include a chairman selected by the conference.

The conference of unions would meet regularly, maintain contact with members between meetings, and be the principal mechanism for setting up plans for future collective bargaining.

This, as I say, is the direction in which we are moving. Developments may alter this structure but they will not alter, I am confident, the direction in which we are moving.

Many of you will recognize the analogy to the growth of an international union .... the moving together of local unions with common interests into an international union which can provide the services and the strength that is required. Perhaps the analogy is a good one though obviously the problems are more complex and we will be guided by the necessities rather than the analogy.

The goal is the same .... the achievement of economic justice and the establishment of higher standards of social morality. And the harder we pursue this goal the more we become aware of the gaps. Just as we have come to realize the difficulties of one union going to the mat with a many-headed financial complex, so we are coming to realize the difficulties of one segment of our society, the labor movement, dealing with the many-headed problems of our total society.

We know that there are roughly thirty-four million people in our country living in poverty. They're the families of people who are working at jobs with wages too low to support them. They're the young and healthy people for whom we have failed to provide job opportunities or sufficient training to fill the available jobs. They're the old and disabled, the people living in communities

deserted by industry and with their natural resources exhausted, the discouraged and the frustrated who have been ill-used or neglected by society.

These are people whose productive capacities we need and who, if those capacities had been used, would have provided all of us with a greater abundance and made our total society richer. You have heard ~~cities~~ cited, many times, the figures on the millions of man-hours that have been lost, irrevocably, and the purchasing power that has been lost, irrevocably, through the persistence of poverty and our failure to raise the economic base.

It is therefore clear to me and, I think, to others that the labor movement must identify with the people who are living at or below the poverty level and help them create the economic organizations which can help them solve their problems in the community.

The labor movement must be an instrument for social change. When we realize that 34 million people--half of them children--exist below the poverty level in our affluent nation, we of the labor movement not only realize there must be change, we demand it and participate in bringing it about.

In our attempts to influence the dynamics of social change, we turn first, naturally, to our own union experiences and union organizations. It is to be expected that we first consider the possibility of using prototypes of union forms and structures to attack the problems of poverty. This line of thinking has led us to explore a new concept--that of a "neighborhood union" or "community union."

Why not an organization, for example, that will express the collective self-interest of the poor? It worked for unions--the auto worker, steel worker, bricklayer, carpenter, printer--all of us have gained self-respect and dignity through our unions. Why cannot the poor gain self-respect and dignity through the solution of their problems by organization?

And so we have thought that organization of the poor into what we are beginning to call community unions can lead to more effective dealing with the underlying causes of poverty in the trap-ghettoes, slums and migrant camps that lie hidden on the wrong side of the freeways or behind the billboards and bushes in the country.

In exploring the possibility of developing community unions, we realize that we are groping toward a new form of institution. But it has its roots in a long trade union experience, and is within the best traditions of the labor movement.

A community union could merge traditional trade union functions with modern community center functions. For example, a community union could bring tenants together to bargain collectively with slumlords. A community union could effectively voice the complaints of a neighborhood through its own grievance procedure and steward system. A community union could develop education programs and retraining programs. It could raise the political awareness and effectiveness of people who have been forced to live outside of social and political structures.

We are experimenting with the concept of the community union because the present structure of our labor movement was not put together to do the kind of job that needs to be done in the neighborhoods.

We are organized on job lines. We carry on our organizing drives at the plant gate or at the workplace. We deal with employers, and handle grievances of workers related to their jobs; only seldom have we dealt with a worker's landlord or grocer or policeman on the block where he lives.

Through a community union structure we can cut across job lines and concentrate on community ties. This way, we can reach the hundreds of thousands of working poor who are employed in jobs that have fallen outside of existing union structures. We can reach the unemployed, underemployed, the school drop-outs and forced-outs and others trapped

in the unbroken circle of poverty.

The labor movement is by nature pragmatic. In reaching out to find effective new structures, we are acting true to our pragmatic nature.

Just as we have custom-built hundreds of thousands of collective bargaining contracts to fit specific situations, we are now approaching the structuring of community unions to fit specific needs.

It follows, therefore, that the forms of the community unions will take shape in different ways in different places; they may vary considerably because of circumstances. This is already becoming apparent.

We have at the present time three distinctly different examples of what may emerge as community unions which are taking form in three distinctly different communities.

In Chicago, the outlines of an experimental social form are emerging in response to a crisis of deprivation there. We are experimenting with a triangular combination known as the Chicago Community Union Center. In this Center, we have brought together representatives of our Industrial Union Department with representatives of the Southern Christian Leadership Conference and the Chicago Coordinating Council of Community Organizations.

What is being done in Chicago is an example of union experience translated into community action. A tenants' union has been organized which is now bargaining with landlords. This community action is bringing about correction of some of the worst aspects of slum dwellings.

The parallels to conventional union action are remarkable. There have been strikes--rent strikes--and there have been lock-outs--eviction notices. And there have been contracts, too, collective bargaining contracts.

Another community where union experience has been directly translated into community action is Watts. There, a union shop steward who has lived in the community for 22 years is chairman of the Watts Labor Community Action Committee. He has had many years of experience handling grievances of his co-workers in an auto plant. Now he is putting that experience into practice in his neighborhood, handling the grievances of his neighbors.

The committee which he heads now includes representatives of about a dozen international unions and the support of the Los Angeles AFL-CIO Central Labor Council. All of the

members on to this committee are residents of Watts. They understand their neighborhood. There now is in Watts an effective community organization working to solve the needs of the people which has flowed directly out of union experience.

And there is still a third kind of labor social action underway in a small California community you all have heard of -- Delano.

In Delano, the modern concept of a service center is being coupled with the traditional method of organizing farm workers into a union.

Side by side with the United Farm Workers organizing Committee, a Farm Workers Service Center has been structured. The center already has a credit union and a health clinic. Cooperative enterprises are planned which will include a service station, store and perhaps other functions. The center will also include education and training programs -- it plans to train mechanics through the use of the facilities of a cooperative garage, for example. It may also include counseling for individuals or families, and legal assistance, and the handling of "grievances" with governmental agencies, or school board or police department. A unique aspect of this developing service center is that it must meet the needs of a highly mobile workforce -- migrant workers -- and therefore must devise ways of moving the services along with the workers and their families.

The experiments of the labor movement with social action mechanisms such as the community union will, I believe, widen our scope of interest and re-vitalize our movement. It could prove as beneficial to the labor movement as the change that took place in the 1930s when unions were extended beyond craft lines and organized along industrial lines.

Union structures organized along community lines can add dimension to the labor movement and carry us farther along the road of moral commitment and practical purpose.

We must make intelligent, practical use of our resources to assist the poor in dealing with the problems of the poor. We have gone the road of self-organization and know its great value. We must help the poor to find the same road.

In so doing, we will be consistent with the great ideals and pragmatic wisdom of the American labor movement.

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