a Labor Notes Book

CONCESSIONS

and how to beat them

by

Jane Slaughter

With a Foreword by William W. Winpisinger

President, International Association of Machinists

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This book is dedicated to the members of the United Mine Workers of America, who struck against concessions in 1978, before concessions had a name.

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Foreword
by
William W. Winpisinger
President
International Association of Machinists

One of the more obstinate axioms of history says "the more things change the more they stay the same."

Couple that with the more familiar "history repeats" theme, and we have a folksy rationale in defense of the status quo.

It never ceases to amaze us how often those maxims apply to labor and management relations in this country. Still more amazing is the fact that in the eye of any given contemporary labor-management storm, too many trade union leaders lend credence to the old bromides, by falling into the same old historical traps set by capital and management.

The contention between capital and labor is as old as the history of the world itself. Capital's behavior has been remarkably consistent and resistant to change. It has always relied on an absolute power, authority, and control formula (PAC of another kind), to achieve its goals of profit maximizing and cost minimizing.

In general, labor's response *contra* capital and management has been one of an erratic, fitful, flaccid, occasionally organized resistor and transgressor to defend the lives and livelihoods of workers and to promote individual and collective economic and social justice goals. When labor is militant, history tells us, those goals are advanced. Trade unions were created out of the necessity for such militancy, that dared to resist capital and management's unilateral and dictatorial authority and dared to transgress the ages-old PAC formula.

There is, it seems to us, no clearer lesson that can be derived from a reading of the history of labor and management relations.

Yet, here we are. For the third major time in the last hundred years, facing us is a capital strike and offensive that thrusts anti-trade unionism and concessions bargaining squarely at our vital organs and glands. And the sad fact is, too many trade union leaders are ignoring the significant lessons of history and repeating old mistakes of the past. They've become accomplices—willingly or negligently—in all sorts of capital and management schemes to reassert the unilateral PAC formula. These schemes include tripartism and vague "industrial policies" designed to hustle the largest pool of capital in the world, namely worker pension funds. They include "participatory management" ploys, such as token trade union representation on corporate boards and committees, and productivity circles, quality of work life and quality control circles. On the surface these appear to permit workers to participate in shop floor decision making processes. In reality, they circumvent the collective bargaining contract and process; weaken worker control and safeguards at the point of work; open the way for the invasion of labor-displacing technology; undermine worker identity and solidarity with the trade union movement; and set up local trade unions for decertification drives.

To join in those schemes outside the bargaining contract and collective bargaining process, is, in and of itself, a major trade union concession. But to follow on with concessions in wages, cost of living clauses, overtime provisions, health and medical benefits, break periods, and work rule changes is sheer suicide. The trade union leader who agrees to such concessions is destined to lose credibility, not only in the eyes of his own membership (that's inevitable), but he also loses credibility for the trade union movement in the eyes of those potential and future trade unionists outside in that large unorganized sector of commerce and industry.

Underlying these objections to concessions bargaining and coziness with capital is another more fundamental one that trade unionists must come to grips with ethically and morally: by what writ and on whose authority do any contemporary trade union leaders or trade union memberships concede and give back gains and benefits that have been achieved and won by the blood, sweat, tears and ingenuity of trade unionists in the past?

We in the trade unions today do not have the right to give away gains and rights won yesterday. They are not ours to give away. They belong to our heritage and our progeny. Their preservation is progress in times like these.

With a little imagination, talent, and not too much courage, but with a requisite strong dose of dedication to trade unionism and its principles of economic and social justice in the workplace and outside in the political economy, we can develop alternatives to submission to capital and management's seductive advances for a love-in on the shop floor, rape in the political economy, or job blackmail in concessions bargaining.

To submit is to repeat history's mistakes, preserve capital's old PAC formula, and maintain an oppressive status quo.

INTRODUCTION

"The whole posture of negotiating is changed. Basically we're asking for something that we're not entitled to."

— steel industry official, quoted in *Wall Street Journal*, October 6, 1982

This steel executive put the two most important facts about the concessions phenomenon in a nutshell. The rules, customs and expectations of collective bargaining that developed in the years since World War II have been thrown out the window. And employers are getting away with murder as union members find themselves giving up what they thought they were "entitled to."

The concessions trend is eating away at the underpinnings of American trade unionism—the belief in worker solidarity, pattern agreements to bring the weakest up to the level of the strongest—not to mention John L. Lewis' famous dictum from the 1920's: "No backward step!"

To be sure, some observers of the labor movement have argued that the concessions made in the 1980-83 recession represent no more than the normal fluctuations of collective bargaining. Former Secretary of Labor John Dunlop says, "Much—too much—has been made of cases of opening of agreements before their term. . . . The fact is that there is a long record of collective bargaining that recognizes and adjusts to events. . ."[1] "I don't even know if concessions is the right word," he adds.[2] John Zalusky, an AFL-CIO economist, says that the significance of give-backs has been "distorted by the media."[3]

But others see today's concessions climate as a potential watershed. *Business Week* magazine's mind is boggled:

> [Concessionary bargaining] has come more suddenly than almost anyone thought possible. And it holds staggering implications not only for worker-management relations but also for the competitiveness of U.S. industry, company profits, inflation, and the standard of living.[4]

The AFL-CIO's Organizing Committee says that concessions can mean union busting. There are many cases of concessions bargaining, it warns, "where the only objective of the company and its union-busting consultants is to reduce the credibility of the union by taking away its well-earned gains. This then becomes a prelude to getting rid of the union altogether."[5]

And Audrey Freedman, a business economist who favors the new trend, gets to the heart of the matter: she says that concessions constitute a fundamental shift in power from unions to employers.[6]

Concessions Drive Will Continue

As the economy began to show slight signs of improvement in 1983, some unionists predicted that concessions were over. Once the companies began making money again, they hoped, collective bargaining would get back to normal. It's true that Round One of the concessions offensive—highly visible wage freezes and wage cuts—seemed to slack off after most of the major unions signed contracts. But Round Two, which actually began during Round One, is even more dangerous to the long-term health of unionism—and it is moving full steam ahead.

Round Two is an attack on work rules and working conditions, designed to increase productivity by giving management more "flexibility" to use the work force whatever way it sees fit. The bottom line is to cut jobs. These kinds of concessions are usually made locally and don't attract media attention. But many employers have made it clear that they see these sorts of changes—and a new cooperative spirit on the part of the unions—as more important than monetary concessions.

Equally important, Round Two sets the stage for Round Three. The precedent has been set: the minute there is the slightest downturn in the economy, or when any individual employer begins to get into trouble, that will be the signal for a renewed assault on workers' pocketbooks, this time including medical and other benefits as well as wages. And the unions, if they go along with Round Two so that their power on the job is further weakened, will be in even worse shape to resist Round Three than they were for Round One. Far from being over, the employers' concessions offensive has only begun. Audrey Freedman again:

> Even after the recession abates. . .union bargaining will not be able to return to the formula wage of COLA-plus-3% annual increase nationwide. Unions with less than an industry-wide membership base will not be able to press the companies back into conformity. . . .When the recession abates, there will be no going back to the "model" of the 1970s. We are returning to [custom-fitting contracts to] the individual conditions of the enterprise, for good.[7]

For most workers, of course, the question of concessions is not an abstract matter of changing trends in labor relations. The question of concessions presents itself as a question of how best to feed your family. The employers have convinced many union members that concessions might save jobs. With unemployment at its highest level since the Depression, with the threat of even more jobs lost to new technology, with runaways to non-union areas and overseas rampant, it is natural that many workers would take the employers' job blackmail seriously. Keeping your job at almost any wage and under any conditions can seem preferable to joining the highly visible millions on the unemployment line. The employers could not get away with their demands at a time when workers felt more confident.

This book will argue that concessions don't in fact save jobs—certainly not in the long run and rarely in the short run. But for the labor movement, the problem of concessions can't be looked at on just a case by case basis. Concessions demands should be viewed as part of a long-term strategy by employers. Labor's response must be equally strategic.

Philosophical Offensive

The main tactic employers have used to force concessions is job blackmail: threats of plant closings or layoffs. However, these open uses of employer power have been accompanied by a somewhat subtler means of sapping union strength—a philosophical offensive against labor.

One of the chief cheerleaders for the philosophical offensive is, again, *Business Week*. It often chastises companies who refuse to sweeten the bitter concessions pill with some "harmony of interest" rhetoric. Way back in 1974, it warned:

> . . .it will be a hard pill for many Americans to swallow—the idea of doing with less so that big business can have more. . . .Nothing that this nation, or any other nation, has done in modern economic history compares in difficulty with the selling job that must now be done to make people accept the new reality.[8]

This "selling job," or the philosophical offensive, takes on two of the basic principles of unionism. These are: (1) that the interests of workers and employers are different, and (2) that unions should eliminate wage competition among workers. These principles have traditionally been expressed by the "adversarial" labor-management relationship and by pattern bargaining.

"So long, partner!"

The pro-concessions philosophy, which can be held by union members as well as employers, maintains that labor and management have more in common than in opposition. That common interest, of course, turns out to be making the company profitable. "Quality of work life" programs—which are sometimes introduced at the same time that concessions are being extracted—are the most sophisticated version of the harmony notion.[9] AFL-CIO Secretary-Treasurer Thomas Donahue expressed the concept this way: "The adversarial role, appropriate to the conflict of collective bargaining, ought to be limited to the period of negotiation—and during the lifetime of a contract so arrived at, it ought to be replaced by a period of cooperation, aimed at maximizing the potential success of the joint enterprise, i.e., the company's business or production."[10] AFSCME District 37 Director Victor Gotbaum has expressed a similar philosophy for public employees:

> When [New York's] municipal bankruptcy loomed, both sides had to quickly develop new skills and attitudes. . . .The comforts and parameters of familiar old antagonisms were exploded by threats more dangerous and far-reaching than either side had ever confronted before. Survival meant working together with appreciation for joint needs.[11]

Gotbaum is often credited with negotiating the granddaddy of all concessions contracts, that which bailed out New York City in 1975.

The second part of the pro-concessions philosophy is that competition among workers is necessary, that there's only so much work and different groups of workers must bid for it. The logical extension of this philosophy is that workers should feel solidarity with their employers, not with other groups of workers. The union would be tamed, bargaining would be by individual plant alone, and there would be no more patterns. Union members would gladly cooperate to help their employers compete with other employers—and with other workers. The chief negotiator for B.F. Goodrich Co. put it this way: "Union leaders to one degree or another are realizing that it's not 'us against them' but 'we against the world.' "[12]

Takeaways are not a phenomenon newborn in the 1980's. Losing a strike and signing a rotten contract is certainly nothing new in labor history. Wage cutting with or without benefit of union consent was rampant during the Great Depression. What *is* new in postwar labor relations is unions voluntarily opening their contracts to "help out" their employers. Far from being forced on the unions after a test of strength, in many cases concessions are just. . .forfeited. The number of strikes begun in 1981 was the lowest since 1940.[13] This pamphlet will show how the philosophical offensive and job blackmail work together to undermine not only unions but unionism itself.

While the concessions offensive has already succeeded in altering the balance of power, it is not irreversible. Many unions have resisted concessions, some with impressive success. And resistance has grown as events have shown that concessions do not save jobs.

As employers make it clear that they want not just temporary relief but an answer to their long term problems, not just our money but our union pride as well, a current in the labor movement has developed that wants to go beyond saying "no concessions" to putting labor back on the offensive. The Labor Notes conference on "Organizing Against Concessions" in November 1982, which drew 760 people, was one indication that many unionists are looking for a way to fight back.

This book will show what caused employers to begin demanding concessions, and why their offensive is not over. It will show why concessions don't save jobs, and tell what some unions have done to defeat concessions demands. It will point to some strategies which could be more successful than concessions in saving jobs. And it will raise some ideas for strengthening the labor movement to go on its own offensive.

1 FROM MORE TO LESS

Even before concessions began snowballing in 1980, there were scattered attempts by employers to force givebacks. The most publicized example was the New York City public employees' concessions during the city's 1975 financial crisis. Several Teamster agreements which were patterned on the National Master Freight Agreement slipped out from under in the mid-1970's. Construction employers have been getting special deals for some years now. In 1979 the Rubber Workers took a 4% wage cut at General Tire in Akron.

But until the last couple of years, union resistance to take-aways was strong and often successful. The miners struck for 110 days in 1977-78 and for 72 days in 1981. The issue was not wages but employer demands which would have weakened the union's power. In 1978 workers at three companies working under "me-too" versions of the Basic Steel Agreement struck for five, six, and nine months, respectively, to resist concessions on work standards. In 1979 workers struck Westinghouse for seven weeks, Caterpillar Tractor for 11 weeks, and International Harvester for 24 weeks; all defeated concessions and thus preserved pattern bargaining.

It was the United Auto Workers' concessions to Chrysler Corp. in November 1979, January 1980, and January 1981 which set rolling the concessions snowball which has plagued the labor movement ever since. (The second set of concessions was demanded by the Federal Loan Guarantee Board as a condition for bailing Chrysler out.) In the years B.C, or Before Chrysler, it had occurred to few employers that they could get contracts opened in mid-agreement; the term "re-opener" used to mean a *union's* right to bargain for higher wages at some point during a contract. The term was redefined by the events of 1980.

In January 1980, Detroit Mayor Coleman Young remarked: "We are closely examining the recent Chrysler contract, because it contains a principle which I believe we may be forced to adopt."[1] Detroit city workers later took a two-year wage freeze. In May Ford Motor Co. extracted local work rule concessions from its Cleveland stamping plant, under threat of closure. The Rubber Workers made $27 million worth of concessions to Uniroyal in June, thus breaking the Big Four pattern in rubber. In August, 12,000 workers at Wheeling-Pittsburgh Steel Corp. agreed to defer some raises, and Wheeling-Pittsburgh left the nine-company Basic Steel agreement. In September the Teamsters International rejected Trucking Management Inc.'s demand to eliminate 49¢ of COLA but agreed to consider local or regional changes in the National Master Freight Agreement. And in October workers at McLouth Steel, a "me-too" company, had to strike to defeat concessions.

In December 1980 Chrysler went back to the government for $400 million more in loan guarantees. It asked the UAW for over $600 million worth of concessions, on top of the $446 million already granted. The UAW said yes, although the membership's vote this time was only 59% in favor. The union did not ask for a recovery clause, or for job guarantees, or for any other strings to be attached to the taxpayers' money. Workers took an actual pay cut of $46 a week and other concessions destined to leave them $3.00 an hour behind General Motors workers by the end of their contract.

Light bulbs seemed to appear over the heads of executives at many major corporations. A Ford spokesman said, "You can bet we're watching Chrysler's efforts with a good deal of interest. We haven't done it [asked for concessions] yet, but we'll see what happens on this go-around with Chrysler."[2] GM Chairman Roger Smith declared, "You cannot have a two-tier wage industry."

The UAW leadership initially said that Chrysler's treatment was exceptional, warranted by its financial situation. A memo from UAW headquarters to regional directors warned that employers would come knocking. They should point out all the "unusual circumstances" surrounding the Chrysler contract, such as the fact that the agreement had been imposed by the government, that Chrysler was on the brink of bankruptcy, and that the company had agreed to put UAW President Douglas Fraser on the board of directors, it said.[3]

In the first nine months of 1981, the UAW's research department

It's Time for Management Concessions, The Labor Institute, 1983.

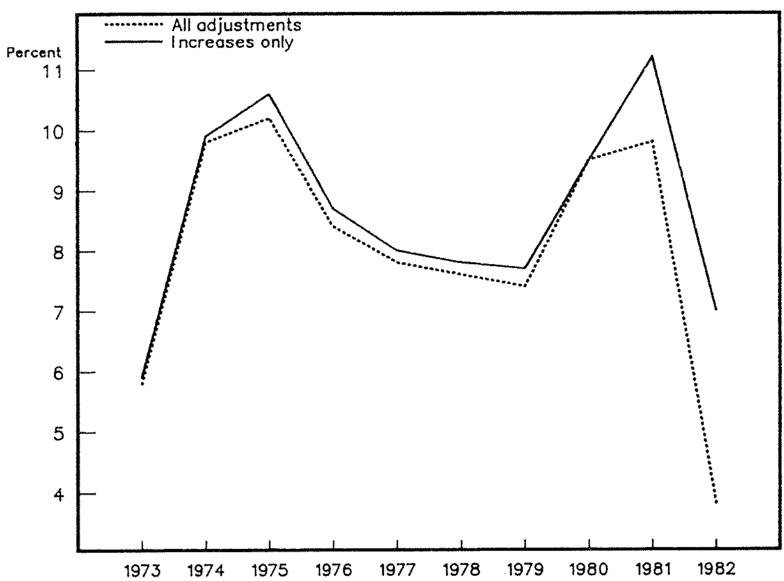
inspected the books of over 75 relief-seeking companies.[4] And time and again relief was granted, *without* the "unusual circumstances" being present. When giant General Motors, which had made a third of a billion dollars the past year, was granted relief in April 1982, the message to employers was clear: if GM can get concessions, *anybody* can get concessions.

The rush became a stampede—and not just of "ailing" employers. Nineteen percent of the 400 executives from top companies in a May 1982 *Business Week* poll were willing to admit that "although we don't need concessions, we are taking advantage of the bargaining climate to ask for them."[5] Some of the other profitable giants which won givebacks were Kroger, Iowa Beef, Gulf, Texaco, Caterpillar Tractor, and United Parcel Service.

It's not necessary to continue the history of the concessions phenomenon. Many of the highlights are listed in the chart on pages 14-25. Instead, we'll look at how the concessions trend has affected wage settlements.[6]

The chart shows the average wage increase in contracts settled each year.

Average First Year Wage Adjustments in Private Sector Contracts Covering 1,000 or More Workers Reached 1973-1982



Source: Bureau of Labor Statistics. Figures do not include possible COLA increases.

The 1982 average for all wage adjustments is 3.8%, down from 9.8% in 1981. The figures cover 3.3 million workers. Note that until 1981, the line for "all adjustments" and the line for "increases only" are virtually the same. That is, almost all contracts contained increases. But in 1981 contracts with no wage increases began to appear, and they became even more common in 1982. Forty-four percent of the workers who got new contracts in 1982 agreed to receive no wage increase in the first year, and more than a third of the total took a wage freeze for the entire life of their contracts.

Note also that the figures for 1982 are the lowest since 1973—when Richard Nixon's wage controls were in effect. The recession of 1974-75 did not produce the dramatic decrease in wage gains that we saw in 1981-82.

Of course, when you compare contracts signed in 1982 to those in 1981, you're comparing two entirely different sets of workers (usually). Another way to look at the trend is to compare the wage figures for 1982 to those when the same parties bargained previously. The downward trend is still there:

	All workers	Construction workers
First-year wage increase bargained in 1982	3.8%	6.5%
First-year wage increase when parties bargained previously	8.5%	10.8%
Average annual increase over life of contracts bargained in 1982	3.6%	6.3%
Average annual increase when parties bargained previously	6.6%	9.6%

The economy began to show signs of improvement in 1983. Many unionists thought that this meant concessions would end. But the figures didn't bear out their optimism.

The average wage change negotiated in the first quarter of 1983 was −1.4%. It was the first decrease since the Bureau of Labor Statistics began keeping these figures 15 years ago. Over half the workers took wage cuts (most of these were in the steel industry, where the reopened Basic Steel Agreement included a $1.25 an hour reduction). A third of the remaining workers took wage freezes, and the rest got the smallest wage increases on record. And concessions continued later in the spring, as workers in aluminum, can production, and copper all took three-year wage freezes, and Wilson Foods, a pork producer, forced wage cuts of up to 50% on its workers.

UNION CONCESSIONS CHART
Please turn page.

UNION CONCESSIONS,

Industry	Union	Concessions Made	Date
Airlines			
Braniff Continental Pan Am Republic Western United Eastern	ALPA TWU NAFA IBT	Wage freezes or 10% wage cuts. Work rule changes for pilots. Eastern: Variable Earnings Program — workers forfeited 3½% of pay, to be returned when company was more profitable, began 1976.	1981-82
American	TWU	New hires paid 32% less, part-timers allowed up to 12½% of employees, erosion of classifications, more subcontracting	3/83
Eastern	ALPA	More flying time, vacations cut, pay deferrals in exchange for securities	5/83
Agricultural Implements			
International Harvester	UAW	Wage freeze, COLA deferral, Paid Personal Holidays, 1 week vacation per year, vacation and Christmas bonuses given up	4/82
Caterpillar	UAW	Wage freeze, attendance bonus reduced, COLA not folded in	4/83
Aluminum			
Alcoa, Kaiser Reynolds pattern	USW ABG	Wage freeze, COLA reduced and not folded in, vacations & premium pay for weekends cut	5/83
Kaiser Ravenswood, W.Va. plant	USW	Job combinations and work rule changes which would eventually reduce 3300 workers to 1200	12/82

*Workers covered, active and laid off
†Not intended to imply that the union's "gains" were an equal trade for the concessions.

UNION ABBREVIATIONS

ABG	Aluminum, Brick and Glass Workers
ACTWU	Amalgamated Clothing and Textile Workers
AFSCME	American Federation of State, County & Municipal Employees
AFT	American Federation of Teachers
ALPA	Air Line Pilots Association
BLE	Brotherhood of Locomotive Engineers
FOP	Fraternal Order of Police
IAFF	International Association of Fire Fighters
IAM	International Association of Machinists
IBT	International Brotherhood of Teamsters
IUE	International Union of Electrical Workers
IUFA	Independent Union of Flight Attendants
IUOE	International Union of Operating Engineers
IW	Iron Workers
MSEA	Michigan State Employees Association

Selected Examples, 1979-83

Value to employer	Was it a re-open-er?	Clos-ing threat-ened?	# of workers*	Length	Resistance	'Trade-offs'†
					IAM has generally not gone along with concessions, except at Braniff. Won strike at NW against work rule concessions.	At Pan Am, a pilot joined the board of directors.
$50 mil./ yr.	no	no	10,500	3 yrs.		Wage increase for current employees
$100 mil.	no	no	4,200	2 yrs.		Eventual equity in company
$200 mil.	yes	yes	30,000	44 mos.		Profit sharing, more $ for laid-off workers
	yes	yes	36,000	3 yrs.	7-mo. strike	Profit sharing
	no	no	43,400	3yrs.		Early retirement incentive
	yes	yes	3300	3 yrs.	Local refused; agreement was imposed by International after other plants made concessions	Early retirement incentive

UNION ABBREVIATIONS, cont'd

NAFA	National Association of Flight Attendants
NEA	National Education Association
OCAW	Oil, Chemical and Atomic Workers
OPEU	Oregon Public Employees Union
PI	Plumbers
TWU	Transport Workers Union
UAW	United Auto Workers
UBC	United Brotherhood of Carpenters
UE	United Electrical Workers
UFCW	United Food and Commercial Workers
UGC	United Glass and Ceramic Workers
UMW	United Mine Workers
URW	United Rubber Workers
USW	United Steelworkers
UTU	United Transportation Union

Industry	Union	Concessions Made	Date
Auto			
Chrysler	UAW	Deferred raise, 6 holidays lost, sick pay frozen, pension increases delayed, crackdown on absences	11/79
		Delay raises, 17 holidays lost (mandated by Congress as condition for loan guarantees to company)	1/80
		$1.15/hour wage cut, wage freeze, 3 holidays and 1 day's pay lost (mandated by Federal Loan Guarantee Board)	1/81
		Absence control plan which involves union in discipline, erosion of skilled classifications	12/82
Ford	UAW	Wage freeze, COLA deferral, pension freeze, lower pay for new hires, 9 holidays per year given up, provisions for locals to "bid" for work	2/82
GM	UAW	Same as Ford; attendance control program	4/82
GM & Ford	UAW	Work rule concessions in many plants, sometimes to 'bid' for work. Includes combining classifications, 'mass relief,' restrictions on transfers and shift preference, increased production quotas, restrictions on breaks	1982-83
VW	UAW	Wage freeze, COLA annual rather than quarterly	
Parts Suppliers	UAW	The UAW has made concessions to many of the supplier companies roughly analogous to the Ford concessions, except that since those workers often did not have Paid Personal Holidays to give up, there were sometimes absolute wage cuts. Companies which have received concessions include Rockwell, Dana, Eaton, Budd, Kelsey-Hayes, Burroughs, Globe Union, Bendix Autolite, Champion Spark Plug..	
Cans			
4 co.-pattern	USW	Wage freeze	3/83
Construction			
Portland, OR	PI	Wage cut for residential and repair work from $23.74 to $14.39	
Northern California	IUOE	Wages and benefits cut 15%, reduces work classifications from 260 to 6 (similar agreements in Utah and northern Nevada)	9/81

Value to employer	Was it a re-opener?	Closing threatened?	# of workers*	Length	Resistance	Trade-offs**
$203 mil.	no	no	124,000	3 yrs.		UAW President Douglas Fraser on board of directors
$243 mil.	yes	yes	110,000	32 mos.	14,000 Canadian UAW members refused to accept	Stock ownership plan estimated to be worth $162.5 mil.
$622 mil.	yes	yes	108,000 (65,000 active)	19 mos.	41% 'no' vote	Profit sharing, 5 plants open thru life of agreement(3 later closed)
	no	no	53,000 active	16 mos.	First proposal w/ no incr. rejected; 5-wk strike by Canadians	$1.15/hr increase for Canadians, 75¢ for U.S.
$1 bil.	yes	yes	160,000	31 mos.		Profit sharing, $ for laid-off workers, no plant closings due to 'outsourcing' for 2 years
$3 bil.	yes	yes	319,000	29 mos.	48% 'no' vote. Ad hoc group, "Locals Opposed to Concessions"	Same as Ford. 4 plants to remain open for duration of contract
	sometimes	sometimes			Some locals vote no	
	no	no	5,600	3 yrs.		Reopener in '84
	no	no	43,400	3 yrs.		Early retirement
			900			

Industry	Union	Concessions Made	Date
Construction (cont'd)			
Baltimore	UBC	'Pre-apprenticeship' rate of $5/hr for 1 yr	4/82
Southeast Michigan	IW	Double time for overtime changed to 1½ time	6/82
Illinois, downstate	IBT	$3/hr wage cut and freeze	5/83
Chicago	25 unions	Wage freeze	6/83
Glass			
Libbey-Owens-Ford	UGC	2-year wage freeze, COLA reduction	8/82
Grocery			
Detroit 4 chains	IBT,	2-year wage freeze	1982
Chatham	UFCW	$1.21/hr pay cut, wage freeze, Sundays at 1¼ time (was 1½), lose 10 sick & personal days, lower rate for new hires	4/82
Philadelphia A&P	UFCW	At new subsidiary: $2/hour wage cut, major work rule concessions, 3 holidays lost, 1½ time on Sundays instead of double, only one week vacation for all employees	7/82
Meatpacking			
Armour, Hormel Wilson, Swift, Oscar Mayer, John Morrell (pork pattern)	UFCW	44-mo. wage freeze, incl. COLA, except for $400 lump sum payment; $1.39/hr cut at one Armour plant	12/81-1/82
John Morrell Estherville, Ia. beef plant	UFCW	$2/hr wage cut, 1-yr wage freeze, reduced sick pay, vacation cuts. Plant closed anyway.	11/81
Iowa Beef	UFCW	Wage freeze, $2/hr reduction for new hires	10/82
Mining			
Bituminuous Coal Operators Association	UMW	Reduced recognition rights at new mines, stricter absentee policy, job bidding rights reduced	6/81

Value to employer	Was it a re-opener?	Closing threatened?	# of workers*	Length	Resistance	'Trade-offs'†
	yes		3,500	1 yr.		
	no				16 day strike	
	no		2,000	3 yrs.		Exclusive right to haul sand & gravel
	no		70,000	1 yr.		
	yes	yes	5000	3 yrs.		Company agrees not to expand at its non-union plants during contract; gives local unions $800,000
	yes	yes	2,000	2 yrs.	TDU opposed 'quickie votes'	
$4000 per worker			2,000	1 yr.		Profit sharing (Chatham was in bankruptcy
	yes	yes	2,000	3 yrs.	A&P asked for national concessions: 2-year wage freeze & work rule changes. UFCW refused because of no job security. Then agreed to concessions locally in several areas.	Two worker co-ops also formed; 3 more planned
	yes	yes	40,000	44 mos.	2-week strike at John Morrell to accept *those* terms	18-month plant closing moratorium
	yes	yes	350	24 mos.	Pork plant refused concessions	
	no	no	2400		4-month strike	
	no	no	160,000	40 mos.	72-day strike, defeated attack on pensions	Wage and benefits increases

Industry	Union	Concessions Made	Date
Newspapers			
New York Daily News	11 unions	Staff reductions of 1,340 full-time jobs	9/82
Oakland Tribune	6 unions	18-mo. wage freeze, 1 wk vacation lost, overtime pay cut, staff cuts	2/83
Boston Herald-American	11 unions	Staff cuts of ⅓ of work force without regard to seniority	12/82
Oil Refining			
Gulf	OCAW	Combining classifications	1/82
Texaco, Port Arthur, TX	OCAW	Cuts in lump sum pensions, 50-hr work week	8/82
Public Employees			
Detroit	AFSCME IBT, Police other	2-yr wage freeze (4 25¢/hr increases lost), to get 50¢/hr at expiration	7/81
Philadelphia	AFSCME IAFF FOP	1-yr wage freeze, 8% in second year	7/82
Chicago Transit	ATU	1-yr wage freeze	
Michigan	MSEA	Clerical unit took wage freeze	7/82
Oregon	OPEU other	1-yr wage freeze: gave up three 3% increases, to be restored after one year	7/82
Quebec	sev. unions	Wage cuts up to 20%, jobs cut and work week increased for teachers. Imposed by provincial government legislation.	12/82
Canada federal workers	sev. unions	Wage increases limited to 6% & 5% in 1983 and 1984, contracts frozen, no right to strike. Imposed by federal legislation.	7/82
Railroad			
Conrail	sev. unions	Provisions of nat'l railroad settlement effective only to extent they exceed 10% pay increase (later 12%) (mandated by Northeast Rail Service Act)	4/81
Class I railroads	BLE	Lost right to strike to keep wage differential, COLA not rolled in till end of contract	9/82
Class I railroads	UTU	Eventual elimination of cabooses, COLA not rolled in till end of contract	9/82

Value to employer	Was it a re-opener?	Closing threatened?	# of workers*	Length	Resistance	'Trade-offs'†
$50 mil. per year	yes	yes		3 yrs.	Union rejected more extreme proposals	'Buy-out' payments for workers who quit, profit sharing
	yes	yes		5 yrs.		Profit sharing
$7 mil. per year	yes	yes	830	4 mos. for dismissals		
	no	no		2 yrs.		
	no	no	4,000	3½ yrs.	7½-mo. strike	Settlement for past retirees
	yes		20,000	2 yrs.	AFSCME had overwhelming no vote on proposal for *one*-yr moratorium	2-yr layoff moratorium, freeze on subcontracting, 10 extra paid days off
$28 mil.			16,000 2,750 7,500	2 yrs.		Partial layoff moratorium
			11,500	15 mos.	Other units refused	Layoffs limited
$20 mil.	yes		34,000	1 yr.		6 additional paid days off
$550 mil. first year	no		300,000	3 yrs.	Illegal strike, demonstrations court suits	
	yes		500,000	2 yrs.		
$600 mil.		yes	70,000	3 yrs.		
	no	no	26,000	39 mos.	4-day strike ended by Congress	
$400 mil. per yr.	no	no		39 mos.	Settlement was recommendation of govt. panel, appointed after impasse reached.	

Industry	Union	Concessions Made	Date
Rubber			
General Tire Akron plant	URW	36¢ wage cut, 40-hr work week (was 36), 7-day schedule, straight time on Sats., increased outside contracting, work rule changes	4/79
Uniroyal	URW	Pay cuts	6/80
Uniroyal	URW	Wages & benefits concessions to equal $54.9 million savings over upcoming pattern	12/81
Goodyear, Firestone, Goodrich pattern	URW	Wage freeze, not including COLA	4/82
Goodrich Akron plant	URW	27¢/hr wage cut, possible additional cuts of 27¢ in each of next two years	4/82
General Tire Waco, TX plant	URW	Increase differential between skilled and unskilled, 40% of COLA tied to profits, hospitalization co-pay. Similar pact accepted by Mayfield, Ky. local.	10/82
Steel			
Basic Steel Agreement—7 companies	USW	$1.25/hr, 6 quarters of COLA, vacations given up, Sunday pay reduced to 1¼. Restrictions on later COLA. $1.25 restored gradually.	2/83
American Bridge Div. of US Steel	USW	Three-year wage freeze, 25¢ COLA cap, withdrawal from Basic Steel Agreement	12/79
Timken Canton, Ohio	USW	At new mill: 11-year no-strike pledge, lower rate for new hires, transfers at company's discretion, many grievances not arbitrable	11/81
McLouth Detroit	USW	$1.25 wage cut and freeze, gave up 3 holidays & 1 wk vacation. Co. had filed for bankruptcy.	1/82
McLouth	USW	6-year no-strike pledge, wage freeze, no COLA till 2/85, wage cuts averaging $1.56, incentive pay cuts averaging $1/hr, loss of 1 wk vacation & 3 holidays, sick benefits reduced 25%, jobs eliminated	11/82
Wheeling-Pittsburgh	USW	23 holidays and 23¢ wage increase given up, 1½ time for Sundays reduced to 1¼ time	4/82
Wheeling-Pittsburgh	USW	$1.53/hr wage cut, loss of 1983 COLA (50¢ cap after 1983), holidays and vacation, premium pay for Sundays, shift differential, dental insurance	12/82
Phoenix Steel Delaware	USW	$1.05 wage cut; another 25¢ cut in 1/83	8/82

Value to employer	Was it a re-opener?	Closing threatened?	# of workers*	Length	Resistance	'Trade-offs'†
		yes	1775			If GT did not build new plant in Akron, $ would be returned (plant closed, $ returned in 1982)
$27 mil.	yes	yes	6000	21 mos.		
$54.9 mil.	yes		4200	40 mos.		Profit sharing
	no		39,500	3 yrs.		
	no	yes	2000	3 yrs.		
	yes	no	1200	3 yrs.	119-day strike	
$3 bil.	yes	yes	260,000	41 mos.	Local presidents rejected 2 previous proposals	Limited early retirement, more $ for laid-off workers
	yes	yes			Initially voted no. After USS announced closings, 2 of 3 locals revoted to accept	
		no	8,000		Initial offer with 20% cut in incentive pay rejected	Promise of new mill built in area
$14 mil.	yes	yes	3,000	1 year	Won 3-day strike against concessions in 10/80	Number of supervisors cut 27.5% and frozen
	yes	yes	3,000 (1,500 active)	4 years		Profit sharing on 5% of profits; $375 of stock per worker
$35 mil.	yes	yes	10,700	19 mos.		Preferred stock w/ annual dividend
$150 mil.	yes	yes	10,500	43 mos.		Profit sharing to eventually repay the concessions
$2 mil.	yes		1,800 (both locals)	11 mos.	Sister local in Pa. voted no	

Industry	Union	Concessions Made	Date
Steel (cont'd)			
US Steel South Works, Chicago	USW	Creation of 'operating technician' classification to do both skilled and production work, seniority weakened, in new rail mill	8/82
Teaching			
Chicago	AFT	Wage freeze, one day's pay lost	9/82
Seattle	NEA	Wage freeze	9/92
Detroit	AFT	Wage freeze, lose 10 days' pay, to be repaid one day at a time over 10 yrs. Result of binding "fact-finding."	10/82
Trucking			
Trucking Management, Inc. (Nat'l Master Freight Agreement)	IBT	Wage freeze, COLA changed from semi-annual to annual and diverted to pay for medical and pension benefits, lower pay for new hires in most supplements	3/82
United Parcel Service	IBT	Same as NMFA. New hires' pay cut $3-$4/hr	5/82
Many trucking companies	IBT	Individual workers make "loans" or gifts to company of up to 21% of wages	

Who's Making Concessions

The first wave of the concessions offensive was directed at the higher paid, most organized workers. *Business Week's* May 1982 poll showed that the most heavily unionized companies had been most aggressive in asking for concessions: half had tried, and two-thirds of those had succeeded. On the other hand, of the least unionized companies, only three out of ten had sought concessions "since collective bargaining is relatively unimportant to them."[7]

Although the concessions offensive hit unionized industrial workers first, its effects have spread to other workers. The concessionary atmosphere dampens everyone's hope of getting a raise.

Value to employer	Was it a re-opener?	Closing threatened?	# of workers*	Length	Resistance	'Trade-offs'†
	yes	no	7,000 (900 active)		Opposition within local	Changes a condition for building new rail mill. USS later decided not to build it.
	no		30,000	1 year		
	no		2,500	1 year		
$12 mil.	no		11,000	1 year	3-wk strike against demand to end longevity pay and annual increments, increase class size, cut pay 8%, and lose 8 days' pay	
	yes	yes	300,000	37 mos.	Opposed by Teamsters for a Democratic Union. 38.5% no vote (rejection requires ⅔)	
	no	no	80,000	3 years	UPS Network & many local presidents campaigned for no vote, got 47.4%.	
	outside contract	yes	Many thousands	indefinite	Some locals vote no when given the chance.	

Business Week estimated that pay budgets for salaried, non-union employees would increase an average of 7.8% in 1983, down from the 9.1% estimated for 1982.[8] At the industrial companies where management has demanded concessions from union workers, non-union clerical and salaried workers have usually been forced to take cuts and layoffs too. These are often intended to pressure unions to "do their part." Even in the supposedly booming high tech industry, workers at National Semiconductor and at Intel Corp. took pay freezes or cuts.[9]

Union members in service industries, such as hospitals, have avoided concessions fever more than their counterparts in heavy industry. For example, a listing of the Service Employees' health care agreements negotiated in the first half of 1982 shows no concessions contracts. Hospital Workers 1199's 1982 contract covering

50,000 New York City private sector health care workers provided a 16.2% wage increase over two years and made progress on time off.

This does not mean that employers have not made concessions demands in such industries. It just means that they have not yet been as successful. The most important fact about the concessions drive is not who gave the most the soonest, but that its effects can be expected to spread throughout the economy, to lower-paid and non-union workers alike.

Over the years employers have had some success in convincing lower-wage workers that others are "overpaid." You may hear lower-paid workers say, "Those steelworkers make so much money, they can afford to give something up. They're not in the same boat we are." The truth is that in the past wage and benefit levels pioneered by the stronger unions had a "trickle down" effect to other workers (although sex, race and age discrimination kept the effect from working as well as it could have). Now that the trickle has frozen up, lower paid and non-union workers will feel the effects of the concessions offensive even if they aren't directly confronted with wage cuts.

The following sections will discuss how concessions have affected some particular groups of workers.

● Construction Workers

In construction, unions are moving toward making union labor "competitive" with the open shop. Unions have only 50-55% of the nonresidential construction market, down at least 5% from the early 1970's.[10] The fastest-growing employers' group is entirely non-union. And the unionized contractors' organization, the Associated General Contractors (AGC), has opened a non-union section.

The building trades unions have met this challenge by moderating their demands on the contractors to induce them to stay union. Back in the 1950's some unions began the practice of cutting a few dollars off the hourly rate and relaxing overtime and work rules on contracts for maintenance. These were negotiated by the International unions rather than locally. Now this practice has greatly increased. In the Carpenters, the number of hours worked under the International Maintenance by Contract Agreement almost doubled from 1975-77 to 1978-80.[11]

In August 1982 the AGC and the AFL-CIO's building trades unions adopted a "market recovery program for union construction." The idea was to improve productivity by eliminating "non-essential work rules." Charles D. Brown of Du Pont, who is chairman of the construction committee of the Business Roundtable, put it this way: "[If unions] clean up their act...then we might think about using them on new jobs."[12] At a joint AGC-union conference, Robert Georgine, president of the AFL-CIO's Building and Construction Trades Department, offered this plan for winning back work lost to the open shop:

- Strong commitment to improve productivity by both labor and management.
- Building tradesmen need to reaffirm their commitment to a fair day's work for a fair day's pay.
- Management has to exercise its right to manage a project. Union officials should support management's exercise of those rights.
- Greater efficiency through planning, scheduling, and technical innovation.
- Management and labor must keep channels of communication open. "Work stoppages have to end. Work stoppages are the most ridiculous thing on a job site today. They can't be justified on any grounds."
- Eliminate long periods of overtime which reduce productivity.
- Reaffirm a commitment to apprentice training.
- Encourage construction research to develop new technology.[13]

The trend toward wage concessions in construction has also accelerated. According to the BLS, raises averaged 13.5% in 1981, 6.5% in 1982, and −.2% in the first quarter of 1983.[14]

Public Employees

Public sector unions grew tremendously during the 1960's and 1970's, from one million members in 1958 to six million in 1978. Almost half of all state and city government workers belonged to unions by 1979.[15] Although public sector wages never caught up with those in private business, the expanding economy and the tremendous growth of public sector employment allowed unions to make gains.

But the recessions of 1974-75 and 1979-83 caused a fiscal crisis for many cities. This was exacerbated in some areas by "tax revolts" which left state and local governments with even less revenue. Many tried to balance their budgets on the backs of their employees. Local governments began to take a harder line on productivity. Adding to labor's problems, the rapid growth of public sector unions peaked in the late 1970's.

In this atmosphere, the Reagan administration's firing of 11,400 federal employees—the air traffic controllers—"just put the frosting on the cake," according to a lawyer for public employers. "It was all public employers needed to hear because they were beginning to feel more confident anyway about their ability to deal with unions."[16]

The employers' offensive has taken a somewhat different form in the public sector than in the private sector. The attack on public employees is not mainly through wage take-aways. Rather it consists of breaking the "compact" that tacitly existed between many governments and public worker unions.

Nancy Mills, Executive Director of Service Employees Local 285 in Boston, explains it this way:

> Under this compact, the unions recognized the pork barrel system and accepted the traditionally low wages of the public sector. In return they got the agency fee [all employees must either join or pay a fee to the union], relatively relaxed work rules, generous time off, and most important, job security.
>
> Now all that's changed. The city and state governments are trying to take back our leave time, they're introducing new office technology that was introduced in the private sector years ago, they're contracting out our work, and they're starting serious layoffs. The myth of job security is gone—civil service workers don't have jobs for life.

In some situations, public employers have announced that they will lay off a specific number of workers if the union doesn't accept a wage freeze. This happened to city employees in Philadelphia and Detroit. The union then must choose between defending its conditions and defending some of its jobs. In Michigan, the governor

Average First-Year Wage-and-Benefits Increase in Contracts Covering 5,000 or More State and Local Workers[17]

1980	7.3%
1981	7.8%
1982	7.4%

gave the 27,400-member Michigan State Employees Association (MSEA) such a choice. A fierce battle broke out inside the union as the clerical unit accepted the wage freeze while the other three units refused. Three other unions then attempted (unsuccessfully) to decertify MSEA, arguing that by refusing the freeze the union was not acting in its members' interests.

But the MSEA leadership felt that the "job guarantees" the state offered were not sufficient to warrant foregoing a scheduled 5% pay increase. The state would promise only that it would lay off no more than 12% of the workers. "We felt it was important to keep the wage rate we were entitled to," says MSEA official John Strickler. "We even said give us the 5% and we'll give it back in unpaid time off. But they didn't want it. In the final analysis, what happened to us was more determined by politics than by economics. Getting us to take a concession was more important to them than the money." The state laid off 1,500 MSEA members (about 9% of those who refused a wage freeze), although some were later called back.

Federal employees have also found themselves forced into givebacks. The Office of Personnel Management (OPM) ordered health benefit cuts of 16.5% and premium hikes of 31%, effective January 1, 1982, with the cost to be borne by federal employees. In many plans this meant instituting deductibles of up to $200 and cutting payments for doctor visits. The government stood to save half a billion dollars.[18] In addition, Congress decreed that federal workers would receive raises ranging from nothing to 4½% in 1982, compared to an across-the-board raise of 4½% in 1981.

In the spring of 1983 OPM proposed to virtually eliminate federal employee unions' power to bargain over working conditions, in the name of increasing productivity. Federal employees already lack the right to bargain over wages and benefits, to strike, or to have a union shop. The new changes would gut the unions' last remaining power. The proposed regulations also called for workers to be evaluated on a "bell curve"—that is, rated against each other, so that someone always falls in the "unsatisfactory" category. It would take longer to move up the pay grade and be more difficult to get promotions under the new system. What's more, the union would not have the right to grieve the new evaluations.[19]

Although for most public employees the concessions offensive has not taken as visible a form as reopened contracts with wage cuts, they are as much under the gun as workers in the private sector. "We've always *followed* what goes on in the private sector," says the SEIU's Mills. "Now that the private sector is being set back, we're going from meager to infinitesimal."

HOSPITAL WORKERS FACE CONCESSIONS ON LEAVE

Both public and private hospital workers are faced with take-aways if they meet up with Hospital Corporation of America. HCA is the biggest for-profit hospital chain in the country, it's growing rapidly, and it's anti-union. It buys up money-losing hospitals and makes them profitable; it will also take over management of public hospitals. It "saves" these hospitals by union-busting, cutting back on patient care, and introducing such schemes as "earned time."

Under this plan, vacation, holidays, sick leave, funeral leave, and personal leave are lumped together. Each employee gets a set number of days which can be used for any purpose. The supposed advantage is that the worker has more flexibility, and can take time off without being sick. The catch is that the total number of days granted is far fewer than employees were allowed before.

At the Quincy City Hospital in Quincy, Massachusetts, for example, beginning employees were allowed 43 days per year. Those with more seniority had 53-60. After HCA took over, management proposed a ceiling of 26 days per year of "earned time." Service Employees Local 285 was able to negotiate 36 days and to get some other safeguards, but the introduction of the "earned time" concept was still a setback. Four hospitals represented by Local 285 proposed "earned time" in the last year.

Minority Workers

Both the recession and the longer-term restructuring of American industry described in Chapter 2 hurt minority workers disproportionately. Minorities not only suffer through economic downturns along with everyone else; they carry a larger share of the burden.

Historically, employment of blacks has increased and their economic status relative to whites has improved only when the demand for labor was unusually high, such as during the two World Wars. But during economic downturns, blacks' status relative to whites has declined.[20] In early 1983, the unemployment rate for blacks was 20.8%, compared to 9.7% for whites. All of the economy's problems which are wreaking havoc with the lives of working people—and especially the movement of businesses away from the Northern cities—are affecting black workers disproportionately.

For example, a study of 2,380 Illinois firms which shut down between 1975 and 1978 found that 20.0% of their workers were minorities, compared to a statewide average of just 14.1%.[21] A study of Wisconsin and South Carolina shutdowns found similar results, although the differences were not as large.[22]

Herbert Hill, former labor director of the NAACP and an author of *Business Incentives and Minority Employment*, says

> My research shows that since the fourth quarter of 1969, both in terms of income and unemployment rates, the racial differen-

> tial has been growing greater. And since the end of World War II, black unemployment has been two to two-and-a-half times greater consistently. But the national aggregate figure, as bad as it is, obscures the truth. If you look at the 25 major centers of black urban population and concentration, you find that the black unemployment rates are significantly higher. You hone in on the south side of Chicago, east Harlem, the Hough district of Cleveland, Watts in Los Angeles, Hunts Point in San Francisco, or Oakland, you take the traditional all-black census tract areas—then the rate is not double, then the rate of black unemployment is 30, 40, 50 percent.
>
> There is a disproportionate concentration of black males in the older industries that have been most vulnerable to layoffs, and some have permanently shut down. In those cities and those industries where plant closings have occurred, there is a very large concentration of black workers.
>
> Mass production jobs were the last remaining source of entry into the industrial economy for black workers. As that sector vanishes—it means that entire black working class communities are destroyed. That includes steel, auto, rubber, packinghouse—virtually the entire mass production sector of the economy.

A 1976 study found that although blacks held 9.9% of the jobs in manufacturing as a whole, they held 11.6% in "transportation equipment (mainly automobiles)"; 13.9% in "primary metals (particularly steel)"; and 11.2% in food processing (which includes meatpacking.[23] Thus there is a concentration of black workers in industries which have been most aggressive in seeking concessions.

In the Big Three auto companies, for example, blacks constituted 19.2% of the work force in 1978-79, according to the UAW, compared to only 9.3% of the total U.S. work force. For all minorities, the figures are 22.4% and 11.2%, respectively. "Since minorities have held about twice the share of auto jobs as their share of all jobs, the auto slump has hit them twice as hard," the UAW concluded.[24]

Similarly, concessions in auto have also hit minorities twice as hard. The auto industry and other high-paying Northern-based industries have been a large source of black income in the U.S. Since black workers have far fewer opportunities than whites to move into other high-paying jobs, the entire black community suffers if those industrial jobs are lost or downgraded.

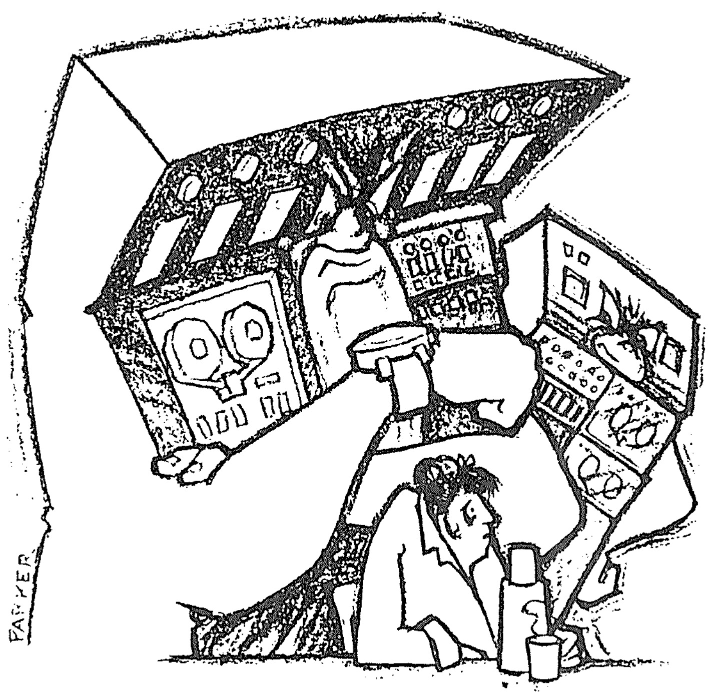
One of the arguments made in favor of the UAW's concessions to Chrysler was that they were necessary to preserve black employment, particularly in the city of Detroit. But from the end of 1979, when concessions were first made, to the end of 1981, blue-collar employment of black workers at Chrysler fell from 20,376 to 13,543—a drop of 33.5%. The number of white workers also decreased, of course, but by only 31.2%.[25] And the corporation rapidly began closing its Detroit plants, where black workers were often in the majority. At least 12 Detroit-area Chrysler plants were closed or slated to close from 1980 to March 1983, while only three were closed elsewhere.[26]

Concessions on holidays and vacations, such as the unions made in auto and steel, can cause layoffs, as replacement workers are no longer needed. In many plants minority workers were probably laid off in greater proportion than white workers, because of their generally lower seniority. This would particularly affect minority workers in skilled classifications.

Finally, concessions help to postpone efforts to achieve equality. In view of the Reagan Administration's reluctance to enforce the equal employment opportunity laws already on the books[27] and its efforts to do away with affirmative action, unions need to redouble their efforts to protect their minority members. Instead, when they go along with concessions, they are signaling employers that they can get away with discrimination as well. By falling in with the concessionary mood, unions preclude the possibility of making long overdue advances for their minority members.

Women Workers

As explained above, the service and clerical sectors of the economy—traditionally women's jobs—have thus far been less affected by outright concessions fever than the industrial sector. This is scant consolation, however, as women on the average earn only



59% as much as men. When asked for concessions, women workers might well say, "We already gave."

Even where women have managed to get into high-wage jobs in manufacturing, they have been less affected by concessions than men. The reason? Those women tended to be laid off well before the companies got around to asking for givebacks. At General Motors, for example, the UAW negotiated some extra income protection for newly laid-off workers with more than ten years' seniority, as part of its concessions package. Women at GM's Fremont, California plant wrote a letter of protest to the International union: not a single woman at the plant would be eligible for the new benefits.

When concessions are made, of course, they do not affect all workers the same. It is likely to be more painful for a worker making $12,000 a year (the median wage for women) to take a wage freeze than it is for a worker making $20,260 (the median wage for men).[28] As more low-paid workers are asked for concessions, women workers will feel the squeeze acutely.

As with minority workers, though, the larger damage done to women workers by the concessions trend is its effect on moving toward equality. For example, it is more difficult for women to make progress on the "comparable worth" concept—which involves getting larger raises for undervalued women's jobs—when no one is getting a raise at all.

During the 1970's women workers made a number of gains in areas other than pay: some movement into nontraditional jobs and recognition of sexual harassment as a serious problem, for example. As the 1980's opened it looked as if "equal pay for jobs of comparable worth" would be the issue of the decade. Office workers' organizations predicted that union organizing would take off: "The 1980's will be for office workers what the 1930's were for industrial workers," said Karen Nussbaum, president of "9to5."

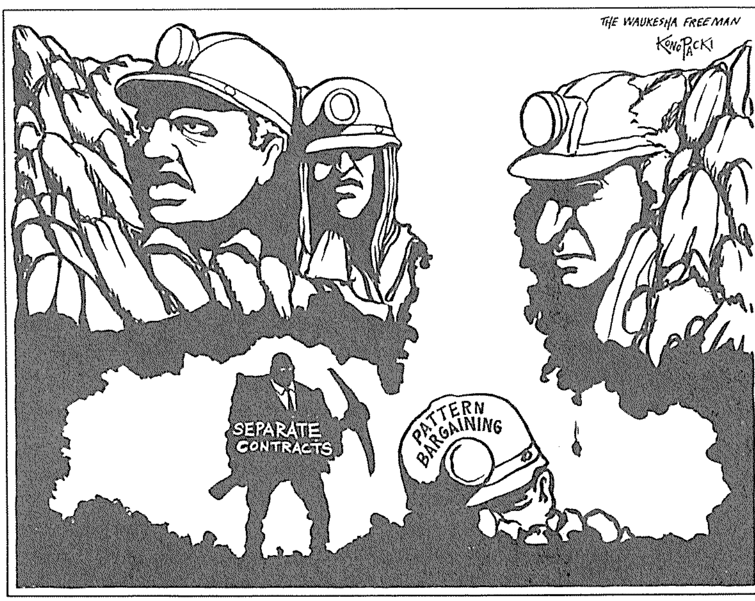
It is encouraging that some women's organizations and unions are still active in promoting comparable worth, even if there are no large-scale victories yet. It's also encouraging that 9to5's union partner, SEIU District 925, has won all the elections it has entered so far. But unions have undertaken few big campaigns on either comparable worth or organizing unorganized women. And they have been content with the idea that affirmative action in nontraditional jobs will not be an issue until hiring begins again, which could be a long time.

The combination of the depressed economy, employers' aggressive policies, the Reagan Administration's open tolerance for discrimination, and the labor movement's timid reaction to these problems has meant that progress for working women has been stalled. The climate fostered by unions' acquiescence to concessions means that those with the least to concede ultimately lose most.

Breaking the Pattern

One of the most important aspects of the concessions trend is its effect on pattern bargaining. One of the employers' main goals is to convince workers that their wages should be based on the performance of their own particular company or even their own plant. Business economist Audrey Freedman says that bargaining is becoming "individualized," instead of being based on such "outside factors" as inflation or wages in other companies.[29]

Traditionally, the best union contracts have been pattern agreements in national industries. Over the years unions fought hard to win and maintain such contracts, knowing that they could not hope to bargain effectively against giant companies one local at a time. A pattern agreement forces employers to look for some



other method besides wage-cutting to compete with each other—which is what they are complaining about now. Patterns also eliminate regional disparities in wages (steelworkers in Birmingham, for example, make the same as those in Pittsburgh). And the existence of a pattern even tends to pull up the wages of workers not actually covered by it, when employers try to match the pattern in order to avoid unionization or to attract skilled workers.

Some patterns were already weakened in the 1970's by the opening of new nonunion plants in the Sunbelt (rubber, electrical), a shift of production (coal), or the rise of non-union companies (meatpacking, trucking). But now some unions have adopted the logic of competition themselves.

Concessions that downgraded master or pattern agreements have been made in aluminum, auto, cans, copper, meatpacking, railroad, rubber, steel, and trucking. In most of these the rationale was the need to compete with lower-wage workers here or overseas. The United Food and Commercial Workers, for example, took a four-year wage freeze in order to induce pork industry employers to stay with their pattern agreement. During 1982 only three of the industries with pattern bargaining settled without monetary concessions (electrical, apparel, and oil refining and petrochemicals).[30]

Just as important, one or more employers have also broken out of the pattern in the following industries: agricultural implements, aluminum, auto, meatpacking, railroad, rubber, steel, and trucking. The National Master Freight Agreement, for example, which once covered 400,000 workers at 600 companies, now includes fewer than 300,000 workers at 285 companies. And what's left of the agreement is a shambles, with dozens of special riders, supplements, and outright employer violations of wage agreements.

Breaking the patterns is necessary if the employers are to achieve their goal of tying wages to company performance. Many of the larger UAW concessions contracts and a few rubber, steel, and newspaper contracts negotiated recently substituted profit-sharing for the usual fixed wage increases. While employers have been resistant to profit-sharing in the past (as have many unions), the extremely modest formulas negotiated thus far may change their minds. At Ford, union members will share 7-10.5% of company profits, *after* the company keeps the first 2.3% on sales. In an example provided by the UAW, a worker would receive $174 for a year in which profits were 4% of sales.[31]

Tying worker's wages to the fluctuations of their individual companies' fortunes—rather than to what their brothers and sisters in the same industry are making—requires a change in union philosophy. It means identifying with your company instead of with your fellow union members. When unions rejected profit-sharing and attempts to "individualize" bargaining in the past, they did so with good reason.

What Concessions Look Like

Contract concessions have been made in 1) wages, 2) benefits, 3) working conditions, and 4) discipline. In addition, some unions have negotiated procedures that will allow them to make further concessions, in an effort to gain or retain work for their bargaining units.

Wages. In 1981 and early 1982, the most common type of wage concession was a pay freeze and some sort of COLA modification. Workers were giving up *future* increases. As the concessions trend continued, however, employers began to demand actual pay *cuts.*

In July 1982 the eight basic steel companies wanted a wage freeze with a $1 COLA cap over three years. By November they were demanding an immediate $2.25 wage cut. (They eventually got $1.25.) At Wheeling-Pittsburgh Steel, workers gave up a future 23¢ increase in April 1982. Nine months later, they voted for a $1.53 cut.

Trucking employers have come up with an innovative way to cut pay. Many companies have asked each worker to sign individual letters agreeing to give up their COLA or a negotiated raise. Sometimes these relief deals are called "loans," but Teamsters for a Democratic Union (TDU) says it knows of no Teamster who has gotten any money back from one of these plans. While supposedly voluntary, these individual deals are often accompanied by intimidation or threats. A waiver signed by workers at Container Transit Co. of Milwaukee allowed the company to keep the contractually guaranteed COLA "in consideration of my continued employment..."[32] The Teamsters International has said that local unions should not allow such deals, but the policy has been little enforced. The attitude of many local union leaders has been, "We can't tell a man what to do with his money."

Some companies have won wage cuts for new hires. United Parcel Service, for example, pays part-time workers hired after May 1982 $3–$4 an hour less than those hired before that date. There are reports of UPS division managers in Texas making bets as to how soon they can turn over their entire part-time work force.

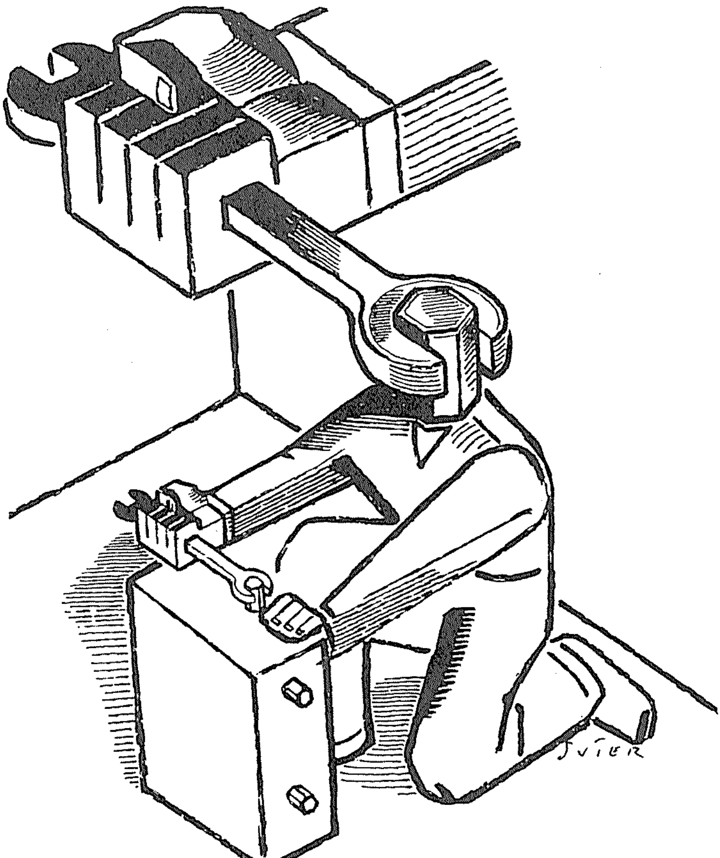
Similarly, new hires *or transfers* into janitorial jobs at General Tire's Waco, Texas plant will be paid only $8.63 an hour instead of the old rate of $10.50. And General Tire won another concession from the union: the new pay scale will dramatically increase the gap between skilled and unskilled workers. United Rubber Workers Local 312 struck for 119 days before agreeing to these concessions.[33]

Benefits. Despite employers' bitter complaints about rising medical costs, unions have usually resisted company attempts to cut back on medical insurance. Pension increases have sometimes been given up. Forcing employees to pay a larger portion of their insurance costs is likely to be one of employers' top priorities when the next round of the concessions offensive begins.

The fringes most often trimmed are holidays and vacations. The irony of giving up vacations (or break time), of course, is that it can lead to more job loss, as replacement workers become unnecessary. The steel companies eliminated the 13-week vacation which certain higher seniority workers received every five years. The Midwest Center for Labor Research estimates that this will cost over 5,700 jobs. At General Motors, the union gave up nine Paid Personal Holidays (PPH) per year. At GM's 14,000-member Oldsmobile local, the shop chairman estimates that 600 more of his members would be working today if the PPH program were still in effect.

Union leaders often find concessions on time off easier to sell than pay cuts, however. One Chrysler local president explained it this way: "We figure people are going to be laid off so much, they won't need as much time off."

Working conditions. While wage cuts are the most visible form of givebacks, in many ways concessions on working conditions are the most insidious and potentially the hardest to reverse. Companies are dead serious about "moving the workplace away from rigid labor practices," as *Business Week* puts it.[34] "You can go back to almost any recession and find examples of unionized companies more aggressively going after work rules," says Thomas A. Kochan, a professor at Massachusetts of Technology. "But you have to go back to the Depression to find as much of it as is going on now." *Business Week* lists eleven industries in which unions have granted major changes in work rules.



What's more, the employers' attack on work rules is not likely to slack off in an economic recovery. In May 1983 *Business Week* made it clear that the changes were only beginning:

"A revolution in the way workers do their jobs is beginning to take hold throughout America's basic industries. . . .The movement is in its infancy. . .

Union protections such as seniority rights and job classifications were designed to reduce management's arbitrariness, favoritism, and discrimination. They make the work day more tolerable by giving workers some breathing space and shop floor power. But concessions in these areas will not only erode the "quality of life" at work. Management wants concessions on work rules to increase its control over the work process, and, ultimately, to cut jobs.

When *Business Week* polled executives at unionized companies, 57% said they would rather get concessions on work rules than on wages.[35] G.M. Vice President Alfred Warren estimated that the work rule changes GM demanded in local negotiations could have saved the company up to $5 an hour in labor costs at some plants[36] (compared to $2 an hour from the monetary concessions in the national agreement).

Many concessions on so-called "restrictive work rules" are designed to get more work done by fewer workers. These include

WHAT WORK RULE CONCESSIONS MEA

"Scheduling, overtime, and working conditions." It's a phrase often heard in describing concessions unions have accepted. Those concessions are usually called "minor." UAW Vice President Don Ephlin called the ones below "a gesture." But that phrase covers a multitude of union-won rights which make an enormous difference in what it's like to go to work every day.

In the fall of 1981, Ford Motor Co. won local concessions at three Detroit-area parts plants. In each case, the carrot was new work which Ford said it would award to the plant, work which might have gone elsewhere.

How do what Ford called "gains in net productivity" translate into life on the line? The quotes are from the text of the agreement at Livonia Transmission and from local union officials at Sterling Heights Axle and Rawsonville Parts.

- "Reassignment of non-skilled work presently performed by skilled employes to non-skilled employes. Employes assist skilled trades when machine is down. All employes clean machines, work areas, and perform preventative and minor maintenance." (Livonia)
- "The union [will] not protest the use of outside contractors in connection with the initial construction, maintenance, and machinery installation" of the new transaxle job, known as AXOD. (Livonia)
- Management personnel will be allowed to manually perform work previously done by union members which it deems necessary for prove-out and to train employes on AXOD. (Livonia)
- Daily overtime will be equalized on a departmental basis rather than plant-wide. (Sterling Heights)
- "Eight hours' work for eight hours' pay. Say a line has a production standard and they get done one to two hours early. Even though the company can't make them overproduce on that certain job, they got a right to say we're going to put you over here and do a different job." (Rawsonville)

shortening breaks, combining jobs, lengthening the work week, increasing production quotas, cutting piecework rates, and allowing more subcontracting.

Other kinds of changes are aimed at increasing management's flexibility to use the work force in the most efficient way possible—which also allows them to use fewer workers. Employers would like every worker to be a "Renaissance man"—able to do every job—and would like them all to be completely interchangeable. On the other hand, they figure once you know a job well you should stay put and do it, not transfer to a better one. They want to dilute seniority rights, which cut down on management's right to assign work arbitrarily.

Some examples of the increased flexibility management wants include:

• Blurring the lines between different skilled trades and even between skilled and production workers. Management points to Japan, where production workers clean and repair their own machines. At U.S. Steel's South Works in Chicago, the local agreed to create a new classification, "operating technician," to do

. . . ON THE JOB

► Some employees will have to take their breaks at the beginning of their shift and immediately after lunch, instead of at least an hour after each. "They'll have less relief people and each one will relieve more people." (Rawsonville)

► An Attendance Committee of union and management people will, among other duties, "define and identify the Plant's worst 5% in terms of absenteeism," and "may make suggestions for trial disciplinary programs." (Livonia)

► The company and union will send a letter to area doctors. "We do have doctors in the area that are giving people restrictions not knowing how it affects the jobs in the plant. You've got a family doctor and say, 'Hey doc, my arm's hurting me, give me a restriction.' Then we've got to find him a job for just the left arm, and the good people, again, are the ones that get hurt. That's what this committee is, to formulate some rules and regulations for light work." (Rawsonville)

► Some inspectors will be eliminated. The company calls it doing away with "redundant tasks." (Rawsonville)

► Full time health and safety workers will be eliminated. Sterling Heights had a unique agreement that a certain number of workers would be assigned to the physical work of making health and safety improvements full time. Now these employees will be assigned to general work. (Sterling Heights)

► Management rights are affirmed. "Eighty percent of the things we agreed to were already in the national contract. All the company had to do was tighten up a little bit on some of the rules. They wanted [the union] to go along with them because of the problem when you take people that have been doing things for a certain amount of years and all of a sudden ask them to change." (Rawsonville)

In the spring of 1982, the Sterling Heights local was notified that the 700 extra jobs it expected would not be coming to the plant after all. The local demanded that management reopen the contract, and it got back most of its concessions.

both skilled maintenance and production work at a new rail mill. The company also got the right to consider "ability" as well as seniority in filling production jobs in the rail mill.

• Reducing the number of job classifications. This increases the number of tasks each worker can be told to do. At one oil refinery, management merged six classifications into two and then cut the work force by 25%.

• More control over hours and overtime rights. The Teamsters' 1976 Master Freight Agreement, for example, allowed members at each barn to vote on adopting the "flexible work week." Under "the flex," workers can be assigned to work Tuesday-Saturday or Wednesday-Sunday without receiving premium pay for weekends. One barn was played against another as the big freight companies threatened to move work to a more "flexible" local. The flex is now standard throughout the Midwest. Some tire and textile companies have this type of work week too.

• More control over transfers and "bumping." Concessions have enabled management to lessen what it calls "turbulence in the work force."[37] At Timken Steel's new plant in Canton, Ohio, transfers will be at management's discretion. WABCO now limits its workers to two transfers per year. Caterpillar Tractor demanded (but didn't get) the right to keep less senior workers on the job for up to 20 weeks during temporary layoffs.

Finally, at least one company was not ashamed to ask for concessions on health and safety. DuPont proposed in negotiations at its Salem County, New Jersey plant to eliminate shower time at the end of the day and protective clothing for many workers. Workers in the plant are exposed to over 5,000 toxic substances. In the end, the company cut shower time from 18 to 10 minutes for some workers, and stopped providing workers with underclothing and socks. This means that workers will have to take contaminated clothing home to wash.[38]

Discipline. Another type of concession involves the union directly in disciplining workers. An absentee control plan such as the UAW signed at GM and Chrysler in the U.S. draws the union into a management outlook and into management functions.

Both plans are based on the idea that it is partly the union's responsibility to get its members to come to work every day, and to discipline them if they don't. UAW Vice President Marc Stepp was quite explicit:

> We are going to demand of our members that they protect their own jobs by showing up for work and being there on time. We have spent an inordinate amount of time protecting our members because of absenteeism. Some of our members have used the union's sympathy to stay away from work. We are going to tighten up on that.[39]

The Chrysler plan includes a joint union-management panel with the power to fire workers who are absent more than 20% of the time in a six-month period—even for illness.

Institutionalized competition among workers. A final type of concession is a provision which allows local unions to "bid" for work. The Teamsters' local option on a flexible work week, mentioned above, is one example. The Steelworkers' 1983 contract authorizes locals to consider changing "restrictive practices or seniority constraints which limit efficiency and adversely affect utilization of bargaining unit employees."[40] The idea is that such changes will help Steelworkers get maintenance or construction work which previously has been contracted out.

And although the UAW Constitution requires the International union to keep locals from being whipsawed against each other,[41] the 1982 Ford, GM, AMC and Chrysler national agreements each spells out a procedure which could lead to just that. Local unions can volunteer to change local practices to induce the company not to subcontract certain work, or to bring new work into the plant.

In each of these cases, the locals' "competitors" are other workers, whether employees of the same company at other locations, workers at supplier plants, members of other unions, or workers in other countries. Provisions such as these are, in effect, invitations to the company to seek future concessions.

How did American unions come to find themselves in this shape? And why are employers going for the jugular now? Chapter 2 will describe the economic context in which the concessions drive takes place, and the changing balance of power between employers and the labor movement.

'SAVE YOUR PLATITUDES OF SELFISHNESS'

The Yellow Freight Co. began demanding a flexible work week from its St. Paul, Minnesota drivers in 1981. The members of Teamsters Local 120 understood that if they refused to accept the flex, their work would be moved to another terminal.

When the union scheduled a vote on the flex option, company officials came to the terminal to explain the new operation. They urged their employees to vote according to the best interests of themselves and their families, and not to worry about workers elsewhere. In reply, Local 120 member Michael Champion wrote the following open letter to Yellow Freight officials:

Mr. Curry and Mr. Eaton,

This is to inform you that we respectfully decline your invitation to cast our votes on the flexible work week issue solely on the basis of what's good for us and our families.

For you see, sirs, we realize that our welfare and the welfare of our families depend on the solidarity we have with our fellow workers as members of the International Brotherhood of Teamsters. We know that we cannot depend solely on Yellow Freight System to care for us, since Yellow owes its allegiance to its stockholders and not its workers. Unlike you gentlemen, we do not make decisions solely on the basis of the "bottom line." We have a deep and abiding concern for our fellow human beings, and whatever decision we reach with our votes will be in accordance with this concern for each other.

Please save your platitudes of selfishness for the Board of Directors. We do not need them here. We intend to remain true to our honor and integrity as members of the dignified working class.

Sincerely,

Michael L. Champion
Member, Local 120
International Brotherhood of Teamsters

Reprinted in Teamsters for a Democratic Union's *Convoy-Dispatch*, July-Aug 1982

2 THE ECONOMICS BEHIND CONCESSIONS

The employers' drive for concessions is not just a consequence of the recession of 1980-83, although it was triggered by that recession. It stems from the long term, continuing crisis of the world economy, and from the employers' intention to take long-term measures to deal with that crisis.

It would be tempting to think that the labor movement can just roll with the punches of the business cycle and get back to bargaining as usual in the next upturn. But this is not what America's corporate leaders have in mind. They are attempting to alter the rules of collective bargaining as we have known them, in order to deal with their serious long term problems. They are out to permanently shift the balance of power in their own favor.

"All of us are dedicated to keeping our companies lean and mean."

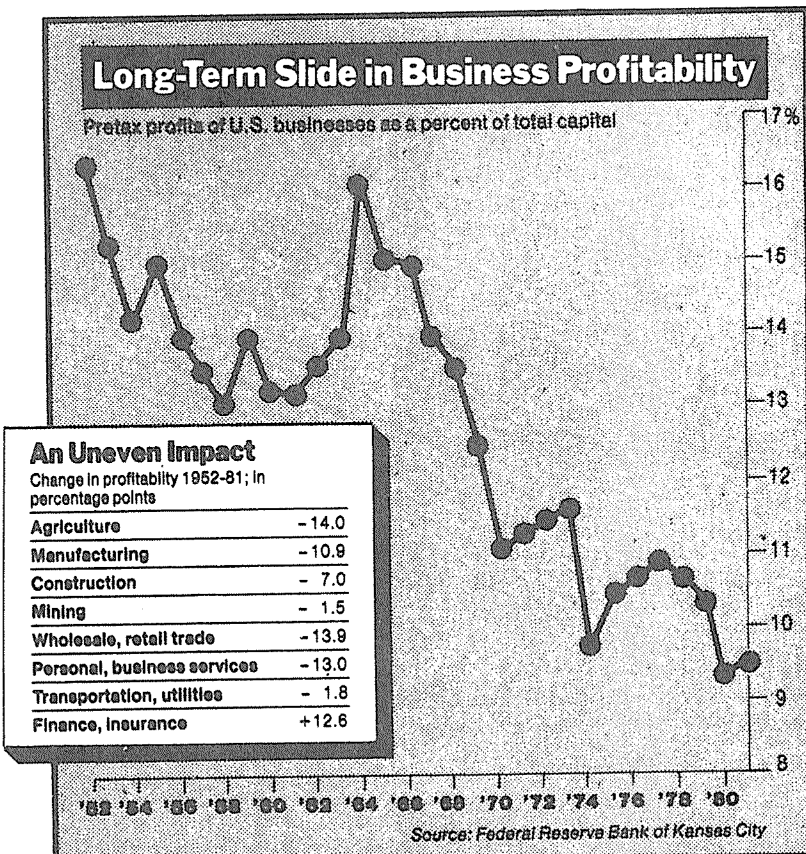
In early 1983, for example, as auto profits began rising, General Motors Chairman Roger Smith made it clear that he didn't expect the auto companies to change their new relationship with the UAW. "There's no way we want to put ourselves back in a position to go through the last three years again," he said. "All of us are dedicated to keeping our companies lean and mean."[1]

Under the old labor-management relationship, established after World War II, unions came to expect a constantly expanding standard of living because the economy as a whole was expanding. As *Business Week* put it, "[The] concept of automatic wage increases. . .is the very model of 1950s–style labor contracts that were linked to a union–management vision of never-ending growth. . ."[2] Corporations, and later government employers, were willing and able to pay for labor peace.

But the economy is no longer healthy and expanding. Investment is stagnant. Recessions have become deeper and more frequent. Each recovery is shallower, leaving a larger permanent increase in the unemployment rate in its wake. Some economists even predict a worldwide crash some time in the 1980's that will rival the Great Depression. Unionists cannot expect another long-lasting period of prosperity. The crisis is built into the economy now, and it is worldwide. In order for the labor movement to work out a long term strategy for dealing with concessions and other aspects of the employers' offensive, it is important to understand the causes of the economic crisis that has triggered that offensive.

The Roots of the Crisis

It is easy to point to any number of things that are wrong with our economy or that are hurting working people: increased investment abroad, disinvestment in basic industries and in Northern cities, increased foreign competition, a bloated military budget. None of these are the root cause of the crisis, however. The root cause is something which working people may have trouble swallowing—and which sounds suspiciously like company propaganda. But the truth is that at the bottom of the worldwide economic crisis are declining rates of profit. Not in every company, not in every industry. But in general, as the chart shows, corporations are not making as high a return on their investments as they used to. Their attempts to deal with their problem, and the government's efforts to help them out, which are described below, are what brings about such devastating results for working people.



Agriculture	-14.0
Manufacturing	-10.9
Construction	- 7.0
Mining	- 1.5
Wholesale, retail trade	-13.9
Personal, business services	-13.0
Transportation, utilities	- 1.8
Finance, insurance	+12.6

The New York Times/March 28, 1983

It is important to distinguish the *rate* of profit from the *amount* of profit. The rate of profit is the percentage that a company makes on its total investment, whether that investment is in a new plant, robots, or buying a baseball team. The aim is the maximum bang for the buck; the search for ever higher returns is what keeps the free enterprise system going. Investors want to put their money not just where it makes *some* profit, but where it makes the *most* profit. This is why we see profit-making plants being closed down by their conglomerate owners—because they weren't profitable *enough*.

The chart shows that according to one measure, the profit rate for U.S. business has declined from 16.5% in 1952 to 9.5% in 1981. Another study says that return on investment declined from 22.1% in 1965 to 11.1% in 1981.[3] This is true in spite of the fact that dollar amounts of profit have increased over the years in many industries, at least until recently.

Why have profit rates fallen? In one sense the problem was built into the economy after World War II. The very success of the Western economies' recovery from the war and their continued growth has led to the current crisis.

After World War II, the U.S. economy launched into nearly three decades of growth. It was shaky at first and uneven over the years, but it was one of the longest periods of growth in the twentieth century. Part of the reason was that the "war economy" never really went away. The wars became "cold," then hot (Korea), then cold again, but military spending remained high.

Another reason for the continued growth was that U.S. corporations were in a good position to make money from rebuilding the shattered economies of Europe and Japan. As long as this rebuilding involved the creation of new plants, even new industries, there were plenty of profitable investments to be made.

However, this very success led to increased international competition. The new industries in Europe and Japan were built with the latest technology and therefore were far more efficient than U.S. industry. As other economies grew stronger, the U.S. could no longer dictate the terms of international trade.

This competition in turn encouraged the corporations to try to increase productivity through investment in labor-saving technology. Management poured a lot of money into new equipment. And profits rose—*but not as fast as their total investment.* Therefore the profit *rate* (remember—that's profits as a percentage of total investment) began to slow down, as the chart shows. The big investors—corporations, banks, wealthy people—were making more money than ever, but to them, the slipping rate of profit was the signal to slow down or stop investment in industry and to look elsewhere for higher returns on their money.

This decline in the profit rate either caused or made worse a whole series of economic problems which have become a standard part of the economic terrain. Sharpened international competition, chronic overcapacity in certain industries (overcapacity in relation to what people can afford to buy, not what they need), inflation—all these factors reflected and contributed to the economic mess. But as far as big business was concerned, the bottom line of the crisis was sagging profit rates. That was not acceptable, and that's what they set out to fix.

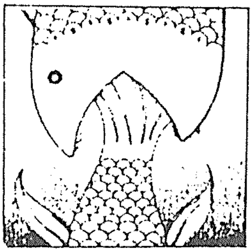
The point is not that declining profits in particular companies or industries cause them to seek concessions. As we know, many profitable companies want concessions too—as do government employers. The point is that declining profit rates are the cause of the general economic crisis, which has led to the various kinds of restructuring and employer attacks which will be discussed below.

The reason for all this emphasis on profit rates is not to plead sympathy for the employers' problems. Rather it is to show, as will be argued below, that the employers are trying to solve *their* problems at *our* expense—and we can't afford it. Despite the current fashionable rhetoric of cooperation, employers are not looking to increase their profits so that they can share them with workers. They are trying to increase their profits by cutting further into workers' share. The next section will briefly explain their strategies for doing this.

The Employers' Response —Automate, Emigrate, Conglomerate

American employers are not ones to sit idly by as their profit rates fall. Each company affected by global overcapacity and competition is scrambling to be one of the survivors when the shake-out is over. Whole industries are undergoing major restructuring. Auto companies are developing the "world car," built with parts from all over the world. The tire industry is moving to the Sunbelt as it has made the switch to radials. Meatpacking has been drastically changed by the introduction of boxed beef and by conglomerate takeovers of many of the old-line packers. Coal production is shifting from Appalachian deep mining to Western strip mining. Steel companies are deciding it's not worth the cost of replacing their ancient facilities and are diversifying instead.

Behind all this upheaval are the employers' various strategies for bolstering profit rates. James Baker, a vice president of General Electric, put it bluntly: American companies have to "automate, emigrate, or evaporate."[4] Barry Bluestone and Bennett Harrison, authors of *The Deindustrialization of America*, explain that employers have two ways of reversing the trend toward slipping profit rates. They can find new "quick-fix" ways to invest their money. Or they can find ways to cut costs in their existing businesses. *Both* of these sets of strategies involve decreasing labor's bargaining power. And during the 1970's and 1980's the managers of American corporations have pursued both.[5] For example:



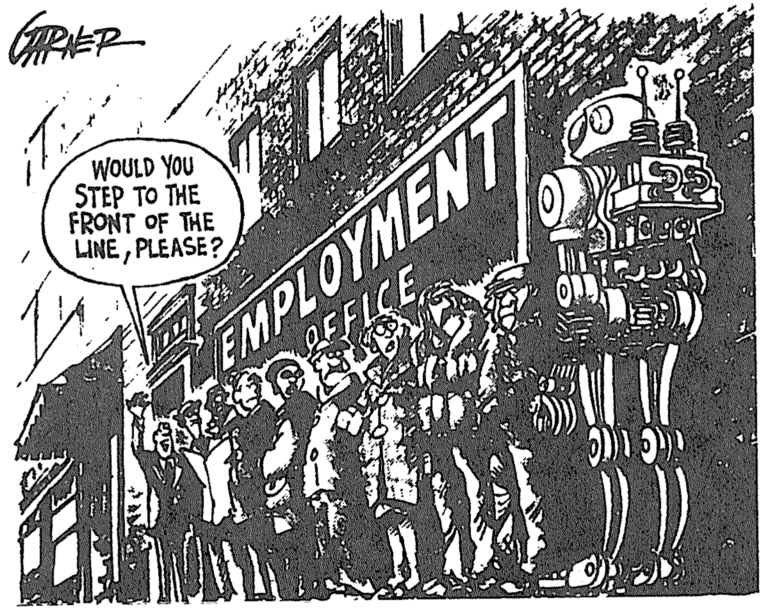
• *Conglomeration.* This is the "quick fix." Since modernizing old plants or building new ones is not likely to be lucrative enough, corporate managements have turned to buying up existing companies instead. One study of 410 large corporations showed that only a third of the plants they added in the 1970's were new. The rest were acquisitions of existing plants.[6] U.S. Steel, for example, refuses to modernize its steel mills; instead it borrowed $3 billion and bought Marathon Oil. And conglomerates buy up smaller companies which previously were locally owned and "milk" them to get cash for other ventures.

This means that instead of facing Old Man Crump or his smart-aleck nephew across the bargaining table, the local union officers at Crump Tools may find themselves looking at a labor relations specialist from Gulf + Western or United Technologies. And it is hard for a strike in just one of a conglomerate's many subsidiaries to have the desired effect.

• *Investment in cheap labor areas.* The advantages to management of cheap labor overseas or in right-to-work states—and how it lessens labor's bargaining power—do not have to be spelled out. One study of corporations' plant location decisions found that "no other public policy carries anywhere near the location clout of the right-to-work law."[7] And U.S. private assets abroad grew from $118.8 billion in 1970 to $513.3 billion in 1980.[8]

• *New technology.* When corporations do invest productively here, the strong trend is to invest not in new capacity, which would increase jobs, but in new technology which cuts jobs. Although overall business investment declined by 21% between 1980 and 1982, the number of robots purchased jumped by 129%.[9] New technology not only eliminates jobs; it also increases management's control over the work process—again reducing unions' strength.

All three of these profit-saving strategies greatly increase and in turn depend upon what Bluestone and Harrison call "capital hypermobility." Conglomerates can easily shift resources from one subsidiary to another. With computerization, central management can send job specifications directly to any of its plants, in any country. Shifting work away from an "undesirable" location can



be accomplished quickly, before the workers affected have time to respond. Moving—or merely threatening to move—has become management's most effective anti-labor weapon, particularly in trying to win concessions.

From labor's point of view, the upshot of these structural changes is that jobs are being lost from the traditional centers of American industry. They would be lost even without the added blow of the recession. They would be lost no matter who was in the White House. They would be lost regardless of whether unions made concessions. From the employers' point of view, conglomeration, new technology, and investing in cheap labor areas help them to keep their profit rates at acceptable levels—in the short run. But they are still faced with the long term crisis in the economy.

Historically, the problem of declining profitability has been "solved" by depression or war, either of which allows corporate owners to wipe the slate clean and start over. The chairman of Sheller-Globe Corp., for example, welcomed a severe recession as "a great catharsis" because "the whole system was getting fat and lazy."[10] With the international economy out of control and Ronald Reagan in the White House, either or both of these "solutions" is possible. Short of these, however, the employers, have several other ways of addressing their problem:

• *Anti-union attacks.* In the corporate game plan, profit rates should be boosted by worker sacrifices. In order to convince workers to make those sacrifices, unions must be weakened. The concessions offensive is one part of this game plan; outright union-busting is another. The employers' defeat of the Labor Law Reform bill in 1978, the growth of the open shop in construction, the use of sophisticated union-busting consultants, and the increase in decertifications are all part of the anti-union plan.

• *Government help.* Within the last ten years business interests have become much more organized in their intervention in political affairs. The growth of business Political Action Committees (PACs) has created another "free market." Members of Congress are being more openly bought and sold than ever before. Business interests promoted Ronald Reagan precisely to shift resources and government policies more towards their needs. And Reagan tackled the task of salvaging profit rates with gusto (or at least his administration has, while Ron napped). Congress granted huge tax breaks through the "10-5-3" depreciation bill. The executive side did its bit by gutting enforcement of environmental, health and safety, and equal opportunity laws, as well as putting a union buster on the NLRB. And Reagan even provided employers a model of how to deal with uppity unions, by firing the entire membership of PATCO.

SOLIDARITY / SAMUEL B. WHITEHEAD

But Reagan's policies have weakened labor in another way. The high unemployment brought about by Reaganomics has made many union leaders and individual workers afraid to resist concessions and the other corporate attacks. The truth of the employers' oldest threat—"If you don't want to work for these wages, there are plenty out there who will"—is all too evident. Although Reagan's policies are designed to help the employers out of the long-term crisis, he has made the immediate economic crisis worse—with disastrous results for union members.

Sam Gindin, Research Director of the UAW in Canada, explains the connection between concessions and government policies this way:

> Concessions are part of a broader strategy to shift income and power away from working people towards private capital. Concessions are the collective bargaining dimension of this broader strategy identified with supply-side economics and ...Reaganism. The government sets the stage by tolerating or reinforcing high unemployment and excess capacity; the corporations gladly oblige by exploiting this environment to hammer labor.[11]

• *Getting rid of the "social safety net."* The "safety net," also called the "social wage," is the web of government programs such as Social Security, food stamps, unemployment benefits, welfare, and workers' compensation. Workers fought for these programs in past years to try to provide some security in an insecure society. The problem with these programs, from business' point of view, is that they make it less of a personal disaster to be unemployed, and therefore make it easier for workers to resist job blackmail. Bluestone and Harrison spell it out:

> ...to make really significant, long-term dents in labor costs ...workers would have to be made so insecure and desperate for work that they would be forced to become more "flexible," that is, more willing to accept management's new terms with respect to wages, working conditions, and discipline...The only way for capital to...produce the necessary amount of insecurity was to attack the social wage itself.[12]

So the Reagan Administration has made it much more devastating to be without a job. In 1982 the percentage of unemployed people receiving unemployment benefits was only 44%, down from 51% in 1980 and 71% in 1975.[13] With cutbacks in food stamps, the Trade Adjustment Act program (TAA), and

Medicaid, and with uncertainty over the fate of extended unemployment benefits, a job at any price seems better than none.

Why Now?

None of the conditions we've described — the continuing economic crisis, a pro-business president, high unemployment — are brand new. It was becoming apparent to many people by 1974-75, the last deep recession, that the problem with the economy was not just the business cycle. Unemployment was at its highest in 30 years, and many companies lost money. But contracts weren't reopened to help ailing employers then. The employers didn't ask.[14] The missing ingredient was management's realization that the unions would let them get away with it.

As described in Chapter 1, after one union took concessions without protest, the others were besieged by employers wringing the crying towel. And if the employers needed another indication of labor's weakness, they got it in the summer of 1981. As former air traffic controller Rick Long puts it, "The AFL-CIO made the first concession, and it was PATCO." In spite of sympathetic statements and financial contributions, the labor movement and its member unions allowed an entire union to be destroyed.

The process which brought the American labor movement to its current weakened state began years ago. Throughout the boom years of the 1950's and 1960's, the labor movement avoided major confrontation with management over the size of labor's slice of the economic pie. As long as the pie itself was growing, members' standard of living could improve without a basic challenge to corporate practices and philosophy. The trend was for labor to count on the expanding "American dream" rather than on mobilizing its membership to achieve its goals. In particular, in exchange for a rising standard of living *off* the job, many industrial workers experienced a declining "standard of living" *on* the job, as working conditions and shop floor control were ceded to management in exchange for fatter paychecks.

This is how the labor movement worked itself into a hole. Once the union leadership accepted the notion (in practice, at least) that it wasn't necessary to increase labor's *share* of corporate profits, it was caught in a trap. Now the pie is shrinking, and corporate leaders want workers to donate more of their slice. The labor movement, its militant traditions rusty from lack of use, is left with no way to protect its members' income.

The irony is that concessions will shrink not only the absolute size of workers' slice but its proportionate size as well. Through concessions, the employers mean to force a redistribution of wealth in their own favor, and to weaken the labor movement so that it can't redress the balance later.

3 WHY CONCESSIONS DON'T WORK

Concessions are sold as a way to save jobs. The connection can be very direct: the employer says "take a cut or we'll close the plant," or "give up your work rules or we'll contract the work out." For public employees, bargaining has sometimes been an up-front trade-off between concessions and layoffs. But no major private employer in the current round of concessions has promised to keep a specific number of jobs at union wages in return for givebacks. What the press has loosely called "job security provisions" in fact are usually clauses such as plant closing notice, more aid to laid-off workers, or better transfer or recall rights.

So the concessions = jobs equation is not a direct one. Rather, making concessions in hopes of saving jobs is an act of faith: if we can help to improve the company's financial condition, maybe it won't go out of business. The union may even recognize that concessions will cost jobs in the short run, but feel that it has to save the company so that there'll be *some* jobs left (the "live to fight another day" rationale).

There are two ways to evaluate concessions as a way to save jobs. One is to look at what is happening in the economy and at the economic reasoning behind concessions. This will tell us whether concessions *could* save jobs. The other way is to look at the experience the labor movement has already had. This will tell us whether concessions *have* saved jobs. First let's look at the economics.

The Economics

There are four reasons why concessions can't save jobs:

1) The financial difficulties most companies face are rooted in the crisis of the world economy and in the recession—not in "overpriced" U.S. labor.

The logic behind concessions is that labor costs are the cause of the company's problems, or if not the only factor, they're at least important enough that worker sacrifices could make a difference. The more sophisticated employers display graphs in three colors to "prove" that unionized American workers are pricing themselves out of a job. They parade bogus productivity statistics, implying that lazy workers and inflexible unions make them unable to compete.[1]

In fact, labor costs have been decreasing or staying about the same as a percentage of total costs in most major industries, as the table below shows. (In the table, "sales" is equivalent to total costs plus profits.) In 1980 the average for all industries (excluding the oil industry, which has a much lower ratio than the others) was 29.2% in 1980, down from 31.8% in 1970.

For some industries, the only thing which can put them back on an even keel is recovery from recession. This includes public employers, who need to regain lost tax revenues. Other employers need lower interest rates (see Appendix A for an example). The key for still others is extensive modernization. Some industries, such as auto and steel, are suffering from worldwide overcapacity. None of these problems can be solved by worker concessions.

In any case, the concessions made by unions in the last couple of years are simply not large enough to revive companies weakened by the recession, by competition, and by debt. "I don't think you can get enough money out of wage cuts in the long run to save the industry," concedes one executive of the steel industry, which demanded $1.50 an hour off the top.[2] "The factors outside collective bargaining far outstrip the gains we can make in wages and benefits. We could cut labor costs in half and still be uncompetitive," says Ernest J. Savoie, Ford Motor Co.'s director of labor relations.[3]

What the employers are looking for from concessions, Savoie says, is "a bending of the labor cost trend line." They see their

Labor Costs as a Percentage of Sales for Selected Industries

	1977	1978	1979	1980	1981
Aerospace	38.6	41.8	35.5	33.2	33.8
Auto and Parts	30.0	29.6	31.4	31.3	30.1
Chemicals	24.4	24.8	20.7	21.6	21.5
Electrical	35.0	25.6	33.7	34.1	41.7
Metals—Nonferrous	31.8	30.5	28.2	29.4	32.5
Oil	7.0	7.4	6.1	5.8	5.9
Rubber Fabricating	30.0	29.2	29.0	28.8	29.3
Steel	37.3	35.8	34.6	35.8	34.0

Source: *Standard & Poor's Industry Surveys*, November 11, 1982, "Labor Costs." Standard & Poor's cautions that reporting practices vary widely. Thus extreme care should be used in making comparisons between industries.

latest contracts as a "transference from *we vs. they* to *us*; from adversarial to converging; from rigidity to flexibility; and from partisan to common interest."[4] In the long run this "new worklife spirit" will mean more to the employers in dollars and cents than the money workers have recently given up.

The "carve-out" from the Big Four pattern agreement that the United Rubber Workers granted Uniroyal in December 1981 illustrates the minor effect of concessions on a company's overall financial picture. This concession was estimated to be worth $54.9 million to the company over three years. Uniroyal's total costs in 1982 were about $2 billion—say $6 billion over three years. The concessions will thus save the company less than one percent of its total costs. (Meanwhile, the cost to each of the 4,200 workers is over $13,000.)

During January 1982 reopener negotiations with the UAW, General Motors proposed to stimulate car sales by reducing prices. But GM said it would have to reduce labor costs by $5 an hour—over 25%—to cut just a thousand dollars off the average $11,000 price of a GM car. Even a pay cut of 10% would have permitted only a 3% price cut—certainly not enough to induce new buyers into the market.

"If General Motors workers worked for nothing, the average price of a GM car would still be $7,000."

Pete Kelly, Co-Chair, UAW Locals Opposed to Concessions, January 1982.

There may be some situations where union members could take wage cuts big enough to have a significant effect. For an employer whose labor costs make up a big proportion of total costs (a "labor intensive" firm), the difference between an $8 an hour contract in Wisconsin and a $4 an hour work force in Tennessee could be the difference between profit and loss. Of course, those Wisconsin workers would have to consider whether it's worthwhile to "save" their jobs at $4 an hour. Thus far, however, it has not been labor intensive companies which have led the concessions offensive. It has been employers who know that labor costs are not their biggest problem.

2) Concessions mean wage competition, and all the competitors know how to play the game.

The cry of "competition" is one of concession-seeking employers' favorites. The steel companies say they pay their workers a 95% "premium" over the manufacturing average. The auto companies complain of the infamous "$8/hour wage gap" with Japanese workers. The old line meatpackers are challenged by rabidly anti-union "new breed" firms which pay lower wages. The construction industry is now at least half non-union.

But competition is a two-way street. Once concessions are made, they set off a wave, as other employers demand equal treatment. Say your boss complains that his competitor, Weehauken Widget Corp. down the road, is underbidding him. You take a wage cut so your company won't have to fold or lay off. Then the workers at Weehauken Widget, responding to *their* boss's pleas, take a deeper cut—and Weehauken gets the big contract. You've succeeded in doing nothing but lower wages for everyone. The February 1982 issue of the Canadian UAW's magazine, *Solidarity*, spelled it out:

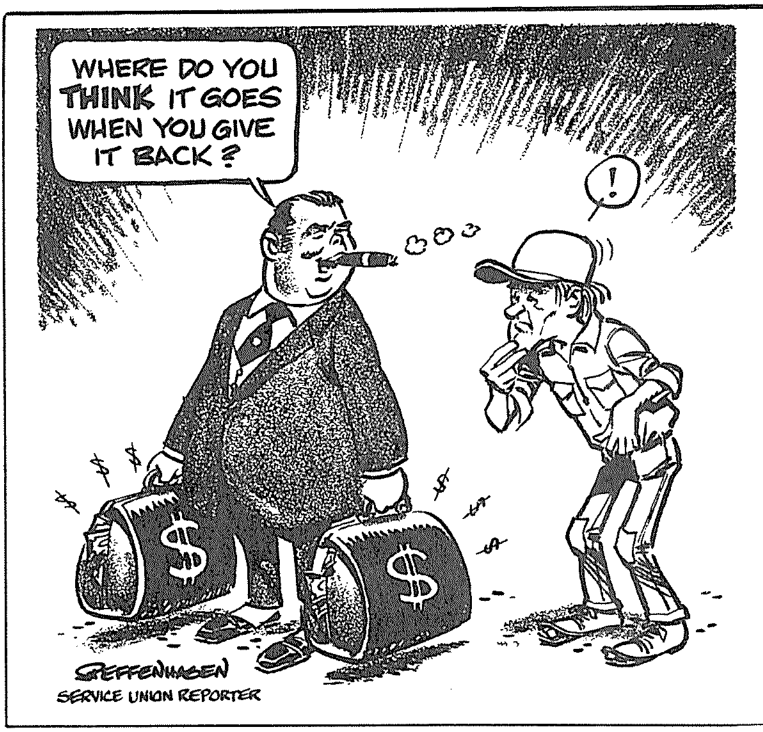
> The automakers tell us that Japan can sell a car in North America for $1,500 less than they can. It would take $8 to $10 an hour in cuts [to make up the gap], and what's to prevent the Japanese from lowering their prices if we did take such a Draconian cut?...The prospect of workers' underbidding each other for work could reach tragic lengths. Korean auto workers, for example, make $1.39 an hour. Is that the wage level that North American autoworkers will have to settle for in order to remain "competitive"?

William Sidell, former president of the Carpenters union, spoke in favor of this method: "Our contractors must be able to compete....Our contractors must be able to underbid the non-union contractors and drive them out of the market."

Both the Teamsters and the Auto Workers have seen this "underbidding" among their own locals. In 1982 Ford dangled a new engine job in front of three local unions. The membership of UAW Local 1250 in Cleveland voted down the concessions their officers proposed. But the Lima, Ohio local agreed to concessions, and was awarded the job. Later the company began slowly implementing the changes it had wanted in Cleveland anyway. The "No Take-Away Committee," a caucus in Local 1250, said, "The company was using us against Lima and Windsor, [Ontario] to get concessions from all three plants and then put the V-6 engine just where they intended to put it in the first place."

3) When they grant concessions, union members risk financing their own future job loss.

There's no reason to believe that corporations will put the money they gain from concessions into a separate pile and use it to create jobs. As explained in Chapter 2, companies are tending not to invest in the U.S. industrial infrastructure. They can make more profit by closing their current plants and pursuing mergers or acquisitions of other companies, investing overseas, or speculating in the money markets. U.S. Steel, for example, lost money in 1982 on its steel operations, while its new subsidiary, Marathon Oil, had the highest profits in its history.[5] Between 1970 and 1980, the number of commodity future contracts (this is gambling on future prices of pork bellies and the like), rose 450%.[6] From corporate managers'



point of view, job-creating investment is a loser.

The concession you make today could also pay for the robot that steals your job tomorrow. Other interesting uses that corporations have found for their money lately include: union-busting consultants, advertisements to promote their image as public benefactors, big bonuses or "golden parachutes" for top executives, and suing the pants off each other (corporations spend $10 billion a year on lawsuits among themselves[7]).

4) A round of wage-cutting does no good for an already weakened economy.

After concessions, workers have less money in their pockets. When cash is tight families put off the purchase of appliances, cars, tires; eat chicken instead of beef; cut down on their traveling.

Don Douglas, President of UAW Local 594 and a co-chair of Locals Opposed to Concessions, said, "Not only are we trying to protect our members [by opposing concessions], we're trying to protect the public. If our wages are cut, take the person that works at K-Mart. If we've got less to spend, how long can they afford to pay the K-Mart people what they pay? It also puts a fear in people. If I know where I stand I'm more apt to buy a car. If I take a cut now and anticipate maybe another one coming, I'm not going to buy anything." Ironically, in 1981 Chrysler workers' pay cut was $46 a week—just about enough to pay the note on a new K-car.

Concessions combine with high unemployment to depress consumer demand and make recovery for consumer-oriented industries that much harder. Variation in consumer demand is not the main factor causing recession or recovery, but reduced buying power is clearly not a help.

The Record

The economic facts of life indicate that concessions are a losing strategy. The experience of the labor movement thus far bears this out. The record shows that concessions have not only failed to save jobs, they have also led to more concessions and have undermined some of the basic principles of unionism. Here are the results we've seen to date.

Companies close anyway.

The list of companies which have folded or instituted big layoffs despite worker concessions is long and likely to lengthen. A study of 31 companies which won concessions in the first three months of 1982 showed that by July, 11 of them had closed.[8] Here are a few more examples:

1) Workers at Braniff Airlines took a 10% pay cut in spring 1981. Unions involved included the Machinists, Teamsters, and Air Line Pilots. In May 1982 Braniff filed for Chapter 11 bankruptcy and ceased operations. Jobs lost: 9,000.

2) United Steelworkers Local 1330 at U.S. Steel's Youngstown, Ohio Works made significant concessions on working conditions (job combinations, scheduling of shifts, layoff procedures, amalgamation of labor pools) in 1977 after management promised that the plant would not close if it remained profitable. Although the mills made a small profit, U.S. Steel closed the Youngstown Works completely in 1980. Jobs lost: 3,500.[9]

3) In September 1981 nearly two-thirds of the work force at Motor Freight Express gave up 21% of their pay, through individual "loans" to the company. The company seemed to recover from its financial difficulties. But a year later Motor Freight went bankrupt and closed its doors completely. Jobs lost: 425. Some of the many other trucking companies which have closed despite concessions include Spector Red Ball (sixth largest in the country with 4,000 workers), Cooper-Jarrett, Eazor Express, and Glendenning Motorways.

4) In the spring of 1979 General Tire workers in Akron, Ohio agreed to a 36¢/hour pay cut, a longer work week, and an end to various "restrictive practices." The company was to use the money saved to build a new plant in Akron to replace its 64-year-old facility. Three years later General Tire announced that it would not build the new plant and would shut down the old plant as well. Jobs

lost: 1,500. (The workers did get their money back.)

The Big Four tire companies have extracted work rule concessions from many northern plants while shifting production to the Sunbelt. The concessions don't seem to have helped, as the number of workers covered under Big Four agreements shrank from 61,300 in 1976 to 39,500 in 1982.[10] And 24 tire plants have closed since 1975.[11]

John Dawson, president of United Rubber Workers Local 312, put it this way: "If things are really bad, once you're asked to make concessions it's usually too late to save the plant."

One concession leads to another, or give 'em an inch...

Far from being grateful for worker sacrifices, employers are not shy about coming back for more. Since labor costs aren't really the cause of most companies' financial problems, one set of contract concessions is rarely "enough." Once a contract is reopened, the expiration date seems to mean very little to the employer any more. And the second set of concessions is usually more drastic than the first. Some examples:

- Workers at Uniroyal gave early and often—in summer 1980 and again in December 1981. Employment had dropped 30% by the time of the second concessions.
- McLouth Steel workers took a $1.25 wage cut in January 1982. In November they took another cut—twice the size of January's—plus a six-year no-strike pledge.
- Wheeling-Pittsburgh Steel workers gave up $35 million in a 19-month contract in April 1982; in December they ratified concessions worth $150 million over 44 months.
- UAW members at Hayes-Albion in Albion, Michigan had given *three* rounds of concessions by October 1982. The third was a $1.15/hour wage cut, and the company warned that the plant might close anyway.
- Many trucking employers enjoyed the March 1982 wage freeze in the National Master Freight Agreement, negotiated by the Teamsters International, and then turned around and demanded individual "loans" from employees ranging up to 21%.
- Ford agreed to an experimental "lifetime job security" program at three plants in exchange for the UAW's concessions on the national level. But the company later demanded drastic local concessions as well before it would put the plan into effect.
- Detroit city workers took a two-year wage freeze in June 1981. In return, the city promised no further layoffs. By the spring of 1983, Mayor Coleman Young was blaming the no-layoff guarantee for the city's budget deficit. He said the city needed to extend the freeze to benefits, and to lay off workers as well.

Dubuque Pack Bleeds Workers for Concessions . . . And Still Issues Notice to Close Plant

Set forth is a chronology of how Dubuque Pack financially drained its workers at the Dubuque, Iowa plant and still issued a notice to close the entire facility:

June 1980	Company threatens to close the beef kill department.
August 1980	Workers agree to eliminate lucrative incentive plan; Company agrees not to seek additional concessions for life of agreement [through September 1982].
December 1980	Company eliminates second shift hog kill.
March 1981	Company issues departmental closing notice for entire hog kill department.
October 1981	Workers agree to 16% cut in wages and benefits. Company closes hog kill department.
April 1982	Company issues plant closing notice for entire Dubuque, Iowa plant.

In addition to giving up wages and benefits, the workers found themselves paying additional taxes when the Company pressured the City of Dubuque into a significant sewage rate break, a 20% reduction in property tax assessment and a 38% reduction in its machinery assessment. Bottom line—the workers at the Dubuque, Iowa plant forfeited $7-8 million in wages and benefits and bought little time before the plant will be closed.

This story is reprinted from the May 1982 newsletter of the Packinghouse Division of the United Food and Commercial Workers. Dubuque Pack had six plants; the company had been under the industry's pattern agreement for over 40 years.

The story gets worse. On Friday, October 15, Dubuque Pack closed the plant. On Monday, October 18, it reopened under the name FDL, Inc. It had a smaller work force, working without a union contract for $6 an hour (the rate in the pattern agreement is $10.69) with no health insurance. FDL recognized the UFCW as bargaining agent, but extracted a promise not to strike until June 1983.

We're not getting anything in return.

Some concessions contracts have contained "trade-offs" which at first glance look good. Those who negotiated them—greatly assisted by the media—have sometimes claimed that the "job security" or "participation in management" clauses were "historic breakthroughs," of far more consequence than the concessions themselves. It should be noted, though, that most concessions contracts have not even pretended to offset the givebacks with corresponding gains. The best that most have offered is the right to reopen later if the sales or profit picture improves.

But in those cases where a job security or other trade-off is included, have these been significant enough to justify concessions? The answer is no. Upon close examination, most job security clauses are so weak that they have not stemmed job loss at all. And in spite of language promising cooperation and "mutual growth," companies have often taken steps to cut jobs before the ink was dry on their new concessions agreements.

Unions have not been able to win real gains in exchange for concessions because employers are not interested in "trading" with the union for mutual advantage. The situation is not that sickly companies have come hat in hand to powerful unions, meekly asking for help. Rather, what we've seen is employers using economic hard times to force a redistribution of power in their own favor.

This point can be illustrated by taking a close look at one supposed breakthrough. The contract most often cited as winning job security in exchange for concessions is the General Motors-UAW agreement of April 1982. GM made three quarters of a billion dollars on its U.S. operations in 1981, so if any company could afford trade-offs, surely GM could.

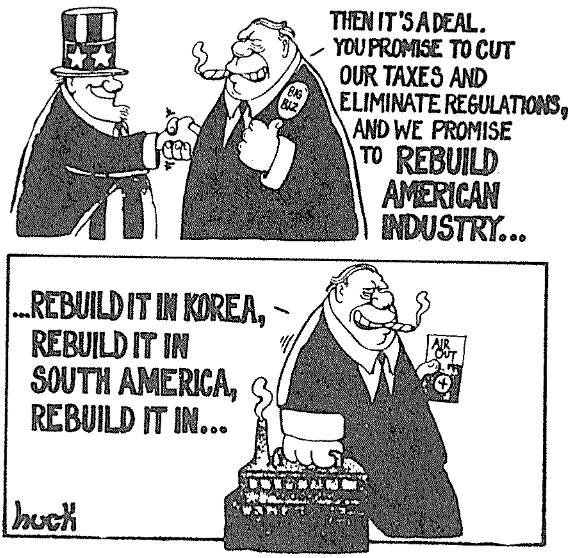
Here are the major "job security" provisions of that contract:

- *Plant closings rescinded.* GM announced seven plant closings between the time reopener negotiations broke down in January 1982 and when they began again in March. The contract rescinded four of the closings, although GM did not say the plants would stay open permanently. The number of union members in those four plants was 4,945 working and 2,360 laid off.[12] At all four, additional major work rule concessions were made as a condition of staying open; at one Detroit plant those concessions were worth $4 an hour to the company.[13]

Meanwhile, another part of the agreement led directly to the loss of thousands of jobs. Because one of the union's concessions was to give up its nine paid personal days off per year, layoffs to get rid of the now-unneeded replacement workers began a few weeks after the concessions were ratified. The UAW estimated that this would cost 3,000 jobs. But when the nine holidays were originally won (as a job-creation program), the union said employment would increase by 3%. Using that calculation, 9,300 jobs may have been lost.

- *Two-year moratorium on plant closings due to outsourcing.* GM agreed not to close any plants because of purchase of parts outside the company. One catch is that the company may still lay off large numbers of workers due to this "outsourcing," and not violate the contract as long as it keeps the plant open with any work force. The company need only give 60 days notice of any outsourcing that might result in layoffs. But only six months into the contract, the UAW complained that GM was not even living up to this contractual obligation.[14]

Two months after the contract was signed, GM announced that it would import 200,000 subcompacts made by Isuzu in Japan and invest $200 million in Isuzu. The UAW estimated this deal would eventually cost 18,000 jobs at GM as the new car replaced the Chevette. But the arrangement was completely legal under the con-



tract, which was silent about the possibility of "outsourcing" a whole car.

Another catch is that plants may be closed for any other reason, such as slow sales or a change in product. After ratification, three parts plants employing 1,900 were slated for closing because of overcapacity.

The third catch is that the partial closing ban lasts only until April 1984—five months before contract expiration. GM is again free to use the same blackmail that worked so well in 1982.

• *Employment guarantees.* The company agreed to a pilot "lifetime security" program at four plants which would apply to 80% of those currently working. Employment reductions for that group would be by attrition or by finding them other jobs at GM or outside the company. Of course, the "lifetime" would really last only 30 months, until the end of the contract. As of May 1983, none of the four plants had put the new experimental program into effect. Judging by the results at Ford's Chicago Assembly plant, which was involved in a similar program, this may be a good thing. The new local agreement demanded by Ford contained so many drastic takeaways on working conditions that workers rejected the whole scheme, 4-1. In any case, it is not much of a concession on the part of a huge multi-plant company to agree to keep four selected plants running; it could well be at the expense of other plants.

• *Gains for laid-off workers.* Improvements were made. Workers with over 10 years' seniority get improved Supplemental Unemployment Benefits, for example. But some serious flaws turned up in a new program called Guaranteed Income Stream (GIS).

GIS was supposed to pay laid-off workers with over 15 years seniority at least half their former pay until they reached retirement age. But to be eligible, workers had to accept any other job with GM anywhere in the country, or any job at any rate of pay arranged by GM or the state employment service. ("Including McDonald's?" UAW reps were asked. "Including McDonald's," was the reply.)

GM enforced this provision when it needed workers for a second shift at its Oklahoma plant. It ordered laid-off workers from two California plants who were collecting GIS benefits to move to Oklahoma, where they would have low seniority—even though they still had hopes of being called back to their own or another nearby GM plant. GM cut off the workers' GIS benefits if they declined to move to Oklahoma. Another problem with the GIS program is that the company's total obligation for it is only $175 million, which would carry 12,000 members for one year.[15]

Upon examination, it can be seen that the "job security" gains in the GM contract are so shot full of holes that they could in no way make up for the backward steps the union took. The company is as free as ever to reduce the total number of jobs. Worse, the contract itself cuts more jobs than it saves.

The point here is not to berate the UAW for failing to win control over GM's investment and layoff decisions. What union has? The point is that the new contract, advertised as a "historic breakthrough" on job security, did not live up to the claims made about it, and in fact moved in the opposite direction.

One more example of a "trade-off" that does not live up to its advertising: in 1983 the Steelworkers took big wage and vacation cuts and in return got a promise from the steel industry to reinvest the savings in existing facilities. The problem was that the concessions package was estimated to be worth $3 billion over 41 months, but the industry's normal capital expenditures for its steel plants recently have been well over $2 billion per year.[16] Thus the the industry could cut its steel investment in half and still not violate the agreement. And the promise was only a general one—any particular facility could be completely left out of any modernization plans. U.S. Steel quickly took advantage of its free hand. It announced plans to import steel slabs from Britain rather than modernize its own Fairless, Pennsylvania mill. The union said up to 3,000 jobs would be lost. So much for reinvestment in existing facilities.

Unionism is undermined.

This brings us to the final—and perhaps the most important point—about concessions. The events of 1980-83 have shown that "an injury to one is an injury to all" is the literal truth. Concessions by one union stimulate other employers to make demands, even if there is no logical connection. One organizer for Hospital Workers District 1199 in Michigan said that every hospital she negotiated with in 1982, public or private, used the argument that "*GM* took a wage freeze." A staffer for the United Food and Commercial Workers says, "After Chrysler, everything changed."

Concessions have weakened the labor movement's ability to reach out to non-union workers. Dennis McDermott, president of the Canadian Labour Congress, asks, "How does an organizer for a concessions union outline the advantages of belonging to that union?" The number of petitions filed for union representation elections fell by 26% between 1981 and 1982.[17] And the percentage of those elections won by unions declined from 45.7% in 1980 to 43.1% in 1981 (the latest figures available). While much of this decline is probably due to the general economic climate, the labor movement does not give the impression that it is doing much to protect its members from that climate.

At a small nonunion foundry in Detroit, the boss imposed a 20% wage cut in February 1983. In response, the workers decided to form a union. Many of them were former auto workers, and they rejected out of hand the idea that they should ask the UAW to help them fight concessions. They joined the Pattern Makers League instead.

"The union was asking us to get competitive with ourselves, not the Japanese, and that isn't my idea of a union."

Paul Fuller, millwright and member of a Fisher Body local which voted down concessions proposals

In the end, opposition to concessions can't be based only on dollars and cents, or on what's likely to happen at one workplace alone. In the pro-concessions philosophy, loyalty to fellow workers in other locations is replaced by "teamwork" with management. *Concessions are undermining union solidarity.* This pamphlet is filled with examples, including:

- locals in the same company making concessions to bid against each other for work, as has happened in the USW, UAW, UFCW, and IBT.
- lower wage rates for new hires, included in some rubber, auto, meatpacking, trucking, and steel contracts.
- unions volunteering to cooperate with attendance control programs, as happened at Chrysler and GM.
- unions using concessions as an issue to compete for

members—charging each other with being "not militant enough" or "not realistic," as happened with Michigan public employees.

In 1976 Teamsters at Smith & Solomon Trucking's Baltimore terminal accepted an inferior contract. Smith & Solomon's workers in Philadelphia and New Brunswick, New Jersey remained under the National Master Freight Agreement (NMFA). "We joked at the other terminals at first, for working cheap when there was plenty of work," says Reggie Miller, a member of Local 701 in New Brunswick. In 1979 management tried to impose the inferior conditions on the Philadelphia terminal. The local struck for 18 months, while other Smith & Solomon workers ran their freight. The Philadelphia workers lost their strike and ended up with inferior terms. In 1982 the company refused to sign the NMFA at all, and unilaterally imposed inferior conditions on New Brunswick as well.

"The bitterness among the employees—there's no description any more," says Miller. "Management played one terminal against the other. Our only solution is one contract for the whole company. If New Brunswick went on strike now, it wouldn't do any good because Philadelphia and Baltimore would do our work."

At the beginning of this chapter, we said that concessions are sold as a way to save jobs. But there is another argument used in their favor: that hard times and high unemployment give the company so much leverage that it is better to give in than to risk a strike. In some cases retreat might be better than risking a rout. But

if a no-risk outlook is adopted as standard policy, this is the surest way of all to undermine unionism. Chapter 4 will report examples where unions did take risks—Canadian Chrysler workers, UE members at Morse Tool—and beat concessions.

Some union leaders have seemed to think that they can accept concessions in a period of recession and go on as if nothing has happened after the economy recovers. But the labor movement will not be in any shape to go after a bigger share of the pie again later unless it finds a way out of its current demoralized and demobilized state. The first step out of that state is to rally the rank and file to resist the concessions offensive.

Chapter 4 will discuss how various unions have resisted concessions. The record shows that whether or not a union must make concessions is not simply dependent on the health of the employer or on what everyone else has done. Determination and an informed membership can make the difference.

4—RESISTING CONCESSIONS

The preceding chapters have painted a bleak picture of weakened union contracts and a weakened labor movement. There is no question that concessions have shifted the balance of power in favor of the employers.

But the picture is not all gloomy. There is also resistance to employers' demands. Sometimes this resistance comes from union leaders, sometimes from the rank and file. Sometimes it is successful, sometimes not. In some cases unions have told a company no on its second trip to the well, after a first round of concessions failed to save jobs.

As experience with concessions has accumulated, as jobs have continued to evaporate, many workers have become less willing to buy the concessions line. This chapter will discuss how unions and the labor movement have resisted concessions, and discuss which tactics have worked best.

1. Don't Reopen the Contract

The most obvious tactic in resisting takeback demands is simply to refuse to open your contract in mid-term. Even if you think that you will be forced to make concessions eventually, there is no reason to work at a lower rate any longer than you have to. Over a third of the contracts settled in 1982 were unscheduled reopenings. If those reopenings were removed from the statistics, the average wage gain in 1982 would have been 5.7% instead of 3.8%.

Unions have reopened contracts for two reasons: because they believed employer threats to close or lay off immediately, or because they thought they could get by with smaller concessions in mid-contract than when the contract expired. Only the union involved can decide whether it should call the employer's bluff. But remember that economic conditions could change by the time the contract is up.

In the Steelworkers, for example, opponents of concessions said that one reason for the rush to reopen and settle early was that the steel industry was beginning to show signs of recovery in early 1983. By contract expiration—only five months away—production and employment might have picked up enough to make local union leaders far less amenable to concessions. The *Wall Street Journal* reported, "Others suggest that the new pact represents the last chance steelmakers had to argue poor financial health in seeking concessions before a steel recovery begins.''[1]

When the UAW opened its contracts with GM and Ford in the winter of 1982, its Canadian sections refused to follow suit. Instead, they bargained at contract expiration, and although they made concessions, theirs were not as severe. The union estimated that each member saved $2,105.20 and six holidays because of the Canadians' refusal to reopen and accept the U.S. terms.[2]

REOPENER QUIZ

The *Wall Street Journal* says steelworkers would be intelligent to go along with reopening the contract just to see what the company has to say. Are they right? Should we reopen the contract to find out what the companies want?

We wonder how the *Wall Street Journal* would answer the following test:

You live in a 10-story apartment building. Your landlord has been going around telling everybody he's going to kill you first chance he gets.

One night your landlord calls up. He tells you he wants you to meet him on the roof at midnight to look at the scenery.

The smart thing to do would be:

A. Meet him at midnight to see what he wants.

B. Stay at home and wait until your lease expires.

Maybe the *Wall Street Journal* would pick "A." But they picked Ronald Reagan too.

[Reprinted from the USW Local 1010 *Steelworker*, June 1982.]

2. Research Your Employer

The time to begin understanding your employer's financial condition is before he comes to the table with a quivering lip. The box shows a list of information, put together by the Industrial Cooperative Association, which a union should monitor in order to understand a company's business strategies. Some of this information may be available from the union's Research Department. Chapter 6 in this book lists some guides to researching your employer, using information that is publicly available. You don't need to be highly trained in academic skills to do the kind of library research these guides describe.

In any case, as the Carpenters union advises, "Without financial information the union can only rely on the company's word, and this could prove embarrassing to the union." Even a small amount of research into the company's finances can be very helpful in bolstering the union's position. If research indicates that the company is indeed "truly needy," bargainers can also take that information into account.

KEEP TRACK OF WHAT THE EMPLOYER IS UP TO

Locals should understand their employers' business strategies and monitor the effects of those strategies on their members. Not only will this knowledge help in negotiations, particularly when concessions are on the table. If a pattern of disinvestment, possibly leading to a future shutdown is identified, the union will know about it early enough to do something about it. If the local later decides to call in professional help to study the company's strategies more thoroughly, having this information available will decrease the time and cost for such a study.

The basic information to collect is:

- Investment data. Keep careful track of all company expenditures on new plant and equipment.
- Industry trends. Read industry magazines and the business press to keep up with technological and market changes. Develop relationships with industry experts.
- Financial data. Collect anything you can from the company, the press, and other employees about profits, sales, inventories, etc.
- Research and development. Monitor both expenditures and the results of the expenditures. How big is the R&D effort at the plant, or company-wide? What new products are brought to market? Are they any good? (Ask customers.)
- Employment data. Look for patterns in number of employees, ratios of salaried to production workers, numbers and types of grievances, increases or decreases in number of early retirements, etc.
- Corporate strategy. Gather information from annual reports, public statements, internal documents and the press about changes in the parent company's or division's strategies.
- Comparative data. Comparative data makes the information about a plant or company meaningful. Find out who the competition is and research them. Use government or other statistics about the industry. Look for changes over time in your own company.
- Management changes. Keep track of changes in management practices and managers at the plant or in the company. Analyze the impact of the management changes on the company's ability to produce a good product competitively.[3]

3. Demand Information

Unions have specific legal rights to whatever financial information is necessary to deal with the issues on the bargaining table (see the section on legal rights later in this chapter). Without such information, the union is in a poor position to evaluate the employer's health or to suggest alternatives to concessions. Following is a list of demands for information which was developed by the Teamsters Joint Council 7 in northern California for use when an employer wants concessions:

- Documents submitted by the employer to banks for the purpose of obtaining loans, including projected balance sheets and income statements

- List of buildings and land owned or leased by the employers' business, including a statement of their market value, and information on lease terms and conditions
- Financial statements for three years prior, as well as tax returns and current financial statements
- Depreciation schedules for all depreciable assets, as well as current market values of these assets
- Analysis of working capital for the last three years
- Organization chart of all supervisory and executive employees, and a schedule of their total compensation
- Schedule of total compensation to officers, managers, directors and/or owners
- Employment contracts, life insurance policies and loans for officers, managers, directors and/or owners
- Expense reports submittted by officers, managers, directors and/or owners
- Information on pension and/or retirement plans in which union members are excluded
- List of autos owned or leased by the company
- List of leisure items such as club memberships and vacation homes provided by the company to executives.[4]

"If they want concessions, let's give them a hotdog stand in the parking lot."

Don't downplay the importance of information on executive salaries and perks. Bill Carey, editor of the USW Local 1010 *Steelworker*, says that steel executives' salaries and raises was "the single most important piece of information we put out that turned people against concessions"—and Local 1010 put out a lot of information.

Sometimes merely demanding the information is enough to cause an employer to back off, at least for a while. Gerry Deneau, vice president of Graphic Arts International Union Local 289 in Detroit, says, "When concession fever was at its height, the employers association and the *Detroit News* asked us to reopen and give concessions. We said before we would even talk they would have to open their books and reveal their corporate tax statements, and list how much their officers receive in salaries and in expense accounts. We had a regular procedure, eight or nine items we developed with our auditors.

"They said they would get back to us. We waited a year, and they never did."

Another benefit of demanding financial information is that it gives the union time to stall. Jeffrey MacDonald, assistant research director of the Allied Industrial Workers, says,

> I think it's relatively rare that just because you ask for the books the company's going to drop their demands. It has more to do with timing: usually they've got some internal deadline. They're trying to keep your second year increase from kicking in, for example. If you can push them past that deadline, you've got time to breathe.
>
> One of their main tactics—they must all be learning from the same consultants—is to rush the committee, to panic the membership into making quick decisions. By asking for information you can slow the whole process down by weeks or sometimes months. I've had cases where we kept asking them for successively more and more information. We'd fly out of town and then come back and ask for some more. You can get them so disgusted they'll drop it till the contract expires.
>
> Of course, a lot of the time they'll show you everything they've got and they're not bluffing. The advantage there is you get a much better feel for the type of problem you're dealing with—whether it's an industry problem, a general economy problem, or a temporary cash flow problem.

4. Use Financial Information

If the employer can show that it's not making a profit, or in the case of public employers, that it's running a deficit, the case for concessions is not therefore sealed. The next question is: will concessions really help the employer to be profitable? Or is this dependent on sales or some other factor outside the union's control? Is it absolutely necessary for the company to be profitable this year? Are there other business strategies open to the company besides getting workers to cover its losses, such as investment in more modern equipment, cutting prices, or squeezing the fat out of management? These are all questions which the union should pose to management—and to its own members.

When contract talks with Detroit's two daily papers were approaching, Newspaper Guild Local 22 called a meeting. President Lou Mleczko used financial information to the union's advantage and educated the membership about concessions. He explained:

> The *Free Press* and the *News* both showed an operating loss for last year. But both papers are owned by big corporations that are still profitable. And we believe that you should look not just at the profit and loss statement for one year but look at the trend over several years. They can carry either one forward from year to year. Management makes its plans based on several years, not just on the most recent one.
>
> The Council of Newspaper Unions has taken the position that no union will do anything to help one paper or the other in their "war" with each other. If we gave concessions they'd just use the money to beat up on each other some more—more ad discounts, keeping the low newsstand price. We know it wouldn't do our membership any good to help turn Detroit into a one-newspaper town.

Another example: Eastern Airlines lost money each year from 1980 to 1982 and again in the first quarter of 1983. Its unions had all taken wage cuts, and it was demanding further concessions from IAM District 100, representing mechanics and other ground personnel. The IAM put together a research committee, headed by a local president, and hired accountants to help. They investigated Eastern's accounting procedures, pension policy, assets and liabilities and concluded that the airline was exaggerating its financial difficulties. Using these facts, the union threatened to strike if its wages weren't brought up to industry standards. The membership voted down the company's concessions package by 72%. Eastern backed down and granted an immediate 21% wage increase.[5]

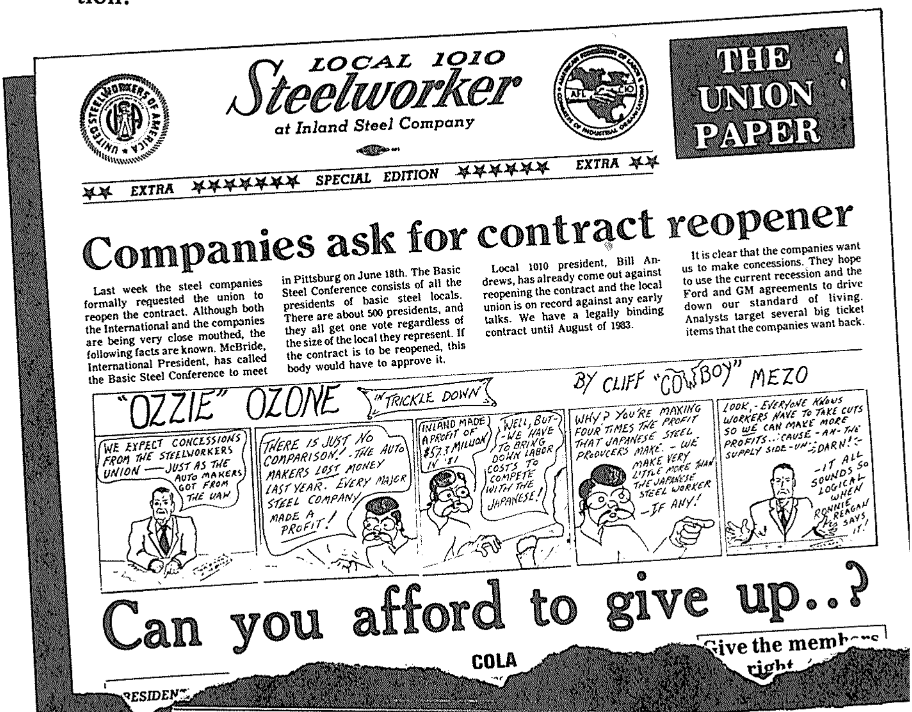
Of course, as we know, concessions have been made to profitable companies. Pilots at Southwest Airlines, for example, volunteered for a wage freeze in May 1983, although their employer was the most profitable airline in the industry.[6] In cases like this the union did not grant concessions because of a lack of financial information. In order to resist concessions something more is needed, which brings up the need to...

5. Educate the Membership

If there is one factor which determines whether union members will vote for concessions, it is how much they know about them. This includes what the concessions will cost each member and their real effect on job security, as well as the employer's financial condition.

The employers and other advocates of concessions agree that education is the key to getting workers to accept givebacks. Inland Steel gave its laid-off workers $5 gas certificates to get them to attend the industry's slide show on how much steelworkers were overpaid. *Industry Week* magazine says, "If there's an obstacle to...the entire approach of giveback bargaining—it's the lack of worker understanding of such issues."[7] This book is intended to aid in the education process, although the results, presumably, will be different from what *Industry Week* intends.

The best education starts before the employer has even presented demands. Union newspapers can familiarize the membership with the general facts and arguments against concessions presented in Chapter 3 and more specific ones related to their particular situation.



LOCAL 1010 Steelworker at Inland Steel Company

THE UNION PAPER

EXTRA SPECIAL EDITION EXTRA

Companies ask for contract reopener

Last week the steel companies formally requested the union to reopen the contract. Although both the International and the companies are being very close mouthed, the following facts are known. McBride, International President, has called the Basic Steel Conference to meet in Pittsburg on June 18th. The Basic Steel Conference consists of all the presidents of basic steel locals. There are about 500 presidents, and they all get one vote regardless of the size of the local they represent. If the contract is to be reopened, this body would have to approve it.

Local 1010 president, Bill Andrews, has already come out against reopening the contract and the local union is on record against any early talks. We have a legally binding contract until August of 1983.

It is clear that the companies want us to make concessions. They hope to use the current recession and the Ford and GM agreements to drive down our standard of living. Analysts target several big ticket items that the companies want back.

Can you afford to give up..?

COLA

Give the memb... right...

...RESIDEN...

A Steelworkers local in East Chicago, Indiana put out a special edition of its newspaper to educate the membership on concessions.

A good example is the educational work done by USW Local 1010 at Inland Steel in Indiana, the largest local in the Steelworkers. When the auto workers made concessions to Ford and GM in 1982, the officials of Local 1010 knew that their union was next. Within a week after the industry formally asked for a reopener, the local put out a special four-page supplement to its newspaper which confronted the concessions question head-on. The supplement was also sent to other locals and distributed to local presidents at a conference. It was reprinted by at least twenty locals.

For help in preparing the supplement, Local 1010 drew upon both its own members and upon a group of supporters at area universities who had formed the "Midwest Center for Labor Research." The supplement included:

- information on how much the COLA clause had added to wages over the years
- an estimate that giving up Extended Vacations and a week of regular vacation would cost the plant nearly 900 jobs
- a statement from the local president promising to vote against reopening or concessions
- an analysis of the UAW concessions contracts which showed they would eliminate thousands of jobs (this information, in turn, was obtained from material put out by UAW locals who had opposed concessions)
- a chart showing that all basic steel companies had increased their profits in 1981
- information on what the companies did with their profits and tax breaks, including diversifying out of steel and giving their executives huge raises
- a graph showing that labor costs as a percentage of the price of a ton of steel had fallen
- a chart comparing steel's profitability to auto's losses
- information showing that the U.S. steel industry is almost twice as profitable as Japan's, and that Japanese steelworkers' wages are rising twice as fast as U.S. steelworkers'
- three cartoons which made fun of the steel companies' greed.

Later, the local printed 5,000 "No Concessions" buttons. Unfortunately, this wasn't enough for each member to have one. So when the company began pulling workers off their jobs or paying them overtime to watch "educational" slide shows on the need for concessions, some of those leaving would pass their buttons to those coming in, just to make sure the company knew where the membership stood.

UAW Local 595 at GM's Linden, New Jersey plant also took education on concessions very seriously. The local's education committee enlisted the aid of the Institute for Labor Education and Research to produce a 24-page pamphlet entitled, "GM's Road to Survival: Con-crete or Con-Game?" Over seven weeks, the union called more than 300 members out of the plant an hour early, paying them lost time to attend a class on concessions at the union hall. The pamphlet and the classes debunked the notion of the U.S.-Japan wage gap, detailed GM's foreign and domestic investment plans, pointed out the dangers of unbridled new technology, and documentated the proposition that concessions would not save jobs. The local also called a conference on fighting concessions which drew people from 23 locals. Apparently the education paid off. When voting on the national concessions agreement was held, 84% of Local 595's voters said no.

Of course, not every local has the same resources as these. But even if the most it can afford is a mimeographed newsletter, it can still educate the membership about the effects of the concessions trend on jobs and on the health of the labor movement. It can order copies of this book for its stewards and executive board, or copy the most relevant sections. The leadership can share with the membership what it knows about the employer's plans, about trends in the industry, and about what other unions in the industry are doing.

Equally important is providing the membership with complete information once the employer has begun to make demands. The Michigan State Employees Association put out a special eight-page issue of its statewide newspaper. It explained why the union had broken off talks with the state, and included a chronology of all the negotiations thus far, a detailed analysis of the state's demands, and the union's proposals for alternative ways to save money.

UE Local 610 at Westinghouse Air Brake (WABCO) near Pittsburgh printed a list of all the company's take-away demands and opposite each one, the union's response. During the seven-month strike that followed, the International union assigned a member to work full-time on strike publicity. The local issued detailed weekly reports on bargaining progress or lack thereof. These reports told what each company demand would mean for the membership and how negotiations were proceeding on each one, including union compromise offers. They also reported in detail on the state of the company's orders and relations with customers. An informed membership was one reason Local 610 won the strike. Its example also belies the notion that negotiations must be shrouded in secrecy.

A last point on "education": it includes more than just disseminating ideas. Some of the best anti-concessions "education" gets the membership involved in activities that teach solidarity and boost confidence. Local 610's 1978 strike was preceded by six months of agitation and activity. This included a big food collection and a truck caravan to aid the coal miners (who were on strike against concessions at the time themselves); a demonstration by retirees demanding pension increases (they were joined by 800 active workers who walked out of the plant to join them); and demonstrations against Jimmy Carter's wage freeze, which was announced shortly before the contract expired.

Negotiations started with the company laying out a list of 24 concessions demands. By expiration day, the company had dropped all these and offered substantial improvements, but the rank and file voted the offer down. After a two-week strike, the *company* made concessions. Involvement in the pre-strike activities was surely as important in "educating" the members of Local 610 as any written material the local put out.

See Appendix A for an excellent example of union education on concessions.

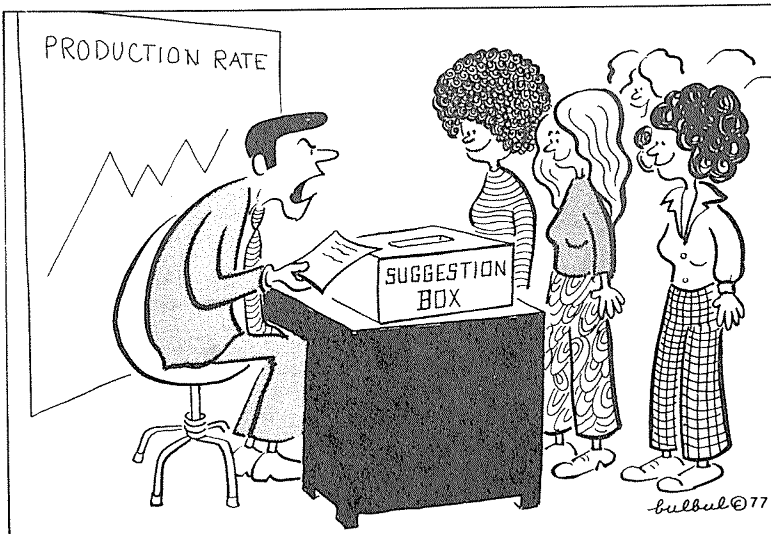
6. Put Forward an Alternative to Concessions

Sometimes union members vote for concessions because no one has put forward any other answer to job losses. They vote yes even though they know they're not to blame for their employer's problems and are skeptical that concessions will save jobs—but any port in a storm. It will help the anti-concessions case if there is an alternative to present.

An alternative could be developed on a variety of levels. It could be an immediate tactical plan on how the union can respond to the situation. It could be a set of suggestions on how the company could run its business better. Or it could be a grand plan for redesigning the industry. Though making major changes in the industry may at first sound like "pie in the sky," such ideas are sometimes important in getting across the point that there are alternatives to the present situation, and helping the membership to begin thinking in longer-range terms.

The point is that opposing concessions is made more credible when there is another solution, and the more real that solution is, the better.

For example: when the state of Michigan gave its employee unions the choice of $80 million worth of concessions or layoffs, the Michigan State Employees Association (MSEA) looked for other ways to save the money. It proposed an early retirement pro-



WHICH ONE OF YOU SUGGESTED LAYING OFF MANAGEMENT!

gram. MSEA figured that many of those eligible for retirement would be supervisors, who of course were higher paid than the union members. As layoffs had already diminished the worker-supervisor ratio, retirement of some bosses would both save the state money and make life at work more pleasant. This and other MSEA proposals would have saved the state nearly $180 million over 30 months.

The state, however, rejected this proposal out of hand. Later, MSEA proposed to give up its 5% pay increase, as the state was demanding, but to reduce the work week by 5% as well. When the state also rejected this offer, it appeared to MSEA that the state must have had another goal besides saving money—humbling its employee unions.

In some cases the union may realize that concessions will have no effect on which companies survive and which don't, and that it is preferable to let some fall by the wayside rather than work cheap. Gerry Deneau represents workers in the printing industry who have had a master agreement with a number of Detroit companies. He explains:

> Each company is trying to convince their people that their particular employer can't afford to eat. Now in the particular shop, that could be. But we don't approach it that way. We approach it that the system has people go into business and it has people go out of business. If in the process of going out, we reduce the standards, we're only taking work out of the shop down the street that has the proper rate. So we've seldom adjusted the rate downward.
>
> It really hinges in our industry on which employers put money back into the company and bought new equipment. The ones that

> didn't are the ones that have equipment that runs half the speed of the guy down the street. So what do you do to save the place? Well, if you analyze it, if you had the people in that shop work for half pay, the company still can't compete. Realistically, it's the economic system, which I don't support, but that's the way it is: some companies survive and some don't.

Deneau adds that the local examines each case on its merits. But he has found that the membership supports the alternative of calling an employer's bluff and letting the chips fall where they may.

This alternative to concessions may seem more attractive in an industry where there is always a lot of movement in and out and where business is good than in an industry where employment is shrinking permanently. In shrinking industries such as rubber, auto, and steel, the unions need innovative proposals for saving jobs.

One example which achieved a small measure of popularity in the UAW is the "CERP" program. It was developed by Mike Westfall, a Flint auto worker, with some help from analyst Harley Shaiken of the Massachusetts Institute of Technology, shortly before concessions became an issue at General Motors. CERP stands for COLA on pensions, Earlier Retirement, and Paid Personal Holidays, all of which create jobs or job openings. The plan proposes a "tax" on technology: every time a robot or other technological change eliminates a job, a percentage of the lost wage would be used to fund the CERP program. Though the idea was innovative, Westfall never presented it as an *alternative* to the concessions the union was negotiating. Because it failed to address the immediate question facing the union, CERP got lost in the shuffle.

A union can suggest changes in the very nature of the employer's business. Such suggestions are likely to fall on deaf company ears. But a realistic plan can help to mobilize the sentiment of both the membership and the community towards constructive responses to job loss rather than destructive ones such as concessions.

Shipbuilders Local 5 at the General Dynamics Shipyard in Quincy, Massachusetts saw the yard's work force drop from 5,500 in 1979 to 1,400 in 1982. The extremely depressed state of the commercial shipbuilding industry meant depending on the shifting fortunes of Navy contracts for jobs. So officers of Local 5 supported the formation of a "South Shore Conversion Committee" to promote the idea that General Dynamics should diversify into other types of industrial production. The local's officers got extensive newspaper and television coverage about their proposals, and the Committee sent speakers to local churches and community groups. The local pointed to the wide range of skilled labor and machinery in the shipyard, and to other yards that were building or considering production of oil rigs, box cars, and "ocean-going thermal energy conversion plantships." It found a federal study showing that 55 items could be made in shipyards without major retooling

Fred Wright, UE News

or retraining, and hopes to see a study of its own yard within two years.

The local plans continuing education on diversification, and it may even have made some progress with management: after the company had indicated for months that other types of work were "not a priority," in February 1983 the yard manager came out in favor of diversification.

A group of aerospace workers in Britain went further. Lucas Aerospace, which is heavily oriented toward the military, began to close plants in 1971. A group of workers, under the leadership of the Combine Shop Stewards Committee, drew up a 1,200-page "Corporate Plan" which detailed how the company could use its technical expertise, its machinery and its workers to produce goods which could both meet human needs and provide jobs. The Committee began by asking the workers themselves for proposals. Within six weeks they had 150. Many of the workers produced simple models of the products they thought they could be making. The final Plan included production of kidney machines and heat pumps.

Lucas never agreed to implement the workers' Plan, but the Plan had important consequences nevertheless. The stewards generated enormous support and enthusiasm among the membership. In the ensuing years, whenever Lucas tried to lay off or to close a plant, its workers created such a ruckus that the company was unable to do so. Since 1975, 2,000 of Lucas's 13,000 jobs have been lost, through attrition. The stewards think that if it hadn't been for the Plan, at least 5,000 would have been lost. The creation of the Plan also helped to demystify the functions of management. Although the Lucas workers are not producing the socially useful products they envisioned, they have kept their jobs.[8]

Proposing an alternative to concessions is by no means a substitute for bargaining leverage. John Strickler of the MSEA reports:

> When we published our proposals for how the state could save money, the membership's reaction was mixed. We got some positive feedback, but then we got some negative feedback. That ranged from, 'The state won't buy it, so go ahead and give them what they want,' to 'Bullshit! Don't give 'em anything.'
>
> It helped to some extent for them to see that there were other ways the state could save money besides cutting their pay. But there were also those who said, 'Yeah, you guys are right, but they have the gun and they're pointing it right at you and they're going to shoot.' And they did shoot.

Chapter 5 will delve more deeply into overall alternative strategies which the labor movement can pursue.

7. Develop Joint Strategies

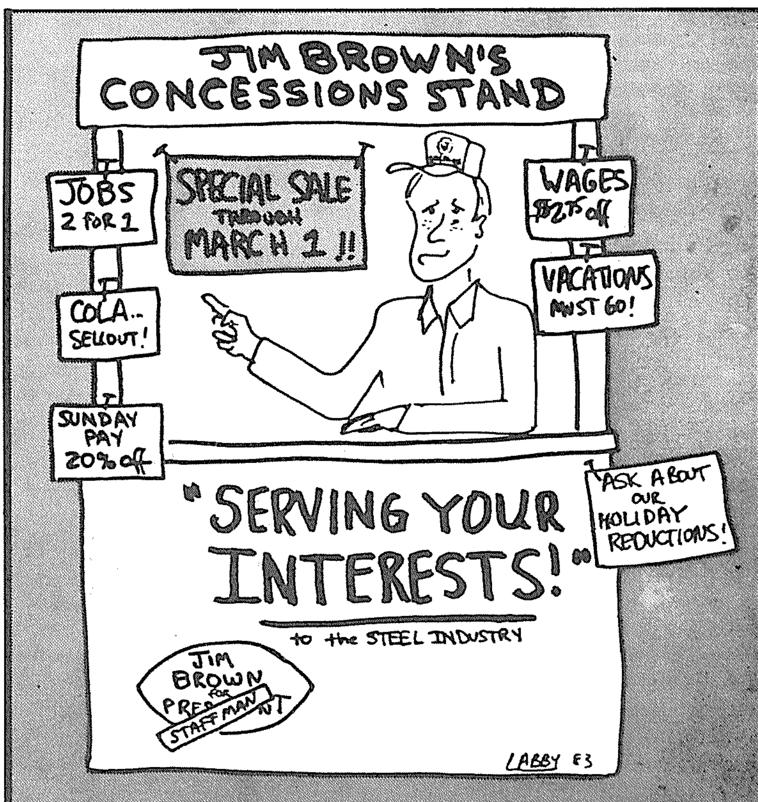
One of the most effective ways to resist concessions is to join with other locals to refuse to let the companies whipsaw one against another. Competition among workers is what concessions are all about. If the locals which are potential "competitors" refuse to play the bidding game, their employers have to turn to other ways of improving their competitive position.

A good example of cooperation which headed off concessions, at least for a while, is the case of the General Motors assembly locals in 1982. After national concessions were negotiated, GM made it clear that it expected to reap even bigger savings from givebacks on local work rules. The International union indicated its willingness to cut down on "ass time," as then-Vice President Owen Bieber called it. But the Lordstown, Ohio local called an unofficial meeting of representatives from GM's assembly locals. They discovered that GM's demands were similar across the country, and agreed not to undercut each other. The representatives demanded that the International union help them formulate a strategy for dealing with GM's demands and call an official meeting. When the International failed to do so, the local representatives met again, and sent a delegation to International headquarters. They got a promise from the International that locals would not be forced to make concessions, in spite of the fact that the new contract gave International representatives the right to take over from local officers if negotiations stalled.

The result was that most assembly locals maintained their old agreements, with no take-aways.

In 1982 U.S. Steel began going after its Pittsburgh-area locals with demands to cut crew sizes, combine jobs, and contract out. Many times the company implemented the changes unilaterally, and local grievance chairmen found the International not overly sympathetic to resulting grievances. Rumors began that the national concessions agreement U.S. Steel was demanding would gut language protecting crew sizes, and that the International would drop hundreds of job elimination grievances that were pending before an arbitration board.

Representatives of grievance committees from Pittsburgh-area



This cartoon originated in USW Local 1066, where the president, Jim Brown, favored making concessions to the steel industry. It spread to other locals, where it was copied with the appropriate president's name inserted.

U.S. Steel locals met to form an unofficial body called the Mon Valley Grievance Committee Council. They found that U.S. Steel was trying the same tactics at each local, and tried to come up with a joint strategy for resisting. The Council pressured local presidents, who have the right to ratify the national agreement, not to give away jobs by gutting work rules.

When a concessions contract with the steel industry was finally signed, it did not specifically address the issue of work rules. But U.S. Steel and the other steel companies continued to press for concessions in local negotiations. The Mon Valley Grievance Committee Council is continuing to meet to come up with a unified "Mon Valley strategy." One of its plans is to exchange techniques for fighting grievances. It has also discussed jointly sponsoring a demonstration against job elimination with the Mon Valley Unemployed Committee.

The locals in these examples went alongside or outside official union channels. But in many unions the structures exist—companywide councils, regional meetings, or national conventions—that could be used for cross-local communication about employers' designs. The task may be to overcome years of complacency in which all responsibility for communication has fallen on International staffers or officers.

In some large companies where several different unions have organized workers, the AFL-CIO has set up "coordinated bargaining councils." These hold conferences where locals can meet, and publish contract surveys which are helpful in negotiations. The AFL-CIO has a Coordinated Bargaining Department at its Washington headquarters to promote such inter-union cooperation. In some industries there are ongoing bodies made up of representatives from the different unions involved, such as the Conference of Cutting Tool Unions. If you belong to one local of many in a large company, clearly the time to begin looking into coordinated bargaining is long before the company drops a "concessions or closing" ultimatum on the table.

Unfortunately, examples of cross-local cooperation against the concessions offensive are few, as isolated locals have been pressured into competing. If concessions are not to continue indefinitely, the principle of cooperation and patterning may have to be re-established from the bottom up.

8. Encourage Labor Movement and Community Support

Some of the tougher battles against concessions have benefited by soliciting support from communities and from other area unions. This approach has required educating the community as to what the companies' demands mean and how a defeat for the local would affect them.

At WABCO, mentioned earlier, UE Local 610 turned to its friends in the labor movement. Its fight became a labor cause in the Mon Valley. Al Hart, who coordinated publicity for the strike, describes how the local spread its message:

> We had a very hard-working fundraising committee who sent letters to every local union we could get an address for, followed up with phone calls, and lined up plant gate collections. People from 610 did the collections in the Pittsburgh area.
>
> We also sent speakers to many local union meetings either before or after collections, and this helped spread the anti-concessions message of the strike. We went to IUE and UE meetings, and a lot of miners locals, and some steel.
>
> Our best speaker was the retired former President and chief steward, sort of a Serbian John L. Lewis. He told them, "What WABCO is doing to us, you better believe, brothers, your company is going to try to do the same thing to you next year." His other theme was, "When workers are in trouble, they have no one to turn to but other workers." When he finished the entire place would be on its feet.
>
> We also distributed thousands of "I Support WABCO Strikers" buttons. Locals kept calling to ask for more. Those yellow buttons became the anti-concessions "badge" in southwestern Pennsylvania.

Scores of locals donated money to the strikers; one nearby IUE local gave $45,000 and a UE local gave $17,000. A solidarity rally drew 2,000 union members and their families. Local 610 had painted its own fight against concessions as a bellwether for other unions.

Another fight against concessions which tried to build broader support was the Machinists' strike over work rules at Browne and Sharpe Manufacturing in Rhode Island. The IAM hired Ray Rogers, who had run the Clothing Workers' "corporate campaign" against J.P. Stevens. Rogers targeted Browne and Sharpe's largest creditor, the Rhode Island Hospital Trust Bank, and organized strikers to picket the bank's 20 branch offices every day. The campaign demanded the ouster of Browne and Sharpe's president from the bank's board of directors and threatened to go after the company chairman's cousin, Senator John Chafee, at election time. Community groups were organized to lend their support. IAM officials spoke on radio and television. The Browne and Sharpe strike was suddenly the number one news story in the state. Union members employed by the city of Providence withdrew their $28 million pension fund from the bank. The strikers' morale rose. Not one member was lost across the picket line during the eight weeks Rogers worked for the union.

Unfortunately, the "corporate campaign" wasn't begun until eight months into the strike, when the union already had its back to the wall. Rogers believes the strike could have been won if the corporate campaign had been started earlier and continued. "The time to begin your pressure and your reaching out is before you even go on strike," he concludes.

9. Strike—Or Be Prepared To

This book will not go into all the details of how to win a strike against concessions. Essentially such a strike involves the steps outlined previously plus maximum involvement of the membership.

Some unionists may feel that the strike option must be discarded during times of recession and high unemployment. In some cases, unions have reopened their contracts early specifically because they feared the company would win even greater concessions if the union struck at contract expiration. (The UAW with Ford and GM and the USW with the basic steel industry are examples.) It's certainly true that a strike is not always the wisest alternative. On the other hand, letting the employer know that the union fears a strike above all else does not add to its bargaining power.

Suffice it to say that while some anti-concessions strikes have been badly defeated (the Rubber Workers against General Tire, the IAM against Browne and Sharpe, the Food & Commercial Workers against Iowa Beef), there have been strike victories too: UE Local 277 against Morse Tool (a subsidiary of Gulf + Western), the IAM at Northwest Airlines, UE Local 610 at WABCO, UAW Local 259's auto mechanics against New York car dealers, Cleveland salt miners. At both Champion Spark Plug and Caterpillar Tractor, the UAW struck against profitable employers' concessions demands and won contracts better than others it had signed in these industries. At Eastern Airlines, management admitted that it was the IAM mechanics' clear intent to strike which caused the company to abandon its concessions demands and grant increases instead.

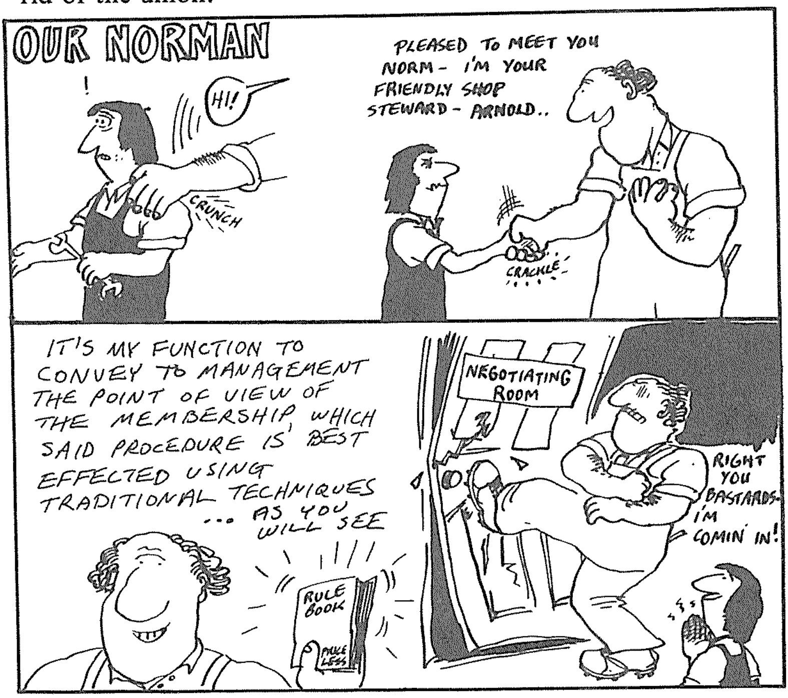
Perhaps the best example of a winning strike is the Canadian UAW's against Chrysler in late 1982. During the 1979-81 rounds of concessions the Canadian section of the union decided to bargain on its own rather than remain under one international agreement. The concessions had left workers in both countries $3.00 an hour behind their counterparts at Ford and GM.

When the contract expired, the union's negotiators in the U.S. reported that there was just no money there to recoup the losses. They brought back a contract with no upfront wage increase and with a drastic attendance control program. When U.S. workers voted it down by 70%, they recommended that bargaining be postponed.

The company, the union, and the media all sounded the message that a strike would be "suicidal." But the Canadian workers, who were bargaining on their own, struck anyway. The result, after five weeks, was an immediate $1.15 an hour wage increase. (U.S. workers then ratified a contract with a 75¢ raise.) The strike did not destroy the corporation, either, as some local officers in the U.S. had feared it would. In the first quarter of 1983, Chrysler made the highest profit in its entire history.

In any case, the list on either side of the question is not long. The strike option has not been worn out with over-use in the last few years. It remains a tactic to consider when employers' demands cause an impasse.

Another alternative is what used to be called a "slowdown strike." UAW Local 282 in St. Louis developed this tactic to a fine art.[9] In September 1981 Moog Automotive Inc., a parts supplier company, presented the 500-member local with a "final offer" that would have cut wages by $3 an hour. Moog—part of a multinational—was boasting record sales and making a 38% return on its investment. But it had also given indications that it wanted to get rid of the union.



Local 282 had a long history, but it was no stronger than the average union local. Its membership was diverse, including 30% women, many of them sole family supporters, and 40% blacks. The local and its advisors from the International worried that if they struck the company would recruit scabs from among St. Louis's 100,000 unemployed, and break not only the strike but the union as well.

But UAW Region 5 Assistant Director Julius Frazer recalled some inplant tactics that had worked at a Westinghouse plant in 1957. The union there had decided not to walk out but to battle management inside the plant. Local 282 decided to give it a try. The backing of their International and regional representatives was crucial.

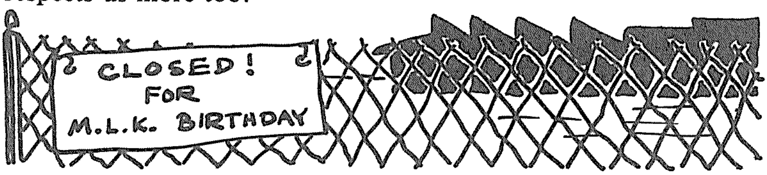
When the contract expired, all rules were off. Workers in every department were signed up for a "Solidarity Committee." Under the leadership of the committee, the Moog workers began to "work to rule," refuse overtime, hold union meetings on the plant floor during lunch, and take concerted action to directly confront management over health and safety and production problems right on the spot. Most workers gave a dollar a week to a Solidarity Fund to help workers who might be suspended or fired. "We developed our own strategy on handling grievances," says Mike Cannon, shop chairman. "Workers would all get together, turn off their machines, and walk into the supervisors' offices. The foremen would cry, 'Get back to work,' but we insisted on talking about the specific problem until it was resolved."

On January 15, Martin Luther King's birthday, almost the entire work force stayed home. By March, the union was calling regular noontime and breaktime rallies inside the plant. Three times it called plantwide "Solidarity Days" on company time at the union hall. Over 80% of the employees attended.

Moog responded by stepping up the discipline. One worker received a suspension and reprimand for allegedly turning off his machine two minutes before quitting time. He taped the reprimand to the back of his shirt. When the foreman told him he couldn't do that, 70% of the workers in the department taped reprimand forms to their shirts too. The next day, the foreman was transferred.

Finally, Moog capitulated. The workers ratified an agreement that gave them a raise retroactive to their contract expiration date, two more raises over three years, COLA, insurance improvements, Martin Luther King's birthday as a paid holiday, a special grievance procedure on health and safety, and total amnesty and back pay for every single one of the seven members fired and 43 suspended during the six months of the action.

Local 282 came out of its anti-concessions fight with not only a victory over takeaways but also a much stronger union. "If you asked me if we had mass participation in the union before," says Mike Cannon, "I'd have to say no. We had to build people up into this. We had our share of nervous Nelsons and Nellies. We had to have meetings every week, we had to educate people, they had to tell us what was going on in the shop. Now..." Cannon chuckles. "It's unreal. We're very strong now. They stick together a lot more. It's a place now that you don't mind coming to work, because you know the people are supportive. And the company respects us more too."



10. Take Legal Action

Options for dealing with concessions through the legal system are limited. It is legal for two parties to arrive at any sort of labor contract they wish, as long as it doesn't discriminate or pay below minimum wage. But unions and union members do have some enforceable legal rights which can keep the employer from railroading concessions through and which can make him live up to an agreement. Some recent court decisions indicate that it is a violation of a union contract for an employer to move work out of a shop simply because he doesn't like the terms of the union agreement. Since the threat of shutting down or removing work is the stick employers use to obtain concessions, anything that restricts that threat can be a very useful tool in resisting.

The laws governing relations among unions, employees, and employers are enforced by the National Labor Relations Board (NLRB), arbitrators, and the courts. The NLRB may issue a "complaint" against an employer and hold a hearing if it finds that the employer broke the law. The NLRB can also go to court for an immediate injunction against some practice of the employer's, pending its own hearing. A union may also, of course, take cases to arbitration and may go to court for an injunction pending arbitration. This is possible when an arbitrator's decision may come too late to do the union any good—shutting the plant gate after the work has gone, for example.

The following brief descriptions give an overview of legal rights in concessions situations or in cases where the employer wants to move work in the middle of the contract.

RIGHTS WHEN THE EMPLOYER SEEKS CONCESSIONS

1. *Refusal to re-open.* Unless there is express reopener language in the contract, the union may refuse to discuss contract changes in mid-agreement. The only exception under current law occurs when the company files for reorganization under the bankruptcy laws and obtains court approval to "reject" the contract. Then the whole contract is off, and the union may strike.

2. *Access to information.* If a company says during negotiations that it can't afford the union's demands (even if the union's "demand" is just to continue at the contractual wage rate), the union is legally entitled to see the employer's information which supports that claim. This might include anything from financial statements to tax returns.

If the company does not specifically "plead poverty," the union is still entitled to whatever information is necessary to deal with the issues on the table. If the union is demanding equality of sacrifice, for example, it could claim that it needs to know all of management's perks, including country club memberships.

In a case where the UAW sued one of Gulf+Western's subsidiaries, the company was claiming that it couldn't be competitive because of the high labor costs in its contract. The union asked for verification of competitors' labor costs and for management's studies of the feasibility of relocating to another site. The company refused to provide the information. The judge found:

> [The company] has asked its employee bargaining agent to agree to a massive cut in their wages and benefits upon a blind acceptance of the truth of its claims. Had the union's request been granted and had it been allotted time to do its own research, it could have intelligently evaluated the accuracy of those claims, and possibly have raised counter-arguments....The Union was entitled to the foregoing requested information.[10]

3. *Protected activity.* Like other union activity, distributing literature or otherwise arguing among your fellow workers against concessions is "protected activity" under the National Labor Relations Act.[11] You must, of course, be on your own time in a nonwork area. Neither the company nor the union may harass you for opposing concessions (although usually the NLRB will say that the union has violated the law only if its harassment amounts to threats of violence).[12] If you are discriminated against because of your activity against concessions, you should contact the NLRB.

4. *Following union procedures.* Union members may sue if the union does not follow proper constitutional or legal procedures for ratification of a concessions contract (or any contract). If ordinarily the membership has the right to vote on contracts by secret ballot at a ratification meeting, for example, the same procedure must be followed for a concessions contract.[13]

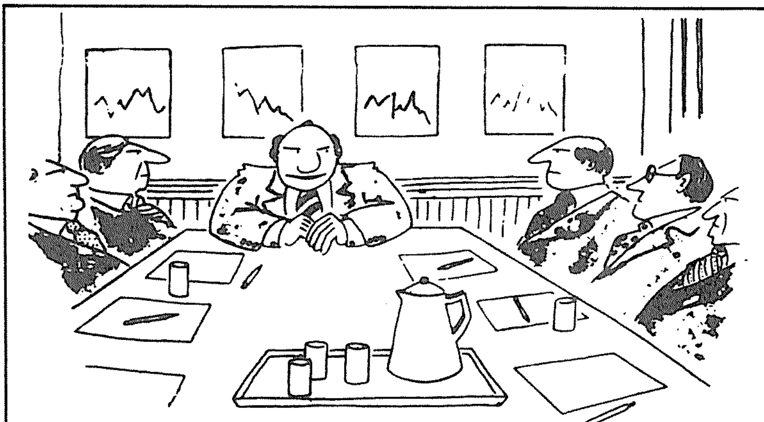
At John Morrell & Co., a meatpacking firm, one local union signed a concessions agreement with the company although expressly forbidden to do so by the UFCW International. The local was part of a master agreement with Morrell covering 10 plants, and the contract said that the International was the exclusive bargaining agent. When the International went to the NLRB, the judge ordered Morrell to pay the local's members back pay, with interest.[14]

5. *Damages for concessions.* If a company makes a specific promise in exchange for concessions, and then breaks that promise, the union may be able to recoup the money it gave up. Singer Co. extracted concessions on holidays, breaks, and pensions from IUE Local 451 in the spring of 1981. In exchange the company agreed to invest $2 million to restructure the plant and to use its best efforts to obtain defense contracts. It did neither. In February 1982 it announced that the plant would be closed by the end of the year.

A district court judge found Singer liable for breaching its contract; eventually the company was ordered to pay $3.5 million to the 673 workers who were employed on the date of the concessions contract. The average settlement was over $5,000 per person.

It should be noted that Singer's promises were in writing and were unconditional, that is, they were not contingent on an upturn in sales, winning a particular order, or any other factor.[15]

6. *Implicit union agreement to concessions.* The NLRB has seemingly upheld the right of employers to bypass the union and negotiate wage cuts individually with employees if the union acquiesces. Many trucking companies have coerced employees into signing pay cut deals, without objection from the Teamsters union.



'Of course what we're doing is wrong, but that doesn't make it indefensible.'

When individual workers attempted to bring unfair labor practice charges against their employers, the Board ruled that even if the union did not formally agree to the concessions, it tacitly agreed because it knew about them and took no action against them.[16]

On the other hand, when a company has unilaterally imposed concessions and the *union* has protested, the Board has ordered the company to repay the money.[17] The NLRB does not want to interfere in the collective bargaining relationship between the company and the union as an institution. Clearly the message here is that if workers want to fight concessions through the legal system, they must get the union behind them.

7. *Successor clause.* Many contracts contain a "successor clause" stating that if the company is sold the same union contract will remain in force. In such cases the new owner can't unilaterally force concessions.[18] (Often, of course, a prospective buyer has avoided this pitfall by demanding union givebacks as a condition of the sale, as at bankrupt McLouth Steel in 1982.) Even if the contract has no successor clause, the successor company still must bargain with the union, although it does not have to agree to the old contract.

RIGHTS WHEN A COMPANY THREATENS TO MOVE WORK

1. *Using the contract.* Contract language is legally enforceable and can be used to retain work if it is explicit enough. For example, Brewery Workers Local 770 in Peoria, Illinois negotiated the following clause expressly to protect its work jurisdiction:

> The company shall not reassign any work presently being performed by employees covered by this agreement, to other personnel to do such work who are not in the bargaining unit at this plant or other facilities...

But Pabst closed the Peoria plant and moved the work to Milwaukee. When Local 770 filed a grievance, the arbitrator took the clause seriously. He said that either Pabst had to reopen the Peoria plant and give the laid-off Local 770 members back pay, or negotiate with the union over the damages caused by its violation of the contract. Not surprisingly, Pabst chose the second option. When the parties could not reach an agreement on damages, the arbitrator ordered the company to pay each worker 17 days' pay for each year of service, and to provide health insurance and pension funding through the date when the contract would have expired. The total amount was about $20 million. For a worker with 20 years' seniority, the severance pay just about compensated for the wages he would have made if the contract had remained in effect.[19]

2. *Using the NLRB.* Several recent court decisions have limited a company's right to move work out of the bargaining unit in the middle of a contract just to escape negotiated labor costs. The effect of these rulings is that the employer has a contractual obligation to pay the specified wages and benefits for the duration of the contract. If an employer moves work to a cheaper location, or threatens to, the union may file an unfair labor practice charge at the NLRB, charging violation of Sections 8(a)(5) and (d) of the National Labor Relations Act. In several cases unions have won injunctions forcing companies to bring equipment back and even to pay laid-off workers back wages. The importance of these cases to resisting concessions is that without the threat of moving the company is in a weaker position to force concessions down a union's throat.

In *Los Angeles Marine Co.*, the company shut down its unionized division and moved all the work to a non-union division 50 miles away, although a contract with the Teamsters was still in effect. A federal district court found that the company had "repudiated" the contract, and that such a repudiation was not excused because the employer "was motivated solely by economic necessity." L.A. Marine was guilty of an unfair labor practice, and the workers in the closed facility were granted reinstatement and back pay.[20]

In a similar case, the Bohn Heat Transfer Group, a division of

Gulf + Western, demanded big concessions from UAW Local 1271 in Danville, Illinois. Otherwise, it said it would move equipment to a Kentucky plant which had offered a lower wage rate. A court found that the employer had withheld information about the relocation and had failed to bargain in good faith. It granted an injunction against the removal of work.[21]

Detroit labor attorney Ellis Boal has suggested that the effect of these and similar rulings could be roughly summarized as "Contract—work," the converse of unions' old rallying cry, "No contract—no work!" Unions should fight for the principle that an employer may not turn a contract into a dead letter by removing the work the contract is supposed to cover. Such a principle would be a major encroachment on traditional management prerogatives.

Business Week reports that employers are worried about the implications of these recent rulings. One management attorney advises clients to say they're moving for some other reason besides labor costs, or to wait until the contract expires.[22] Companies may try to get contract language which specifically gives them the right to move work. In April 1983 a division of the conglomerate Textron in Racine, Wisconsin demanded language giving it the right to transfer work to its non-union North Carolina plant at any time. The company was even willing to grant a wage increase to win this language, but the members of UAW Local 556 chose to strike instead. They won a clause limiting the number of jobs that could be moved to 22 (out of 350).[23]

Even if the company wants to move for a reason other than avoiding higher labor costs, it must still bargain with the union over the decision to move, in many cases.[24] However, some management attorneys say that the company can satisfy its bargaining obligation by merely announcing its decison to move as "tentative" and giving the union a chance to offer concessions. In any case, a company is always legally obligated to bargain over the *effects* of moving work, such as severance pay or recall rights for laid-off workers.

The law on union rights in such situations is changing. See Chapter 6 for a summary of recent developments, and consult with an attorney to assess your local's situation. If you want to contact the National Labor Relations Board, look under "U.S. Government" in the phone book. There are 52 NLRB offices around the country.

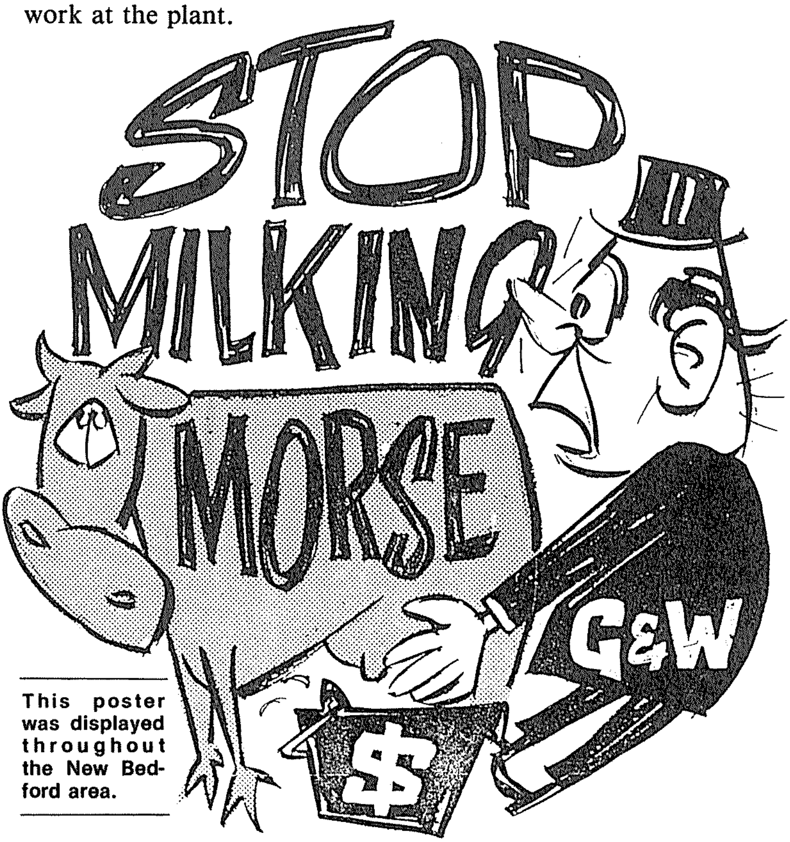
A Case Study in Resistance

The story of United Electrical Workers Local 277 at Morse Tool in New Bedford, Massachusetts illustrates many of the anti-concessions strategies described above. The Morse workers defeated a giant conglomerate, Gulf + Western. This is particularly remarkable because G + W had a corporation-wide concessions drive going, which was successful at many of its other plants. The Morse case reads like a textbook on how a union can defeat concessions.[25]

Gulf + Western bought Morse Cutting Tool in 1968. Over the years the company took the profits it made at Morse and invested them elsewhere, neglecting maintenance and modernization in New Bedford. At the time of the strike the plant was 116 years old; some of its equipment was over 100 years old.

In 1981 the UE formalized a long-held position by adopting a convention resolution against concessions. The same year, G + W decided on its company-wide offensive against the 26 unions which represented its employees. "We may have to scrap a lot of the agreements," said Board Chairman Charles Bluhdorn at a stockholders' meeting.

Local 277 began educating its members about concessions in preparation for its contract expiration in May 1982. It used literature from the district and International UE offices, and disseminated information at membership and stewards council meetings. It drew up flyers. It pointed to examples of plants that had taken concessions and still moved South. Six months before the contract expired, President Rod Poineau halted all overtime work at the plant.



This poster was displayed throughout the New Bedford area.

One G+W plant which did work similar to Morse Tool's had already given concessions. In Elk Rapids, Michigan, UAW members took a $2.70 an hour pay cut in November 1981, on G+W's promise to give them some of Morse's work. When G+W moved six machines from New Bedford, Local 277 filed an unfair labor practice charge against the company with the National Labor Relations Board.

Meanwhile, Local 277 was making other preparations. It contacted the Industrial Cooperative Association, a Boston group which researches companies' financial conditions for unions. The ICA had the skills to determine what shape Morse was in. The union knew that management was letting its equipment run down and mismanaging the plant. It knew that Morse workers weren't paid more than other workers in the cutting tool industry. It wanted to know the facts behind management's claims of inadequate profitability and shrinking market share.

The ICA found that in the last five years G+W had invested less than $800,000 in new equipment for Morse, compared to over $5 million in the past three years by one competitor, and over $1.5 million in four years by another. It also found that wages and benefits at these two New England competitors were better than at Morse.

Bob Spears, G+W's head bargainer, who had been involved in concessions talks at two other plants, didn't claim that Morse wasn't making money. He said that its 5-6% profit was inadequate, that the investors needed 25%. Spears wanted wage and benefit cuts of $4.40 an hour. Otherwise, he said, Morse would move out of New Bedford. The company's final proposal included a $1.90 an hour wage cut, loss of six days off, loss of two weeks of vacation for those at the maximum, loss of dental insurance, loss of medical insurance for early retirees and laid-off workers, limits on breaks, mandatory overtime, elimination of severance pay for retirees, changing the piecework rates, a three-year wage freeze, restrictions on the chief steward, and a management rights clause. Local 277 was the most militant of G+W's manufacturing locals, Spears said. He was out to eliminate the pain from that "thorn in our side."

The local was willing to bend a little on the management rights clause. Rod Poineau said the union would stipulate in writing that the company owned the plant. Other than that, they would not give in to the demands. In fact, they had some demands of their own, including a 7.4% wage increase. The union took a strike vote. The result was 415 yes, 7 no.

Ten days before the contract was to expire, Local 277 held a luncheon and press conference. Over 100 community, labor, political, and religious leaders attended. They heard the ICA presentation. The study raised the possibility that G+W's disinvestment would leave the Morse plant hopelessly out of date.

CITY OF NEW BEDFORD

IN CITY COUNCIL

May 13, 1982

WHEREAS, The future of Morse Cutting Tools is in serious jeopardy; and

WHEREAS, During the last two decades, Morse and almost all the major plants in New Bedford were bought by conglomerates and now are run by people outside our City; and

WHEREAS, No community can ever achieve economic security when these conglomerates are able to buy up plants, drain them and then close down without regard to the local area; and

WHEREAS, The results of a recently published study concerning Gulf & Western's investment and management practices show strong evidence that Gulf & Western is disinvesting from Morse and raise serious questions about the company's intentions of continuing to operate here; and

WHEREAS, Morse Cutting Tools is the first and oldest cutting tool business and has been a major employer for the City of New Bedford for more than a century; and

WHEREAS, Morse also has provided taxes for our City, payrolls to local merchants, and is a strong asset to the economic health of our community; and

WHEREAS, The reputation of Morse Cutting Tools continues to be very good and the long-term outlook for the machine tool business is strong and expanding.

NOW, THEREFORE, BE IT RESOLVED, That we do everything possible within the jurisdiction of the City Council to insure Morse Cutting Tools will survive in New Bedford under the present or alternate ownership.

BE IT FURTHER RESOLVED, That we call on Gulf & Western to state their plans for future investment to make Morse competitive and keep it a viable operation - and to assure jobs for our community.

Councillor Kruger on behalf of United Electrical, Radio & Machine Workers of America, Local 277

President of the City Council

The community leaders knew that in the last two decades almost all the major plants in New Bedford had been bought up by conglomerates with no concern for the area's industrial base. Losing the Morse plant would mean losing 500 more jobs and a consequent loss of tax revenue. The union people knew that a defeat for Local 277 and a lowering of area wage rates would not bode well for them.

Local 277 had set the stage for turning its battle with G + W from a defensive struggle to maintain wages into an offensive struggle over the company's investment policies. Instead of resenting the Morse workers' $8.32 wages (higher than most New Bedford industrial workers'), the community was rallied to defend its citizens' jobs.

Two days before the contract expired, the local released an impressive list of members of a "Citizens Committee to Support the Morse Workers." It included union leaders, politicians (including city council members, state senators and a U.S. Congressman), clergy, and leaders of community and senior citizens organizations. When the contract expired May 7, both the local and the community were ready.

A further display of support came from unions across the country. Local 277 is part of a multi-union Cutting Tool Conference. The conference passed a resolution supporting the Morse strikers and vowing to "participate in demonstrations, rallies and other methods of support until such time as the companies withdraw their uncalled-for concessions demands." Later, locals of the various unions at G+W began communicating informally.

A week into the strike, the local brought 150 strikers to a New Bedford City Council meeting. The Council passed a resolution expressing its grave concern about G+W's disinvestment and calling on the company to state its plans for future investment to keep Morse viable. The Massachusetts Senate and House of Representatives passed similar resolutions.

The local began a petition campaign calling on G+W to modernize Morse. Strikers took petitions and leaflets to plant gates, to city festivals, to churches and shopping malls. They made posters which showed Morse as a "cash cow" being "milked" by G+W. The posters and petitions were displayed in store windows throughout the area.

The local also made sure to cultivate the press. As a result, the strike got good coverage in local and Boston papers, as well as articles in *Business Week* and the *Wall Street Journal*. The policemen's union supported the strikers, as did the Attorney General. The only notable public official who remained neutral was the mayor of New Bedford.

Of course the strikers themselves were the backbone of the strike. The local organized strike activities so as to maximize membership participation. Although Morse did not try to run scabs, strong picket lines were up every weekday. Weekly rallies were held at the plant, and a biweekly strike newsletter was sent out. Strikers were organized to leaflet, petition, poster, and solicit donations.

The local had a speakers bureau and a strike kitchen which provided breakfast and lunch to everyone who worked on the strike. Although there was no strike pay as such, groceries were distributed weekly. Assistance was offered in hardship cases. Local officers made home visits to talk to members about strike-induced problems and to deal with any "back to work" sentiment before it got started.

Also crucial was the strong backing the local received from the UE International, which assigned staffers to assist.

The local received material as well as moral support from the community. It distributed $4,000-$5,000 worth of food every week, some purchased at 10¢ a pound from a local Food Bank. Local businesses gave food; a church donated its kitchen. Several locals took up plant gate collections.

Local 277's reputation as an activist local stood it in good stead. The local had often joined other unions' picket lines. Now Rod Poineau asked to address other unions' meetings—and was kept busy doing so.

After 13 weeks G+W gave in. It withdrew its concessions demands, and the membership ratified a 33-month agreement with modest wage, pension, and insurance improvements.

Later, in March 1983, the unfair labor practice charge the local had filed over Morse's removal of work to Elk Rapids was settled. Morse agreed to bring some new jobs, part of a new product line, into the New Bedford plant. There was also a cash settlement for the workers affected by the removal of work.

One of the main things UE Local 277 had going for it was a tradition of militancy and organization on the shop floor. Its members were accustomed to standing up to the company. But the local also came up with new and creative tactics.

Unions often feel that "public opinion" seems to sympathize with management's plight, buying the myth of the "greedy workers." But Local 277 turned the situation around. In New Bedford, public opinion was: "How dare this conglomerate treat our community this way?"

When the Union Favors Concessions

The tactics outlined above are things a local union can do. But what if the local leadership favors concessions? Much of the same advice applies to those out of office, although they will probably have fewer resources to employ. An existing caucus or an ad hoc committee against concessions can put out educational flyers and raise alternatives. They can circulate petitions, organize to bring supporters to a membership meeting, and, if a takeaway contract is proposed, campaign against it. They can insist that the membership be kept informed.

They can let the media know that there are dissenting points of view in the local by writing letters to the editor or even holding a press conference. If they are in a position to attend union conventions or regional meetings, they can find out from other delegates what other companies in their industry are up to, and how *their* locals are responding.

It isn't easy to out-argue and out-organize the union leadership. Local or international leaders who were convinced that concessions were the right course have sometimes refused to take the membership's "no" for an answer. They have come back for a second or even a third vote. But opposing concessions has still had its benefits. Some examples:

In June 1982, negotiators for the Carpenters union in northern California recommended reopening their contract with the employers association. Their proposal would have given up a scheduled $1.50/hour raise, reduced overtime pay, and eliminated the Carpenters' every-other-Friday-off provision. In the Bay Area, a group called "Concerned Carpenters" held a meeting in the union hall and organized members to leaflet and poster at job sites. They held a picket line at the union hall. The vote was 5-1 against the contract in the Bay Area and 56% no overall. Although the membership later voted yes on less severe concessions, the "Concerned Carpenters" got credit for sweetening the deal.

In 1982 Teamsters Local 337 in Detroit began holding votes on a wage freeze for workers at the big grocery chains. The membership had not been informed of any negotiations and there was no discussion in the local. An opposition caucus, Teamsters for a Democratic Union (TDU), tried to stop the "quickie" votes. TDU member Jerry Bliss, who is secretary-treasurer of the local, urged the president not to reopen the contract. He granted an interview to the *Detroit Free Press* in which he explained TDU's demand for informed negotiations. TDU put out a leaflet successfully urging a no vote at two companies, although two other companies had already voted yes.

After the no vote at his company, Bliss was fired—apparently with the cooperation of a Local 337 business agent—for "making untrue statements to the media." Though Bliss later got his job back, the local held new votes and eventually got the wage freeze ratified at all the Detroit grocery chains. But TDU's opposition to the local's "keep voting till you get it right" methods enhanced its standing in the local and improved its position for the next elections.

At Ford's Chicago Assembly plant, the local union leadership negotiated heavy concessions in exchange for a supposed lifetime employment guarantee for 80% of the work force. Local officials held meetings for each department to push the package. But many members walked out of the meetings. Individuals wrote up their own leaflets, copied them and tacked them up or handed them around—something which had not happened before. Since it was election time, all three of the opposition slates came out against the proposal. In spite of the officials' backing and a media campaign for the proposal, the workers voted no by a 4-1 margin. Although the International union promised to help renegotiate an agreement that the membership would approve, International reps privately say the agreement is dead. And the local officials agree.

Opponents of concessions are in a tough position when they must go up against their International union. In almost every case, national contract concessions favored by an International union have eventually been ratified. In each of the examples cited below, those who opposed concessions were able to stop them temporarily, do a good deal of education, modify the losses, or lay the basis for future communication and activity.

Teamster activists at United Parcel Service began preparing early for the 1982 contact. The "UPS Network," organized by Teamsters for a Democratic Union, met in the fall of 1981. They mapped out demands and plans for a petition campaign. Then UPS, which had made record profits in 1981, said it wanted a wage freeze, COLA cuts, and pay cuts for new hires of $3-$4 an hour.

Convoy-Dispatch, **the newspaper of Teamsters for a Democratic Union, printed the salaries of the 53 Teamsters officials who made over $100,000 and received 100% cost-of-living protection, while the union's largest contracts all contained wage freezes.**

The network held scores of contract meetings and passed out 10,000 copies each of seven contract bulletins. Thousands of copies were reprinted by UPS workers in various locals. The network received a thousand calls or letters wanting help or information during its campaign.

Many local officials also opposed the contract. They reportedly voted it down at a national meeting, although then-President Roy Williams ruled that it had passed. At least a dozen locals recommended no votes; one passed out protest letters for members to send to the International.

Under the IBT Constitution, it takes a two-thirds majority to reject a contract. The opposition got 47.4%. But at least partially due to the opposition, UPS workers got a 25¢ COLA increase which had been "diverted" in the Master Freight contract settled a few months before. And the UPS Network tripled in size. Many UPSers joined TDU during the course of the campaign, and TDU is putting out a periodic bulletin for UPS workers. The network is now in a far better position to combat the introduction of UPS' new productivity schemes.

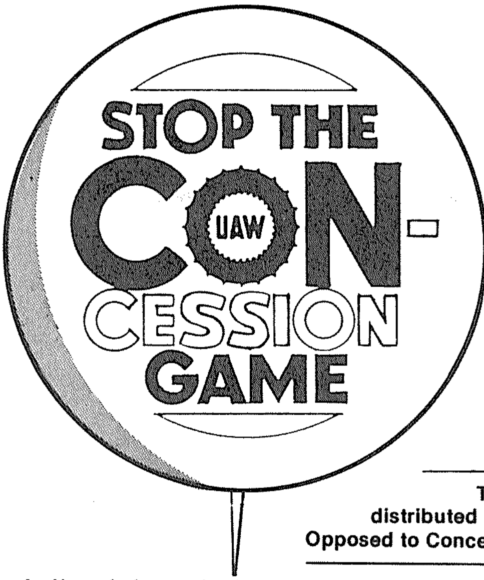
Of course, in most unions, no such ongoing organization exists. Most efforts to reject concessions recommended by an International have been more ad hoc. In the Steelworkers, a number of locals organized against concessions, although no national grouping was formed. Local 1010 in East Chicago, Indiana put out a four-page newspaper supplement which it sent to locals around the country and which was widely reproduced. In Pittsburgh, unemployed committee activists organized laid-off workers to oppose concessions.

The International's November 1982 proposal was turned down by a vote of local presidents, 231-141. Afterwards, officials representing 40,000 members in the Chicago-Gary district circulated a petition against "one-sided concessions that would reduce wages and eliminate jobs," and held a press conference to make their sentiments known. In the Pittsburgh area, District 15 local presidents then met and adopted an identical resolution. Iron ore miners in Minnesota held mock votes on the contract and turned it down overwhelmingly.

The presidents finally said yes to concessions—it was the industry's third proposal—at the end of February 1983. Although the contract was still a big step backwards, the opposition had succeeded in moderating the losses. Industry analysts estimated that the concessions in the November contract were worth \$6 billion, compared to \$2-\$3 billion for the February ones. The final contract also contained a better deal for laid-off workers and an early retirement provision.

At General Motors, opposition to concessions began when the International first began reopener talks. About a dozen local presidents, using the name "Locals Opposed to Concessions" (LOC), held a press conference in Detroit. LOC included both long-time dissidents and presidents who had previously supported the International's policies. LOC printed up arguments against concessions for a meeting of the union's GM Council. The meeting was to decide whether to continue talks; only 57% of the votes were in favor. The International did not consider this a mandate, and broke off negotiations. LOC had won a reprieve.

But after concessions at Ford, GM renewed its demands. When the bargaining committee brought back a proposal, LOC immediately printed up an eight-page analysis, which took apart the



This button was distributed by UAW Locals Opposed to Concessions in 1982.

"breakthroughs" and showed what members would lose. LOC sent the analysis out as widely as it could. In some plants local officials or rank and filers reproduced it themselves. Most plants where the analysis was circulated voted no. The final vote nationwide was only 52% in favor.

With a well-reasoned analysis, a relatively small number of activists managed to cohere the rank and file sentiment against concessions that already existed. If LOC had had a little more time and resources, concessions might well have been defeated at GM.

Making the Best of a Bad Deal

Sometimes, no matter what the union does, the employer will be stronger and the union will have to make concessions. The local may find itself isolated because every other union in its industry has already taken cuts. The union may make an assessment that the company *is* ailing and a strike would put it out of business. The leadership may not be able to convince the membership that concessions won't help—or vice versa. If concessions seem inevitable, there are ways to make them less painful. This section will outline some steps a union can take to lessen the impact of concessions and keep a retreat from turning into a rout.

One crucial point is that even if the union ultimately gives in to some or all of the employer's demands, it is better off to put up a fight than to go into bargaining already resigned to concessions.

One small UE local, for example, wound up accepting a one-year wage freeze at a plant in western New York. But because of the attitude it took toward the negotiations, bolstered by the International union's firm position against concessions, it was able to avoid the two-year wage freeze the company was demanding, and win some improvements besides.

One of the UE organizers who assisted the bargaining committee explained the union's position:

> It has to be explained to the membership from the start that this is a difficult struggle and we may not win, but that we must fight in order to get any kind of "compromise" at the end. In this situation, the company came to us in the spring asking for an extension of the old contract with a two-year wage freeze. We rejected that, but we knew that they would be coming back at us when the contract expired in the fall.
>
> The company had two other plants that had accepted wage freezes, practically unconditionally. Throughout negotiations we fought tooth and nail against a wage freeze, but couldn't get them off it. We figured that it was going to take a strike of four to six months *minimum* to get anything out of this company, and even then they might decide to junk this plant. And given the terribly bleak economic condition of the area, our membership was not geared up—financially or emotionally—for a long, possibly futile strike.
>
> So, ultimately we had to swallow a wage freeze for one year, but we were able to get a wage increase and two COLAs (with a cap and a minimum guarantee) the second year. We also won several important job security provisions: contractual obligation for the company to put in a $2.7 million expansion that they were considering, a 17% cap on future layoffs, extended recall rights for those already laid off, better notification in case of plant closing, a stronger successor clause, and restriction on use of summer temporaries.
>
> This was by no means the best contract this local ever negotiated. But two points should be made: (1) I think that if we had struck, this company would've shifted work to their other plants, much of it permanently. This $2.7 million expansion will at least give this old, run-down plant a new lease on life. Without it, my feeling is that the shop wasn't going to last very long.
>
> (2) It's clear that neither the second-year wage increases nor the job security items could've been won without the fight we put up. Through that fight, we were able to improve the terms of the final settlement—despite the fact that the bargaining climate and the economic situation were both working against us.
>
> We may have lost the battle, but we lost it on far better terms than we would have without a fight. And it's just a battle we lost—we're still fighting the war.

As many unions have discovered, it is difficult to win anything positive when the main dynamic—the concessions dynamic—is in the other direction. Whether the union can get anything positive out of a concessions situation will depend on how adamant it is and to a great extent on the history of its bargaining relationship with the company.

Nick Builder, who is manager of the Clothing and Textile Workers Joint Board in Alabama, is a veteran of concessions bargaining with several small, ailing textile companies. He says, "Unless the company is afraid you're going to strike, you won't get much in the way of counterconcessions."

If concessions are made, the union should take the attitude that they are a temporary loan. The union should expect its loan to be repaid, just as the company would pay any other creditors. Again, of course, this is a question of power—and making concessions does not put the union in a powerful position. Bearing in mind that the best antidote to concessions is "no concessions," here are some suggestions for keeping the union's position from eroding too far:

1. *Make the contract short, or include a re-opener.* What if the company recovers from its troubles while workers are locked into a three-year wage freeze? The reopener should not be contingent on a particular level of sales, profits, or anything else. At the Gurney Manufacturing Co. in Prattville, Alabama, for example, ACTWU has a one-year contract with a reopener every three months.

2. *Get a clause that keeps the books open permanently, with the union's right to challenge management's fiscal decisions.* Ninety licensed practical nurses, members of Hospital Workers District 1199, won such a clause from the Branch County Community Health Center in Coldwater, Michigan. The nurses took a one-year wage freeze, but also established a 12-person committee to meet monthly with management to oversee the books. They may bring the union's accountant to the meetings and may go to the community when they disagree with management's expenditures.

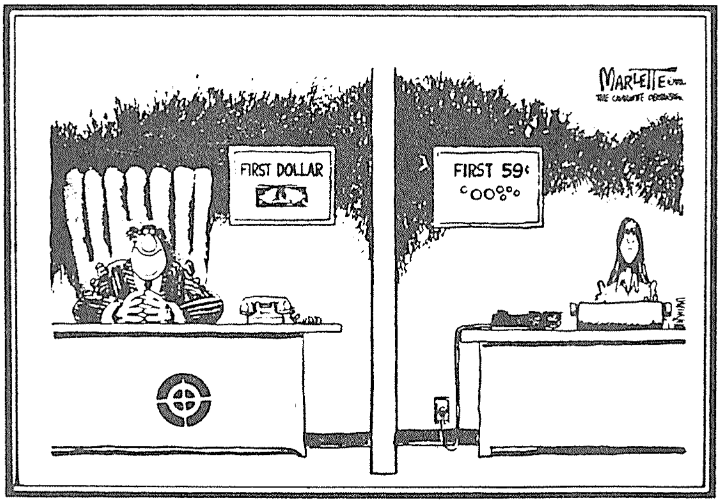
3. *Insist on automatic recovery of wages and benefits given up.* For example, the Association of Flight Attendants at Western Airlines took a 10% wage cut at the beginning of 1982. The company agreed that if negotiations on a new contract weren't completed by the end of the year, all rates of pay would "snap back" to their original levels on January 1, 1983. American Motors agreed to repay all the money its workers gave up, beginning three years later, with 10% interest. (Repayment of the entire amount is not automatic, however; there are two formulas for calculating the payback amount, based on profits and sales.)

If COLA is given up, it should be reactivated for the last quarter of the contract, so that next time you're negotiating to keep something you have, instead of to win something new.

4. *Don't allow concessions to affect the lowest-paid members disproportionately.* SEIU Local 285, which has a number of public employee contracts in Massachusetts, has a policy of negotiating either a percentage raise or a certain dollar figure, whichever is greater for each classification. This means that its lowest-paid members—who are mostly women and minorities—get a greater percentage increase than higher paid workers, and the gap between highest and lowest is narrowed somewhat. The same concept could

be applied to concessions. If the company is demanding a certain amount of money, distribute the cuts so that everyone takes a 10% cut, for example, instead of an across-the-board 50¢ an hour.

5. *Continue efforts to eliminate discrimination in hiring, upgrading, and placement, including affirmative action programs.* Employer policies which segregate women into the lowest paid jobs, or minorities into those with no chance of advancement, are based on discrimination, not on the employer's economic health or lack thereof. There is no excuse for letting a concessionary atmosphere lull the union into turning a blind eye to discrimination.



It may be possible to press for programs which lead to upgrading for the lowest-paid, such as "career ladders." For example, it costs a hospital little to encourage its own dietary and housekeeping workers to apply for technician jobs, rather than training new workers off the street.

6. *Demand "equality of sacrifice."* Builder says that cuts for management and other salaried employees should be a condition for even discussing concessions. Unfortunately, many so-called equality of sacrifice clauses stipulate only that any pay *increases* given to non-union employees will also go to union members, rather than specifying equality in decreases. USW Local 2659, however, got bankrupt McLouth Steel to agree to stop paying laid-off management personnel 60% of their salaries, when it first made concessions in 1982.

7. *Demand that supervisors be laid off in line with worker layoffs.* There is no convincing argument in favor of having two foremen watch three pipefitters. In some concessions contracts the company only agrees to discuss this issue with the union. But USW Local 2659 got a 27.5% cut and freeze in the number of supervisors.

8. *Demand more paid time off in exchange for wage concessions.* This is not feasible for production jobs, but it has happened for some public service workers; public employees in Detroit and Oregon got it. The catch, of course, is that when the worker comes back from his or her day off, the work is still there to be done. If the worker doesn't suffer, the "public"—the recipients of the services—will.

9. *Negotiate severance pay,* if you think the plant may well fold in spite of your concessions. An IAM local at Ingersoll-Rand in Jamestown, New York agreed to extend its contract for one year. In exchange, the company agreed to severance pay for the first time.

10. *Put "non-cost" items on the table.* There are, of course, no true non-cost items from the company's point of view: anything that whittles away at its right to manage unhindered is ultimately a "cost." And in these days of "deregulation," management is more determined than ever to have a free hand. However, there are items which don't involve an immediate expenditure of company funds which some unions have negotiated.

These include: improved rights to transfer to other plants, extended recall rights for those on layoff, better plant closing notification, correction of seniority imbalances, notice to the union before subcontracting, freeze on subcontracting, and the right to play radios in the plant.

An example will illustrate the difficulty of winning significant new language when the main business at hand is givebacks. At Chrysler, workers have five "Paid Absence" days which they can use for illness or other casual absences. But often the company counts one of these PAA days as an *unexcused* absence, even while paying the worker for it. It was a very sore point with the membership. The union's shop level representatives proposed to the national bargaining committee for the 1979 contract that PAA days should be automatically excused. It would not have cost the company a penny, but it would have cut down on harassment. Instead the bargainers came back with a clause that made it *more* difficult for workers to be excused for PAA days.

Finally, we come to the sorts of counterconcessions which are mostly just a gleam in a union member's eye. It would be nice to report that unions have won job guarantees or guaranteed investment in exchange for concessions. Unfortunately, the realities of power relationships mean that unions have not been able to walk backwards and forwards at the same time.

The closest any union has come to job guarantees in exchange for concessions are the no-layoff clauses included in a few city contracts. In some of these cases, the city got the concessions by specifying exactly how many workers it would lay off if concessions weren't ratified. The mayor "came with a layoff slip in one pocket and a ballot in the other," as a Detroit bus mechanic put it.[26] These clauses do not stem job loss from attrition.

Some unions have won temporary guarantees against shutdowns. The UFCW's master agreement with the pork industry contains an 18-month moratorium on plant closings, for example. It does not, however, prevent companies from closing down the entire plant except for one department. Nor have companies been willing to make investment commitments they would not otherwise have undertaken, in return for concessions.

These sorts of breakthroughs will require a union offensive. Chapter 5 will discuss in greater detail the issue of bargaining over investment as an offensive strategy for the labor movement.

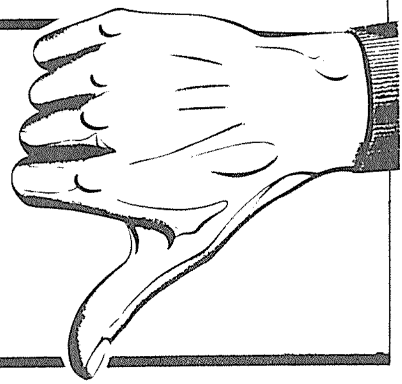
Summary

The most important lesson to be drawn from unions' experience with resisting concessions is that you can't wait for the crisis. Much of what a union needs to do to resist concessions is best done long before the demands are on the table. This includes building the confidence of the membership and developing trust between the leadership and the rank and file. It also includes strengthening ties with the community and with the rest of the labor movement. If the union has supported other groups in their hour of need, its fight against concessions is more likely to win support.

To summarize:

1. Keep up to date on the state of your employer's business, particularly any changes that could mean disinvestment.
2. Demand substantiation of the employer's claim to need concessions—open the books.
3. Don't reopen the contract.
4. Educate the membership about the state of your industry, what concessions fever means for the labor movement, and what effect concessions would have (or not have) on the employer's health, the union's health, and paychecks and working conditions.
5. Present an alternative to the employer's demands—whether it's just refusing to reopen the contract, or demanding investment in modern equipment, or raising the idea of conversion to a more salable product.
6. Develop ties to unions at other plants to avoid competing with each other for jobs.
7. Let the employer know you're willing to strike.
8. Take your case to the community and to the area labor movement. Show how it is in their interests to support your fight.
9. Check out possibilities for legal action.
10. If you're forced to make concessions, make them short-lived, recoverable, and equitable. Demand whatever benefits you can in return.

A Policy for the Labor Movement



It is clear from experience thus far that it is much easier for a local union to stand up to its employers' concessions demands when the International is backing it up. The United Electrical Workers, the International Woodworkers, and the Machinists (IAM) have all adopted no-concessions policies.

The Machinists found that having this policy slowed the erosion of their local contracts. The IAM is a rather decentralized union. When it became apparent that many local lodges and districts were signing concessions agreements, the union's Executive Council discussed the problem. A letter went out from the union president to all local and district lodges and to International representatives in October 1981. It instructed them that if employers demanded takeaways they should:

> Insist upon documented proof *first*, that any claimed losses actually exist; *second*, that such losses in one division or plant are not offset by profits or tax write-offs elsewhere in the corporate structure; and *third*, that any concessions in labor costs by our members be matched by reductions in such other production costs as interest, energy, materials and transportation.
>
> The Executive Council of the IAM pledges to provide as much support as possible to any local or district lodge determined to fight this latest effort to destroy our union and impoverish our members with job blackmail.

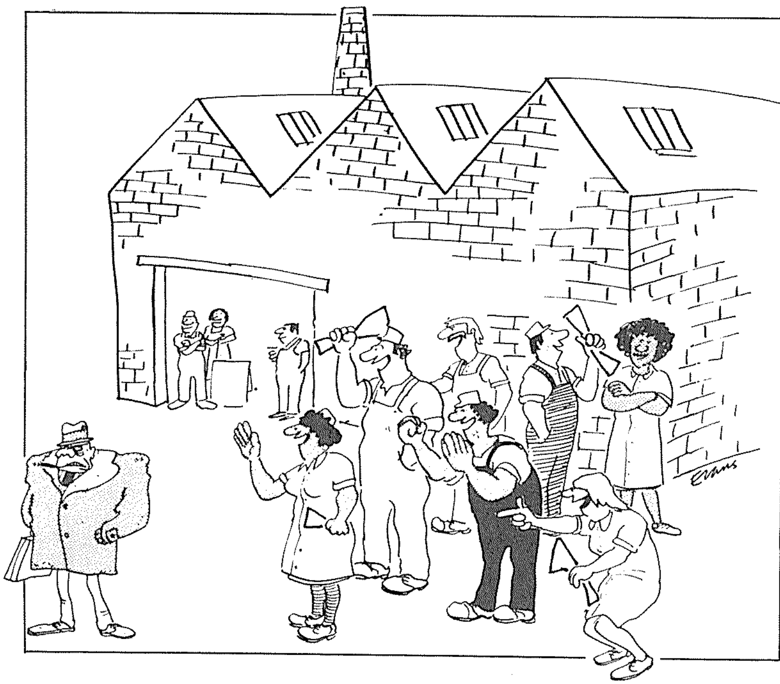
Later, the policy was strengthened. A June 1982 letter said,

> You are now instructed to notify your territorial General Vice President any time an early reopener is demanded by an employer under IAM contract. You are further instructed to notify both the territorial General Vice President and the International President *before* any concession agreements are submitted to your membership for ratification.

The policy does not mean that IAM members have taken no backward steps in their contracts. But it has given a guideline for what a responsible IAM representative should do. "Before the policy was issued," says District Lodge 115 Organizer Eric Hoffman, "we had vague guidelines but we didn't really have an approach. In lots of cases we have multiple contracts with the same company—different contracts locally negotiated. Some BA would sign a concessions agreement in one unit and the other units would find themselves in a lot of trouble.

"The policy shook a lot of people up. And it put a lot more backbone into them. Now a lot of BA's go into negotiations and start off with, 'We don't concessions bargain. It's the position of our union.' "

If one union's stand can keep its contracts from slipping, we can assume it would make an enormous difference if all the unions in a city, or in an industry, or in the nation, adopted a unified "no concessions" policy.



The Canadian Labour Congress (CLC) adopted such a policy at its May 1982 convention. For many unions the convention's action was a reaffirmation of a policy already held. Even though the CLC did not adopt a specific plan to implement the policy, just adoption of this "pledge in blood" not to break ranks made a difference. For example, right before the United Steelworkers in the U.S. reopened the Basic Steel Agreement and took a big cut, Quebec Cartier Mining, a subsidiary of U.S. Steel, demanded a 5% wage cut and a freeze on COLA. The workers, whose contract usually reflects the Basic Steel Agreement, voted 93% against the proposal. Similarly, in 1982 the Canadian UAW ended up with better contracts, though they did make concessions, than Ford and GM workers in the U.S. And Canadian Chrysler workers went on strike to recoup concessions losses even though their counterparts across the border had voted not to.

Unfortunately, the CLC's policy proved ineffective against the federal government's imposition of wage guidelines, which limited its employees to 6% and 5% raises in the next two years (in the face of 11% inflation). The CLC felt it did not have the strength to call for the general strike which the convention had threatened if guidelines were imposed.

Adoption of any policy at all on concessions, even a mild one saying concessions are the fault of the employers' greed or of Reaganomics, seems unlikely for the U.S. labor movement. American unions are traditionally very cautious about seeming to interfere in each other's affairs. They do not criticize each other's contracts unless they're competing in an organizing campaign.

An illustration: some representatives to the coordinated bargaining subcommittee of the AFL-CIO's Industrial Union Department wanted to discuss the concessions phenomenon. Representatives of other unions—those which had made the most concessions—argued against even talking about it. Finally a meeting was scheduled for January 1983. "I've been to less productive meetings," said one participant, "but I'm hard-pressed to say when." Several unions' representatives did not show at all. The meeting turned into a recitation of horror stories with a "Can you top this?" theme. Strategies for resisting concessions were barely mentioned.

Short of a national policy, adoption of policies for particular industries can be pursued. The Conference of Cutting Tool Unions, for example, adopted a resolution to "do all we can to resist concessions in any form." If the many unions in the conference were able to make that resolution stick, the companies would find it a lot harder to cry "competition!"

Some local unions have won strong support from the local labor movement for their anti-concessions fights—at Morse Tool and WABCO, for example. But these were after the fact, after the employers had already come gunning.

In order to keep the employers from picking such fights, the labor movement needs more than a defensive strategy. To begin pushing the balance of power back the other way, labor needs to go on the offensive. Chapter 5 will take a look at what the elements of such a strategy might be.

5 AN OFFENSIVE STRATEGY FOR THE LABOR MOVEMENT

Unions have resisted concessions and sometimes defeated them. But the employers' concessions fever won't be broken easily. Even if concessions become less visible in an improved economy, the underlying causes of the employers' drive for concessions are still there. The labor movement is presented with a choice. It can accept the philosophy of partnership between management and labor, in the hope that strong employers will share their wealth with cooperative unions. Or labor can rebuild its strength, ally with other social movements, and pursue an offensive strategy to shift the balance of power in its own favor.

Because the problems facing the labor movement are so huge, the tendency is to see the solution solely in legislative terms, requiring action from the federal government. Legislative action is indeed necessary. Many creative ideas are circulating in the labor movement about how to address the underlying problems of the economy. These range from plant closing legislation to "industrial policy." But we also need to discuss how we are to get from here to there. How is the labor movement going to gain the *power* to see that such programs are implemented?

Rebuilding Labor's Strength vs. the Employers

If industrial relations were an arm wrestling match, labor's knuckles would now be approaching the table. Labor's first task is to win back its lost clout in the bargaining arena. But to defeat concessions and to deal with such economic trends as computerization and internationalization, the labor movement needs to overcome its own disorganization and disunity. Here are some elements of a strategy to do that:

1. A United Stand Against Concessions

The first step in getting organized is to say no to the employers' offensive on concessions. Labor will not be able to achieve the rest of its agenda as long as it demonstrates its weakness by systematically caving in at the bargaining table. A labor movement-wide policy opposing concessions—with teeth to back it up—should be adopted by the AFL-CIO, its affiliates and unaffiliated unions. A national policy against concessions would help to prevent employers from pitting workers in one area against those in another.

2. Power on the Shop Floor

A topic seldom addressed in grand strategies for the labor movement is what the rank and file union member does *on the job.* Yet organization at work is the basis of all other union power. A union which has a living presence on the job is a union which has the active involvement of its members. And those members have a sense of themselves as unionists, with obligations to protect their conditions. They aren't just passive consumers of services they've "bought" with their dues.

Despite their many shortcomings, the AFL craft unions had on-the-job authority in their early days. It was considered good union policy, for instance, to refuse to work when the foreman was watching. And the desire to establish union power on the job, much more than wages, was the basis of the militant CIO organizing drives. The CIO unions were first of all the tool with which their members curbed management's arbitrary authority over working conditions, promotions, and firings.

But that sort of daily power has atrophied to an alarming degree. "The union" to many workers means only some seldom-seen officials they turn to when they have a problem.

This book contains a number of examples of how some unions have strengthened shop floor organization. The case of UAW Local 282 at Moog Automotive, described in Chapter 4, is probably the most powerful example.

Ideas for strengthening shop floor power are limited only by members' creativity. Unions can revive old traditions like "a steward for every foreman," even if such arrangements are not officially recognized by management. Or, if "quality circles" are being introduced, the union could try to counter this pro-company version of shop floor organization by getting circle members to function as watchdogs for union principles.

IAM Local 2699 in Albany, Georgia wrote into its contract an innovative way to involve members and to curb management intrusion on the shop floor at the same time. Every time a local member catches a supervisor doing bargaining unit work, the company is fined $100, which is donated to charity.

A strong shop floor organization not only makes coming to work more enjoyable, it also lays the basis for improving the type of contracts that can be won, increases the membership's perception of their power in society, and increases their commitment to the union's social and political goals.

3. Coordinated Bargaining

Unions need to re-establish the principle that companies cannot compete on the basis of labor costs. Coordination could take several forms:

- Cross-local stewards' networks within a company can exchange grievance strategies and try to take common stands against management's tactics. The Mon Valley Grievance Committee Council, made up of shop floor representatives from U.S. Steel's Pittsburgh-area locals, is an example.
- International unions can take responsibility for seeing that their locals are not engaged in a bidding war with each other or with the locals of other unions. Internationals must ensure that their policy is to bring the lowest up to the highest, not vice versa.
- Cross-union coordination is necessary because of the rise of conglomerates—with many unions and many industries represented within the same corporation. At the least, unions can exchange information about what the company is doing at its different locations. Even better, they can press for common expiration dates and a pattern agreement, or even a master contract.
- Cooperation on an international scale can begin to deal with the growing power of multinationals. International federations already exist for workers in metalworking, chemicals, food and other industries. These bodies hold international conferences which share information about bargaining. They have had some limited success in supporting strikes. Union representatives from particular multinational companies have also met through these bodies. Their role could be expanded to create formal bargaining alliances. They should also support union drives in unorganized plants in Asia and Latin America.

International cooperation does not have to start at the top. When Renault, a France-based multinational, bought a large share of American Motors, two stewards at AMC's Wisconsin plant took up a collection and made a trip on their own to France. They were welcomed by French unionists. The French were eager to make contact with their new "co-workers," and had not been able to do so through official channels. One of the Americans was placed on the Secretariat for Renault workers.

Eliminating international competition among workers by bringing substandard overseas wages up to par sounds more than difficult, especially in the face of growing nationalism. American unions, in particular, have tended to make the Japanese the scapegoats for all America's ills. But in the long run a policy that leads towards international cooperation will prove more fruitful than workers in each country trying to eliminate competition through protectionist measures.

4. A Commitment to Women Workers and Minority Workers

To many the leadership of the labor movement seems to wear a "For White Men Only" sign. Women and minorities are far from being represented in proportion to their numbers. Unions need to make overcoming discrimination a priority, not the last item on their agenda. They should educate any members who feel threatened when women or minorities make gains. During World War II, white workers sometimes walked out of the defense plants when black workers were hired. The UAW told its members it would let them be fired if they refused to work with black workers. The International also expelled Southern locals that refused to admit blacks. Unions today need to take a similarly tough stand, rather than bowing to the fears of their most conservative members.

Besides making greater use of the talents of their minority and women members in leadership positions, unions should adopt these two bargaining priorities: affirmative action to recruit more minorities and women into the better-paying jobs and to preserve their gains when there are layoffs, and "equal pay for comparable worth" to bring women's traditional jobs up to decent pay levels.

5. Organize the Unorganized

The concessions offensive could not have been as successful if a larger proportion of the work force was organized. The existence of the low wage and largely open shop Sunbelt is a club over the heads of "over-paid" Frostbelt workers. Employers in traditionally unionized industries—coal, rubber, meatpacking, electrical, trucking—have begun to open non-union subsidiaries or to shift production. New technology is also shrinking the numbers employed in labor's traditional strongholds. This decline in union membership is likely to continue unless the labor movement begins some aggressive organizing.

Organizing the unorganized is also one of the most important ways for the labor movement to make a commitment to women and minority workers. There is a direct connnection between labor's declining influence and its failure to organize women. A big majority of the growing numbers of clerical and service workers—largely women—remain outside the union fold. An organizing drive that focuses on women—which could be done in conjunction with women's organizations—is key to labor's hope to represent a majority of the work force.

Similarly, one of the biggest reasons the South and the Southwest remain largely unorganized is divisions between white and minority workers. A major commitment to organizing these areas is needed—much more than the testing-the-waters efforts which have been started recently. Such a drive by its very nature would have to speak to the aspirations of black and Latin workers, at the same time that it built unity with white workers.

6. Organize the Unemployed

Mobilizing unemployed workers is one way for the labor movement to resurrect the philosophy that it represents all working people, not just those who are union members at a particular moment. Showing that unions are concerned about the unemployed will help them to organize new members, too. In the Machinists' District 115 on the West Coast, the union is keeping track of its unemployed members. If they find new jobs in non-union shops, the union intends to recruit them to be in-plant organizers.

Unemployed organizing can help to revitalize labor's flagging spirit. Already in a number of places the unemployed have displayed a militancy that the rest of the labor movement would do well to copy. (As one poster put it: "Don't mess with folks who've got time on their hands!") Organizing that began with self-help projects like food banks has progressed to confronting politicians and trying to force government action on jobs and benefits.

Unions should also remember that having the unemployed on their side makes it harder for employers to recruit strikebreakers.

7. Revitalizing the Union's Internal Life

The above tasks require the active participation of the union's membership. The problem is not so much one of overcoming membership "apathy," an often-heard complaint. Rather, mobilizing the membership requires a kind of internal union life different from that practiced by many unions today. Apathy is inevitable if the union is run from the top, with little membership involvement in decision-making. Ways must be found to make the average member feel that the union is as much his or hers as it is the union officers'.

One example of a structure which both brings more democracy to union functioning and also strengthens the union vis a vis management is the stewards council. Bodies such as these can include representatives from every department and have policy-making authority on in-plant questions.

The union's newspaper or newsletter can also play a key role in the local's internal life. Besides offering news, the paper can be a forum for contending points of view. It should encourage debate on the important issues facing the union—such as "should we make concessions?"

It takes more than just meetings to make members want to get involved. Scott Molloy, president of a city bus drivers' local in Providence, Rhode Island, lists some examples of how his local keeps the membership active:

> We have lots of committees, a committee for everything, and make sure they all function. We offer two types of labor studies, where we send members to classes on campus and where we bring speakers into the union hall. We're putting together a labor film series. We put a lot of emphasis on union pride: we have union hats, T-shirts, buttons. We marched in the Fourth of July parade with our T-shirts. We involve the families in our social events and outings, and the retirees. We've set up a wives' auxiliary (almost all our members are men). And we have a union band that writes its own songs.

This local union defeated concessions demands in its last contract negotiations.

Another idea is the old tradition of "flying squads"—a group of members which takes responsibility for running the local's picket lines, and which helps out other striking locals too.

Many times the idea of reviving a union's internal life is not well received by incumbent officers. Some office-holders prefer a situation where the rank and file is seen, but not heard. So members who want to stop the erosion of their union's power may have to begin by organizing to select new officers who have the same goals.

Offensive Strategies for the Bargaining Table

It is hard to imagine breakthroughs into new areas when the labor movement is reeling from concessions. But it's still true that the best defense is a good offense. The labor movement needs some ideas of its own for saving jobs, and those ideas shouldn't be limited to a legislative program. Here are a couple of "offensive" ideas, one old, one new, which could be pursued at the bargaining table.

A Shorter Work Week

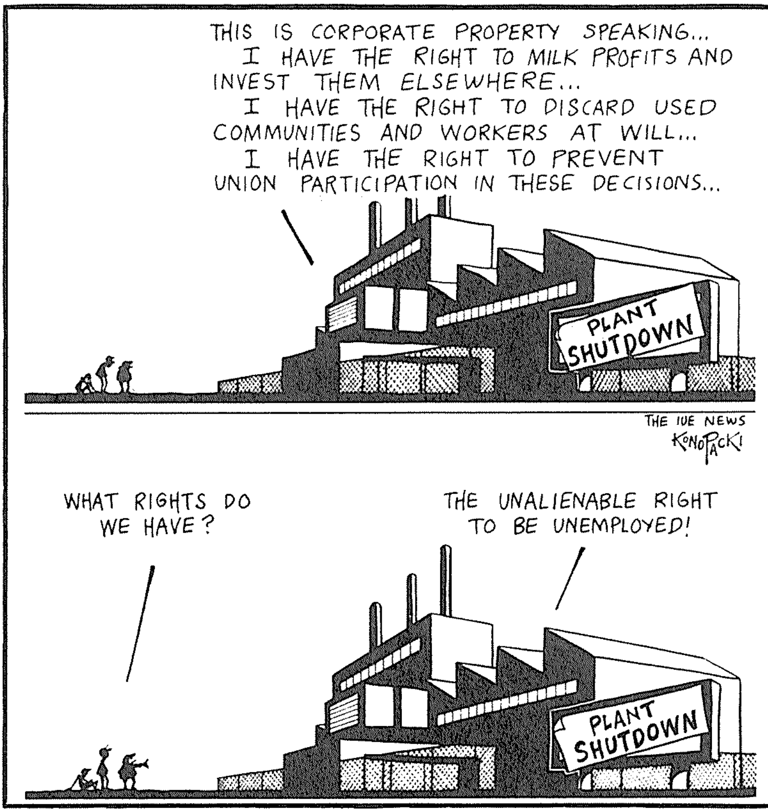
In many industries, the introduction of new technology means that the only way jobs can be preserved is by spreading the work around. Unfortunately, unions gains on shortening work time have been among the first to go during the concessions offensive.

The "CERP" program mentioned in Chapter 4 would be an innovative way to link new technology with saving jobs. Under this plan, every time a technological change eliminated a job, a portion of the money the company saved would be credited to a "CERP Fund." These savings would then be used to fund job-creating programs like personal holidays, and to encourage early retirement, which would create job openings. The CERP program also stresses union rights in shaping technology. It calls for "data stewards" and for union technology committees that can bargain over, alter, or veto proposed technological change. And it proposes a "safe seniority date": after working at a company for a certain number of years, the worker would be immune from layoff.

Bargaining Over Investment

Because it's newer, we'll devote more space to the idea of contractual guarantees about investment.

Generally speaking, unions have accepted and acknowledged, through management's rights clauses, the employer's absolute right to select the products to be made, the amounts and methods of production, and the location of facilities. Recently, however, in response to the trauma caused by plant shutdowns and robotization, the idea that there should be some limits on management's absolute right to manage has gained currency in the labor movement. Union control of pension funds and plant closing legislation are both examples of ideas that encroach on management prerogatives. Given the political climate, however, dealing directly with manage-



ment to get contract language may be a more practical way in the short run for unions to approach this issue.

For example, a union could demand that management spend a specified amount of money to upgrade equipment, with union participation in determining how the new equipment will affect its members' jobs. It could demand that the company investigate new product lines or customers. It could demand that the company expand existing facilities rather than build a non-union plant. Clearly these ideas would entail serious modification in most management rights clauses.

There are not yet very many examples of successful bargaining over investment to point to, but the following are some examples that move in that direction.

• IUE Local 461 in Elizabeth, New Jersey got the Singer Co. to agree to the following clause:

> The company will invest two million dollars in restructuring the facility to make more efficient the production facilities for the manufacture of industrial sewing machines. The Company will within 30 days initiate the necessary procedures to implement the restructuring plan.

> In addition, the Company will continue to devote emphasized attention to the procurement of defense work compatible with the plant's machine shop capabilities and has the potential for profitability (sic).

Note that the language includes a specific deadline for management to act. It would have been stronger if it had specified what the restructuring was to consist of. Singer failed to live up to its contractual obligation and a court forced it to pay $3.5 million in damages for violating the contract.

- In February 1983, 53 workers at the Groov-Pin Co. in Ridgefield, N.J. won some control over capital movement. UE Local 417 struck for 18 weeks against the company's 45 takeaway demands and its threat to run away to Georgia. The resulting agreement barred Groov-Pin from moving out any additional machines

CONTRACT LANGUAGE VS. PARTICIPATION IN MANAGEMENT

A distinction should be made between bargaining over investment and "participation in management." A couple of unions (the UAW at Chrysler and the Air Line Pilots at Pan Am) have been granted a seat on the company's board of directors in exchange for economic concessions. The Rubber Workers and the UAW at Ford now have the right to address the board annually. Some unionists have hailed these moves as a step toward union participation in decision-making. But how such "participation" will prevent plant closings, runaway shops, and the like is a mystery. Unless it is forced to, the board has no reason to make its decisions on any criterion besides profitability.

What's worse, union participation in management puts the union in the position of helping to make the company profitable. Participating in management transfers the union's loyalties from fellow workers in other companies to its own individual employer. Once the union accepts the logic of helping to save its own company from the economic crisis, it is primed to compete with workers at other companies.

Bargaining for contract language, on the other hand, is not an open-ended commitment to participate in management. It involves getting a certain decision or procedure which is advantageous to the union written down in the contract, as part of a continuing adversarial relationship.

Bargaining over investment does have pitfalls. If the union does not have a united strategy with unions in the company's other plants, it could be merely bargaining investment away from them and into its own operation—competition again. Clearly a coordinated bargaining strategy is just as necessary to this type of bargaining as to any other.

There remain, however, several advantages to putting investment decisions on the bargaining table: it puts forward an alternative to concessions and creates a constructive image for the union (as the UE did at Morse Tool); it challenges management rights from an independent position; and, if successful, it may improve job security.

or work if the move would cause any job loss at the New Jersey plant. It also prohibited the company from increasing the number of workers at its Georgia plant to do work previously done in New Jersey, as long as UE members were on layoff. The local had also filed an unfair labor practice charge with the NLRB against the company's removal of four machines to Georgia. The contract stipulated that the company would add four new machines in New Jersey within two weeks, in exchange for the union dropping the NLRB charges.

• Of course, not all "bargaining" need be done at the table. When a Philadelphia plant, Landsdown Steel and Iron, began looking at sites in Tennessee and West Virginia in 1982, Steelworkers Local 6348 mounted a campaign to convince the company to stay. The campaign included picketing a stockholders meeting, enlisting the support of a local Congressman, getting widespread media coverage, and getting help from the Delaware Valley Coalition for Jobs. The union also contacted labor leaders and community activists in Tennessee and West Virginia, who sent statements that they did not want to steal jobs from Northern workers—especially at non-union rates. The Landsdown case is perhaps not entirely typical because the board of directors was split on the question of moving. The Philadelphia partisans finally carried the day.

Similarly, the Morse Tool workers also raised the question of investment in a very public way, demonstrating that it is an issue that not only the union membership but also the community can rally around. (The Morse workers did not, however, win any commitment from the company to change its investment policy.)

See Appendix B for model language which commits a company to a specific modernization project.

> ***"The basic issue is one of power, not technology. We're trying to prevent management from using technology to wrest control of the work process away from workers on the shop floor."***
>
> —Knut Arne Sanden, Norwegian Metalworkers Union

• Another crucial area of investment that unions should be concerned about is the introduction of new technology. Union encroachment on management prerogatives in this area is far less advanced in the United States and Canada than it is in Europe. In the U.S. fewer than 20% of union contracts have any language dealing with technological change. Most bargaining on the subject has been limited to the issue of job security. European unionists have been more successful at dealing with the whole range of issues raised by technological progress. Steve Early, an organizer for the Communications Workers, reports:

> European trade unionists view employer attempts to use new technology to "de-skill' and downgrade jobs as part of management's traditional strategy of purposeful fragmentation or division of work tasks into their smallest parts so that each can be assigned to less-skilled, lower-paid workers. "In our new technology bargaining, we always keep one thing in mind," says Knut Arne Sanden, an official of the Norwegian Metalworkers. "The basic issue is one of power, not technology. We're not trying to prevent technological change or innovation. We're trying to prevent management from using it to wrest control of the work process away from workers on the shop floor."[1]

Thus European unions have negotiated contracts, usually locally, which include some or all of the following: advance notice; access to information necessary for bargaining; protection against income loss due to lower pay scales for automated jobs; shorter work time; retention of installation, maintenance, and programming work in the bargaining unit, often requiring upgrading of union members' skills; and protection against the harmful health consequences of video display terminals. In Norway, a general agreement between Norwegian management and labor gives workers a veto over any technology scheme they believe will have adverse consequences.[2]

In this country some unions have won advance notice requirements. The best is the Communications Workers' agreement with the phone company for six months' notice of the introduction of new technology. Others have won clauses which either require the employer to negotiate over technological changes or set up permanent joint committees.[3] General Electric's 1982 contract requires it to pay any workers who are displaced by automation their old rate for 26 weeks. In a few instances unions have agreed to the introduction of new technology but curtailed management's right to use it for monitoring workers' performance. UE Local 610 agreed to let management install a computerized system in which workers would punch in and out at their machines when they began and finished each job. But the contract guarantees that the data gathered won't be used to time-study jobs or discipline workers.

The Machinists have developed a "Workers Technology Bill of Rights," which the union is pursuing legislatively. The IAM has also written model contract language on this subject (see Chapter 6).

Bargaining over investment is in its infancy in this country. It is possible to imagine unions extending the concept beyond modernization and new technology to broader goals. Unions in a stronger labor movement could demand that companies convert to more socially useful production or to production which offers more job security. Shipbuilders Local 5, for example, described in Chapter 4, is trying to convince General Dynamics to convert its shipyard to produce a more stable line of goods.

Bargaining over investment decisions will not solve all the labor movement's problems. But it can be one way of limiting the devastation caused by management's right to move capital wherever it pleases. And it can help to build labor's confidence and power for broader fights to influence government policy.

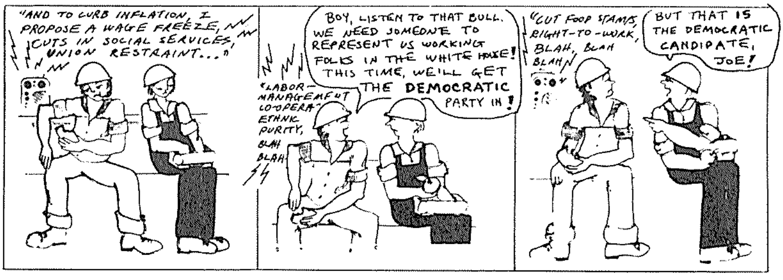
A New Political Strategy

The magnitude of the problems facing labor makes it clear that the unions need a new political strategy for making changes at the national level. Labor's old strategy of seeking to gain influence in the Democratic Party is less effective today than ever.

As the employers have become more aggressive against the labor movement in the economic sphere, they have also opened up a political offensive. It is no secret that most Democrats are as dependent on corporate Political Action Committee (PAC) contributions as are Republicans. Labor was unable to get the relatively mild Labor Law Reform bill, which would have made organizing easier, through the Congress in 1978—and this was when both houses of Congress and the Presidency were controlled by the Democrats. So it should be no surprise that the Democratic Party has not responded to the economic crisis by more aggressively defending working people, minorities, the poor, and others who vote for them. Instead they have adapted their own policies to what they perceive as the conservative political climate.

It was argued earlier that a union needs to maintain an independent position in labor relations, rather than getting sucked into "cooperative" schemes with management. Similarly, the labor movement would be in a far stronger position if it declared its independence from those same employers in politics. It is hard to convince politicians who are beholden to employers' interests to vote with labor.

Labor needs to take the lead in creating a new, independent, anti-



corporate political party—a labor party.

The United States is the only Western democracy without a political party based in the labor movement. And it is the only Western nation without the social programs which these parties have been able to win, such as national health insurance. (There is one other exception—South Africa.)

The example of Canada is useful here. The Canadian sections of U.S.-based international unions are active in the New Democratic Party, Canada's labor party. The NDP has not yet won a national election, though it has governed in some provinces. Its actions are not above criticism. But Canadian unionists say that apart from the legislative gains they have made through the NDP, just the existence of their own independent voice gives the labor movement as a whole more confidence. The results show up in the Canadians' firmer stance against contract concessions, for example.

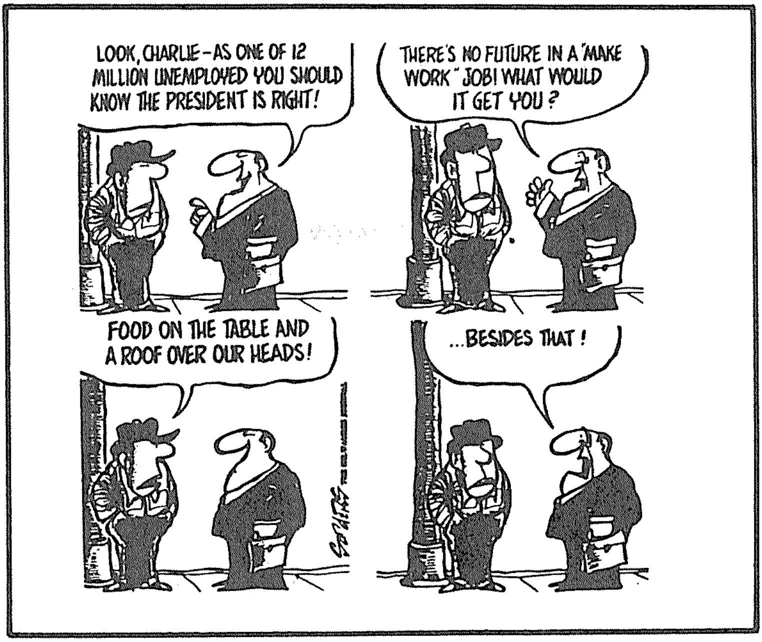
The Bureau of Labor Statistics uses the category "discouraged worker" to refer to those who have given up looking for work. Similarly, there are millions of "discouraged voters" who are not likely to be re-energized by more of the same old faces or a purely defensive battle against Reaganism. An independent, anti-corporate party could inspire new loyalty, new activism and new hope.

But such a party would not belong to the labor movement alone. It would need to be based on a coalition of those who stand to lose by a continuation of the nation's current economic policies. Besides labor, such a coalition should include the minority communities, the women's movement, the peace movement, environmentalists, and senior citizens.

Labor needs other active social movements merely to accomplish its own goals. Without a feeling of change in the air, without an example of others willing to fight city hall, union members aren't likely to be inspired to organize the unorganized or to reach out to other workers in a spirit of solidarity rather than competition.

Too often, organized labor has been seen as just another "special interest," whose political agenda is separate from, or even opposed to, that of these other groups. The labor movement can overcome past divisions between these natural allies by pursuing a political program that benefits them all. The following points form a legislative agenda which the labor movement and other social movements could agree upon:

1. Corporate rulers seem bent on maintaining permanently high unemployment. Labor should demand a **massive public jobs program**. Some unions are already advocating a 1930s-style WPA program. The government's involvement in employment need not stop at public works, however. The government should be prepared to take a permanent role in providing jobs if the private sector cannot. In addition to rebuilding our crumbling infrastructure—roads, bridges, sewers—the government should take over the production



of goods and services which the country needs. Prime examples are the railroads, low-cost housing, and retraining for displaced workers.

2. Management has greatly increased its ability to move its production quickly to wherever it can make a short-term gain. Labor should demand a **national policy to prevent plant shutdowns and halt the flight of capital abroad**. Steps in this direction are not considered outlandish in other countries. In West Germany, for example, no plant may close without a permit from the government; any relocation or transfer of work must also be approved by the government.[4] Legislation could also end the vast array of tax breaks and other government programs which actually encourage companies to invest overseas.

Plant closings projects are attempting to win legislation in many states. Many of these use the model developed by the Ohio Public Interest Campaign (OPIC) in 1977. OPIC's model bill provides for advance notification of shutdowns, severance pay, continued company-paid health insurance, transfer rights, a lump sum payment to the community, and studies to facilitate redevelopment.[5]

Such legislation has not yet passed in any state. Even if it does it will require continuing pressure to back it up. Wisconsin, for instance, is one of two states with a law requiring 60 days' advance notice on closings. But the state government refuses to enforce it.[6]

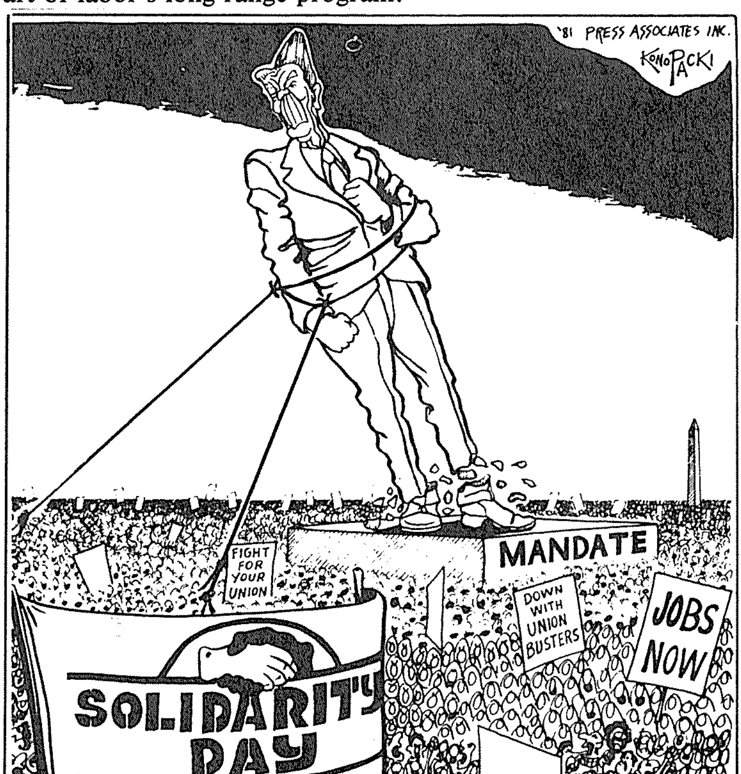
Difficult as such legislation is to win at either the state or the national level, it still does not prevent management from moving its operations. It can only slow such moves down a little and make them more expensive. The labor movement should also challenge management's right to make business decisions detrimental to workers and communities.

An example is the lawsuit brought by Youngstown steelworkers to prevent U.S. Steel from closing its mill there. The workers argued that by investing their lives in making steel, they and their community had earned a "property right" in the steel business.

Finally, some industries may have to be rescued from the companies which currently control them. Jack Metzgar of the Midwest Center for Labor Research argues:

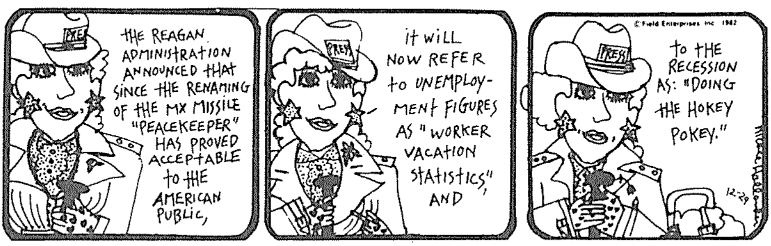
> The steel industry is not the steel *companies*. The industry is *the total collection of material, capital and human resources which are engaged in making steel*. . . Though the *industry* desperately needs money to invest in a thorough modernization, whatever money the *companies* get is as likely to end up helping them get out of the industry as it is to help the industry. . . . What is needed is a comprehensive program to save the industry from the companies and to protect the only people who have a direct stake in that industry: steelworkers and steel communities.[7]

The country cannot afford to see certain industries abandoned because their present owners don't find them profitable enough. Nationalization of industries in which we all have a stake should be part of labor's long-range program.



3. The government appears to have adopted a policy of "malign neglect" toward minorities. The black unemployment rate is twice that for whites. Labor should demand that the government **enforce affirmative action** instead of trying to overturn it. Of course, as mentioned above, the labor movement does not need to wait for government action, but can also demand affirmative action clauses in its contracts with employers.

4. Reagan and his allies in the New Right are not even willing to see women's equality mentioned in the Constitution. At the same time that women are joining the work force in record numbers, they are told that their place is in the home. Women's wages reflect their status as "not really workers." Labor should demand that undervaluing and **underpaying "women's jobs" should be regarded as illegal sex discrimination**. Again, women's rights is another area where labor should both demand government action and take its own action in the workplace.



5. The Reagan administration seems determined to shred the "social safety net" while boosting funds for the military. Even if military spending is regarded only in light of its effects on the economy, leaving aside the implications for war and peace, its negative effects—inflation, budget deficits—far outweigh any positive economic effects it may once have had. The defense budget is far less efficient at producing jobs than other sorts of government spending. Labor should ally with older people, the black and Hispanic communities, women, and the peace movement to demand that **social services be maintained at the expense of the military budget**. Even in a severe recession, there is money enough to keep current programs, if it's not being spent on ever more powerful weaponry. Already the peace movement has had a far greater effect on the labor movement than it did during the Vietnam era, and unions are finding that their members back stands against intervention in El Salvador and for a nuclear freeze.

6. The despoiling of the environment becomes more difficult to ignore daily. As the problem of toxic wastes grows, it becomes harder for industry to argue that pollution is a necessary trade-off for jobs. Labor should demand **corporate responsibility, backed up by government action, for the health and safety of both workers and communities**. The growing fear of environmental poisoning

has already made natural allies of environmentalists and workplace health and safety activists in "right-to-know" campaigns. Rather than taking the tacit position that a dirty job is better than no job, labor should demand clean jobs, clean air, and clean water.

In Conclusion

The offensive strategies outlined in this chapter are not easy nor foolproof. They require a return to the notion of the labor movement and of other social mvoements as a crusade. Not polite lobbyists, not a collection of "interest groups," but a movement which can inspire hundreds of thousands of people to take their futures into their own hands.

The times require it. Business unionism is clearly not adequate to deal with the changing face of industrial society and the major upheavals in the job market and in communities that go with it.

Hard times have produced crusades before. The CIO was born out of the Great Depression. The civil rights movement was a product of the failure of post-war prosperity to produce equality for black people. The conditions which can create mass movements are emerging again in the 1980's.

By "staying the course," the labor movement finds itself ever weaker. Cooperating with the employers just isn't working. The "one-sided class war" that Doug Fraser referred to in 1978 still exists, but it's gotten more one-sided.

Labor can continue to hope that a cooperative attitude and an improved economy will convince the employers to share. Or it can seek to increase its own power so that it can force the employers to give.

Don Tormey is a 50-year veteran of the labor movement and was one of the bargainers for the Morse Tool strikers who beat Gulf + Western's concessions demands. He put it best. Speaking at the November 1982 Labor Notes Conference on Organizing Against Concessions, Tormey said:

> Negotiations is a process of coercion. They try to coerce us, and we try to coerce them. We can't softsoap them into giving us anything. We never could and we never will.

6 RESOURCES

Following are some resources on topics covered in this book. The listings are not meant to include all the many sources in each area; often the sources listed can lead you to others.

Bargaining

(See also: New Technology, Women Workers.)

Plant Closings and Technological Change: A Guide for Union Negotiators, by Anne Lawrence and Paul Chown. Sample and model language on advance notice, restrictions on management's rights, severance pay, early retirement, "red circle" rates, and more. 54 pages. Center for Labor Research and Education, Institute of Industrial Relations, University of California, 2521 Channing Way, Berkeley, CA 94720. 415/642-5454. $5 plus $1 postage; $3.50 plus 50¢ postage for unemployed and for orders of 10 or more. (Checks payable to: "Regents, Univ. of Calif.")

Mathematics to Fight Inflation: Developing Effective COLA Clauses. Everything you need to know about different types of COLAs, including sample and model language. Same address as above. $6.

Workplace Health & Safety, A Guide to Collective Bargaining. Discussion of 36 issues and sample language. 68 pages. Labor Occupational Health Program, same address as above. $7. Bulk rates.

Job Sharing Through Collective Bargaining. Examples of contract language to protect workers in job sharing situations. New Ways to Work, 149 Ninth St., San Francisco, CA 94103. 415/552-1000. $2.50 plus $1.25 postage.

Getting the Most from the Grievance Procedure. Based on the Teamsters model but applicable in other unions. Teamsters for a Democratic Union, P.O. Box 10128, Detroit, MI 48210. 313/842-2600. $1 postpaid. Bulk rates.

Concessions

Twenty Minutes (Give or Take). Slide/tape show which uses parody and satire to kick off a discussion of givebacks. Labor Institute, 853 Broadway, Room 2014, New York, NY 10003. 212/674-3322. Rental $35, sales $50-$100.

It's Time for Management Concessions. Explains why workers have not caused the problems with the economy, and lays out a program for restrictions on corporations' rights, such as workers' right to vote on proposed mergers. Labor Institute, same address. $1.75 plus 55¢ postage. Bulk rates.

No More Concessions. Radio program available on reel-to-reel or cassette. Based largely on November 1982 Labor Notes Conference on Organizing Against Concessions, including excerpts from speeches and workshops there. 61 minutes. Archive #5467-8. National Federation of Community Broadcasters, 1314 14th St. NW, Washington, DC 20005. 202/797-8911. Sliding scale.

"Stopping Concessions: Our Survival as a Movement Is at Stake," by Jean-Claude Parrot, president of the Canadian Union of Postal Workers. Keynote address to the November 1982 Labor Notes conference. Analyzes the employer-government attack that is happening worldwide and argues for labor to regain the offensive. Labor Notes, P.O. Box 20001, Detroit, MI 48220. 313/883-5580. Single copies free with stamped envelope, 10 or more—10¢ each, 100 or more—5¢ each.

"Concessions Are a Lost Clause" button. Many colors. Labor Notes, same address. $1 postpaid, 40% off for 10 or more.

"Stop the CON-cessions Game" T-shirt. Various colors. Labor Notes, same address. $5 plus $1 postage. Bulk rates.

"The Case Against Concessions," by Sam Gindin (3 pages) and **"Concessions Don't Help"** (2 pages), in *The Facts*, newsletter of the Canadian Union of Public Employees, November 1982 and May 1982. Arguments against concessions from a Canadian standpoint, equally applicable in the U.S. CUPE, 21 Florence St., Ottawa, Ontario K2P 0W6, Canada.

"Statement on Concessions." Passed by the May 1982 Canadian Labour Congress convention. CLC, Office of the President, 2841 Riverside Dr., Ottawa, Ontario K1V 8X7, Canada. Free.

"A Fundamental Change in Wage Bargaining," by Audrey Freedman. In *Challenge* magazine, July-August 1982. A pro-employer look at how pattern bargaining is being eliminated. 4 pages.

"A Revolution in Work Rules." In *Business Week*, May 16, 1983. The employers' attack on working conditions—from the employers' point of view.

Current Wage Developments, April 1983. Every statistic you ever wanted to know about wages in 1982 compared to previous years. Includes a short chronology of 1982 bargaining. U.S. Department of Labor, Bureau of Labor Statistics, Washington, DC 20212. 202/523-1913.

Concessions in some particular industries:

- *Auto:*

GM's Road to Survival: Con-crete or Con-Game? Published in 1982 by a General Motors local for membership education. Takes up the issue of the U.S.-Japan wage gap, gives many arguments against concessions both specific to GM and in general. Includes an interview with technology expert Harley Shaiken. 24 pages. UAW Local 595, 520 Edgar Rd. W., Linden, NJ 07036.

"Analysis: Ford Settlement" and **"Analysis: General Motors Settlement."** Published by UAW Locals Opposed to Concessions (LOC). Goes through the provisions of the 1982 UAW contracts step by step and argues that "the give-aways are more far reaching than is widely recognized....job security is not increased in any way." 8 pages each. Available from Labor Notes, P.O. Box 20001, Detroit, MI 48220. 50¢ each with stamped envelope.

- *Steel:*

The Crisis in Steel: Jobs, Profits, Communities. Analyzes the state of the steel industry. Explains why the companies are getting out of steel, why they demanded concessions, and why concessions won't save either the industry or jobs. Debunks the "myth of the $26 an hour steelworker." Includes an article on concessions' effect on affirmative action. Lots of impressive research. 72 pages. Midwest Center for Labor Research, 4012 Elm, East Chicago, IN 46312. 219/398-6393. $3.

Concessions in Steel? Thorough analysis of the November 1982 proposed Basic Steel Agreement, which was voted down by local presidents. Includes what the contract would have cost each steelworker. Midwest Center, same address as above. 50¢.

USWA Local 1010 Steelworker, special edition on concessions. Published for membership education. June 1982. 4 pages. Editor, USWA Local 1010, 3703 Euclid Ave., East Chicago, IN 46312.

- *Public Sector:*

Dialogue between public sector and private sector workers. A brochure in cartoon form. "Joe Private Sector Worker" and "Jane Public Sector Worker" each believe that the other's "high wages" and refusal to accept concessions are responsible for the economic mess. Produced by the Windsor, Ontario Labour Council. Single copies available from Labor Notes, P.O. Box 20001, Detroit, MI 48220. Free with stamped envelope.

- *Trucking:*

Contract Relief: A Teamster Guide to Combatting Concessions. Explains how to fight individual "relief" deals. 10 pages. Teamsters for a Democratic Union, P.O. Box 10128, Detroit, MI 48210. 313/842-2600. $1. Bulk rates.

Conversion

The Conversion Planner. Newsletter published six times per year about efforts to lobby for conversion of military projects to civilian employment. SANE, 514 C St. NE, Washington, DC 20002. 202/546-7100.

We've Always Done It This Way. Film about campaign by shop stewards at Lucas Aerospace in Britain to save jobs by designing new products the company could make. Introduced by IAM President William Winpisinger. 36 minutes. California Newsreel, 630 Natoma St., San Francisco, CA 94103. 415/621-6196. Rental $45.

Planning Work. A guide for labor educators to involve unionists in shop floor monitoring of their employers, counter-planning, and planning for investment and technology. Designed to be used with the film *We've Always Done It This Way.* Free from California Newsreel, same address.

Rational Reindustrialization, by Dan Luria and Jack Russell. Sets up a model of how Detroit could convert from auto production to energy-related hardware. Argues for public involvement and "social accounting" of the costs of shutdowns. Widgetripper Press, c/o Russell, 19660 Stratford, Detroit, MI 48221. $3.

Coordinated Bargaining

Coordinated Bargaining Quarterly. Newsletter from AFL-CIO Industrial Union Department. Reports on negotiations where coordinated bargaining exists. 4 pages. *CBQ*, IUD, 815 16th St. NW, Washington, DC 20006.

Labor Relations: A Company-Union Guide. Presents detailed profiles describing the labor relations of 80 Fortune 500 companies. Consists largely of computer charts. Cross-referenced by union. Could be used to discover which other unions have contracts with your company. Corporate Data Exchange, 198 Broadway, 7th floor, New York, NY 10038. 212/962-2980. $10.

Democracy in the Unions

Association for Union Democracy. A civil liberties organization devoted to advancing internal union democracy. Offers advice and referrals to unionists who want to exercise their democratic rights regardless of their views or of the policies of their union's administration. AUD, YWCA Bldg., Room 619, 30 Third Ave., Brooklyn, NY 11217. Associateships are $20/year, $10/year for low income.

Union Democracy Review. Bimonthly newsletter which follows developments in union democracy cases, mostly from a legal standpoint. Association for Union Democracy, same address. $7/year, $10/year for organizations.

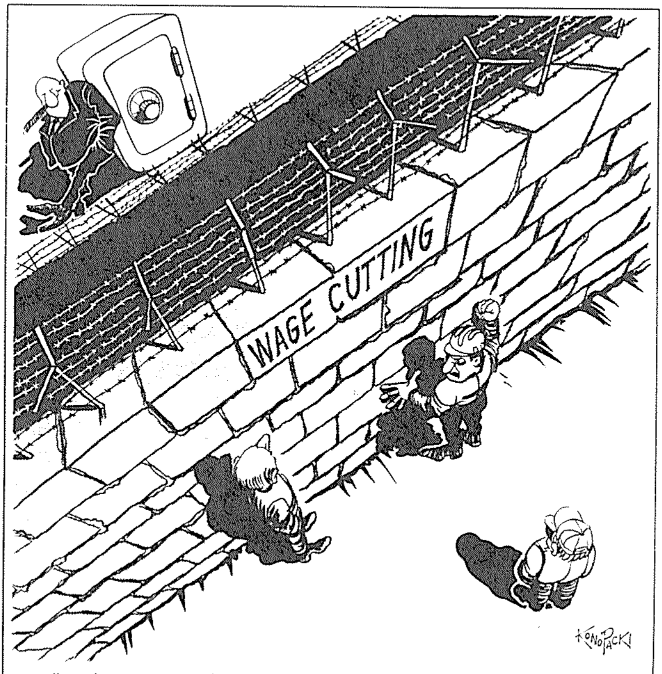
Democratic Rights for Union Members, by Herman Benson. Outlines a member's democratic rights inside the union as provided by federal law. Covers union constitutions, elections, disciplinary procedures. Explains what the law says and how it's administered in practice. 256 pages. AUD, same address. $5.75 postpaid.

Rights of Union Members. A brochure outlining rights to free speech, right to vote, trusteeships. National Labor Law Center, 2000 P St. NW, Ste. 612, Washington, DC 20036. 25¢ plus postage.

Teamsters for a Democratic Union Organizers Manual. Tells how to set up an effective caucus in your union. Based on the TDU model, but much is applicable elsewhere. Includes being effective at union meetings, fund-raising, putting out a newsletter, the role of the steering committee, putting on rallies, and more. Loose-leaf, updated periodically. 150 pages. TDU, P.O. Box 10128, Detroit, MI 48210. 313/842-2600. $15.

Economics/The Economy

The Deindustrialization of America, by Barry Bluestone and Bennett Harrison. Excellent analysis of the structural changes in the economy which have shifted the balance of power between employers and the labor movement. Documents the effects on workers of unrestricted capital mobility and proposes restrictions on that mobility. 300 pages. Basic Books. $19.95 hardcover.



"IT'S USED TO PROTECT THE TRULY GREEDY"

Center for Popular Economics. Holds week-long institutes each summer to train activists in "alternative economics." Also provides speakers for conferences and workshops. CPE, Box 785, Amherst, MA 01004. 413/545-0743.

The Labor Institute. Conducts classes for unions on economics and other issues, as well as producing pamphlets and slide shows. 853 Broadway, Room 2014, New York, NY 10003. 212/674-3322.

We Are Not the Problem. Facts and figures to combat the corporate myths about economic problems. 24 pages. Labor Institute, same address. $1 plus 41¢ postage. Bulk rates.

"The Productivity Myth: Everyone in the World Works Harder than You," and "There's Lies, There's Damned Lies...and There's Productivity Statistics," by Kim Moody. An explanation of why government statistics which seem to show productivity falling are bogus. *Labor Notes* #20, September 25, 1981, p. 14, and *Labor Notes* #48, January 27, 1983, pp. 12-13. Labor Notes, P.O. Box 20001, Detroit, MI 48220. 25¢ plus stamped envelope.

The Business of America... Using the disinvestment practices of U.S. Steel and the effects on its Homestead Works as a starting point, this film questions corporate control of investment and suggests that unions and communities must play a larger role in shaping the future of production. 45 minutes. California Newsreel, 630 Natoma St., San Francisco, CA 94103. 415/621-6196. Rental $70. Available September 1, 1983.

What's Wrong with the U.S. Economy? 400 pages. South End Press, 302 Columbus Ave., Boston, MA 02116. $10. Bulk rates.

Banking and Finance: The Hidden Cost. Demonstrates the workings of the financial community, its sources of power, how it allocates the nation's resources. 60 pages. Corporate Data Exchange, 198 Broadway, Room 702, New York, NY 10038. $5.

Environment

Fear at Work: Job Blackmail, Labor and the Environment, by Richard Kazis and Richard L. Grossman. Proves that environmental regulations do not cause job loss, and argues for cooperation between environmentalists and unionists. 304 pages. Environmentalists for Full Employment, 1536 16th St. NW, Washington, DC 20036. 202/347-5590. $10.95 postpaid. Bulk rates. Authors are available to speak at conferences and workshops.

Our Jobs, Our Health, Our Lives, Our Fight. Report on the Labor Committee for Safe Energy and Full Employment's October 1980 national conference. Includes information presented in workshops and speeches. LCSEFE, 1536 16th St. NW, Washington, DC 20036. 202/265-7190. $1.

"Labor and the Environment: Does Smoke Mean Jobs?" *American Labor* #19. Shows how unionists and environmentalists have worked together. American Labor Education Center, 1835 Kilbourne Pl. NW, Washington, DC 20010. 202/387-6780 or 462-8925. $1 plus 65¢ postage. Bulk rates.

Slide-tape on "right to know" ordinance. About Cincinnati's ordinance, could be adapted for use in other cities. Ohio River Valley Committee on Occupational Safety and Health, 1216 E. McMillan, Cincinnati, OH 45206. 513/221-1605.

Winning the Right to Know. Handbook on how to campaign for state and local "right to know" legislation. Developed by a group which won such a law in Philadelphia. 100 pages. Delaware Valley Toxics Coalition, 1315 Walnut St., Room 1632, Philadelphia, PA 19107. 215/735-7200. $7 plus 10% postage.

International Ties

Transnational Information Exchange. Network which exchanges information from action and research groups working on multinational corporations, mainly in Europe but also in the rest of the world. Magazine subscription: $15 for 4 issues. TIE-Europe, c/o Transnational Institute, Paulus Potterstraat 20, 1071 DA Amsterdam, Netherlands.

IUF News Bulletin. Newsletter of the International Union of Food and Allied Workers Associations. News of union developments from Argentina to Morocco to Singapore to Zimbabwe. Includes other unions besides food unions. Monthly, 8 pages. IUF, Rampe du Pont-Rouge 8, CH-1213 Petit-Lancy (Geneva), Switzerland. 150 Swiss francs or equivalent.

Black Unions in South Africa, by Sandy Boyer. The Africa Fund, 198 Broadway, New York, NY 10038. 60¢.

Ford Workers' Bulletin. Published in England, includes reports from Ford workers worldwide. The Ford Workers' Group ("The Combine"), Room 267, 27 Clerkenwell Close, London EC 1, United Kingdom.

Labor Party

"Toward a Workers' Party," by Tony Mazzocchi. Argues that labor cannot depend on the Democrats, and should form a labor party. 7 pages. *Democracy* magazine, Summer 1983. 43 West 61st St., New York, NY 10023. 212/245-0844. $4 for single issue.

Political Directions for Labor. Collection of readings representing both a labor party viewpoint and labor's traditional political strategy. Includes articles by Lane Kirkland, UAW President Douglas Fraser, IAM Vice President George Poulin, Sidney Lens. Published 1979. 51 pages. Labor Notes, P.O. Box 20001, Detroit, MI 48220. 313/883-5580. $1.50 plus 75¢ postage. Bulk rates.

Legal Advice

Labor Law for the Rank and Filer, by Staughton Lynd. 1982 revised edition shows how to unravel the web of laws governing our working lives. 72 pages. Singlejack Books, Box 1906, San Pedro, CA 90733. $2.95 postpaid. Bulk rates.

Stand Up: A Guide to Workers' Rights, by Stas Margaronis. Rights under various labor laws, including how to file a complaint. 96 pages. Stand Up, Box 684, Santa Monica, CA 90406. 213/829-3826. $5.65 postpaid. Bulk rates.

Sue Your Boss, by E. Richard Larson of the American Civil Liberties Union. Discusses federal laws against job discrimination on the basis of race, color, national origin, religion, sex, or age, and tells victims what they can do about it. 320 pages. ACLU, 1553 Woodward, Room 1701, Detroit, MI 48226. $9.95 plus 75¢ postage.

The Teamster Rank and File Legal Rights Handbook, by Ellis Boal. Covers NLRB, strikes, picketing, bargaining, grievance procedure, safety, discrimination, pensions, and internal union affairs. Specific to Teamsters Union. Teamsters for a Democratic Union, P.O. Box 10128, Detroit, MI 48210. 313/842-2600. $4. Bulk rates. New edition available October 1983.

The Law of Plant Shutdowns, by Leonard Page. Thorough discussion of new developments in the law on plant shutdowns and removal of work. 60 pages. Available to union representatives or *union* lawyers. Write to Leonard Page, UAW Associate General Counsel, 8000 E. Jefferson, Detroit, MI 48214.

Quarterly Report of NLRB General Counsel William A. Lubbers. Explains the recent developments in labor law governing companies' rights to move work and duty to bargain over moving work, such as *L.A. Marine* and *First National Maintenance*. 4 pages. Bureau of National Affairs *Daily Labor Report*, January 5, 1983. Check your library.

National Labor Law Center. Makes referrals to labor lawyers. 2000 P St. NW, Room 612, Washington, DC 20036. 202/785-2035.

Military Spending/The Peace Movement

National Labor Committee in Support of Democracy and Human Rights in El Salvador. c/o Amalgamated Clothing and Textile Workers, 15 Union Square, New York, NY 10003. 212/242-0700.

Jobs with Peace National Network. 2990 22nd St., San Francisco, CA 94110. 415/558-8615. Or 10 West St., Boston, MA 02111. 617/451-3389.

The Costs and Consequences of Reagan's Military Buildup, by the Machinists Union, the Council on Economic Priorities, and the Coalition for a New Foreign and Military Policy. 54 pages. Coalition, 120 Maryland Ave. NE, Washington, DC 20002. 202/546-8400. $2.50 postpaid. Bulk rates.

"**Unemployment: Fallout of the Arms Race**," 8 pages, and "Guns vs. Butter: Setting Priorities in the '80s," 16 pages. Coalition for a New Foreign and Military Policy, same address. 25¢ each plus 20% postage.

The Freeze Economy. Discusses how a nuclear weapons freeze could help revitalize the economy. 46 pages. Nuclear Freeze Campaign, 4144 Lindell Blvd., St. Louis, MO 63108. $2.50 postpaid.

Our Own Worst Enemy: The Impact of Military Production on the Upper South. Documents the economic, environmental, and occupational health impact of military contracts on workers and communities in an eight-state area. Includes a section on researching your local defense contractor. Highlander Research and Education Center, Route 3, Box 370, New Market, TN 37820. $7.50 individuals, $12.50 institutions, plus $1 postage.

Minorities

Equality on the Job: A Working Person's Guide to Affirmative Action. Explains how affirmative action works and why it's necessary. Published 1980. 61 pages. Affirmative Action Coordinating Center, c/o National Conference of Black Lawyers, 126 W. 119th St., New York, NY 10026. 212/864-4000. $2.50.

The AFL-CIO and the Black Worker: Twenty-Five Years After the Merger, by Herbert Hill. A history and critique by the former NAACP Labor Director. 74 pages. Write to Gregory D. Squires, Editor, *Journal of Intergroup Relations*, 2519 Thayer St., Evanston, IL 60201. $3.

Unemployment and Underemployment Among Blacks, Hispanics and Women, by the U.S. Commission on Civil Rights. Indicates that higher unemployment among minorities is still due to discrimination. Many facts and figures. November 1982. 98 pages. U.S. Commission on Civil Rights, Washington, DC 20425.

Shutdown: Economic Dislocation and Equal Opportunity. A report of the Illinois Advisory Committee to the U.S. Commission on Civil Rights, June 1981. Documents the discriminatory effects of plant shutdowns on minority workers and calls for public policies to restrict corporate rights to relocate. Well documented. 108 pages. Midwestern Regional Office of the U.S. Commission on Civil Rights, 230 S. Dearborn St., Room 3280, Chicago, IL 60604. 312/353-7371. Free.

Business Incentives and Minority Employment. A report of the Wisconsin Advisory Committee to the U.S. Commission on Civil Rights, September 1982. Shows how supply-side economic policies such as tax cuts, deregulation and other incentives to private industry do not generate economic growth, and victimize minorities in particular. 104 pages. Available free from same address as above.

"The New Immigrants: What Can Unions Do," *American Labor* #20. Contains many references to other resources on this topic. *American Labor*, 1835 Kilbourne Pl. NW, Washington, DC 20010. 202/387-6780 or 462-8925. $1 plus 65¢ postage. Bulk rates.

Earnings and Other Characteristics of Organized Workers, May 1980. Characteristics of the work force broken down by race, sex, occupation, and industry. Bureau of Labor Statistics Bulletin 2105. Order from Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402. $4.25.

New Technology

(See also Bargaining.)

Suggested Language for Technological Change. Model language on advance notice, joint consultation, layoffs, new classifications, retraining, transfer rights. International Association of Machinists, Research Dept., 1300 Connecticut Ave. NW, Washington, DC 20036.

Workers' Technology Bill of Rights. IAM Legislative Dept., same address.

"New Technology: Who Will Control It?" *American Labor* # 13. Includes an extensive list of resources, including model language from European contracts (in English). Your best source for more information. 13 pages. 1835 Kilbourne Pl. NW, Washington, DC 20010. 202/387-6780 or 462-8925. $1 plus 65¢ postage. Bulk rates.

New Technology: Whose Progress? 35-minute color film. Effect on workers of micro-chip computers. California Newsreel, 630 Natoma St., San Francisco, CA 94103. 415/621-6196. Rental $60, $40 on videocassette.

CERP Newsletter. Detailed information on how new technology is reshaping the auto industry worldwide, and how unions should respond. Monthly, 10 pages. Mike Westfall, Box 3206, Montrose, MI 48457. Back issues available for 35¢ each.

The Microelectronics Revolution: Consequences for Labor, by the International Union of Electrical Workers. Includes a section on negotiations. 28 pages. Waldie Communications, 65 Wynford Heights, Suite 1207, Don Mills, Ontario M3C 1L7, Canada. $3 postpaid.

Race Against Time: Automation of Office Work. A report on how "the office of the future" will affect office workers. 9to5, 1224 Huron Road, Cleveland, OH 44115. 216/566-9308. $4.

Office Automation: Jekyll or Hyde? Based on the proceedings of the International Conference on Office Work and New Technology, October 1982. 240 pages. Working Women Education Fund, 1224 Huron Road, Cleveland, Ohio 44115. 216/566-9308. $12.95 plus $1.50 postage.

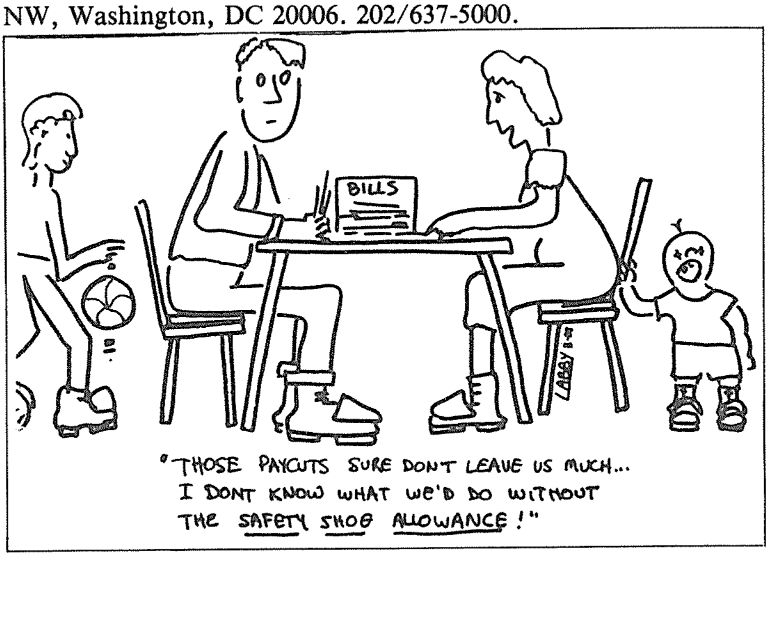
Organizing the Unorganized

Organizing Rights: Forming A Union. Step-by-step guide to workers' legal rights to organize. Includes choosing a union, building from within, the NLRB election process. 56 pages. National Labor Law Center, 2000 P St. NW, Suite 612, Washington, DC 20036. $2 plus 75¢ postage. Bulk rates.

Employer Tactics poster. 16x21-inch color poster contains a checklist of employer tactics and gives answers to their arguments. CWA Organizing Dept., 1925 K St. NW, Washington, DC 20006. 202/728-2369. Single copy free with self-addressed, stamped 8½x11-inch envelope. Bulk rates.

"Organizing the Unorganized: Ten Ways You Can Win," *American Labor #9*. 5 pages. *American Labor*, 1835 Kilbourne Pl. NW, Washington, DC 20010. 202/387-6780 or 462-8925. $1 plus 65¢ postage. Bulk rates.

The RUB Sheet (Report on Union Busters). Newsletter about the activities of union-busting consultants and what unions are doing to combat them. AFL-CIO Organizing Department, 815 16th St. NW, Washington, DC 20006. 202/637-5000.



Periodicals

Labor Notes. Monthly 12 to 16-page newsletter which reports on and analyzes labor events from a progressive viewpoint. Aids in communication among activists, includes debates on topics of interest to the labor movement, and contains information often not available elsewhere. Labor Notes, P.O. Box 20001, Detroit, MI 48220. 313/883-5580. $10/year, $20 institutions. $12.50 Canadian funds.

Labor Research Review. Quarterly publication which provides in-depth and readable research on particular labor struggles. First two issues covered the Morse Tool Strike and the crisis in the steel industry. Midwest Center for Labor Research, 4012 Elm, East Chicago, IN 46312. 219/398-6393. $12/year.

American Labor. Bi-monthly publication of the American Labor Education Center. Articles on effective strategies unions can use in a wide variety of areas; each issue concentrates on one subject. Includes extensive listings of additional resource materials. 8 pages. ALEC also conducts training programs for unions. ALEC, 1835 Kilbourne Pl. NW, Washington, DC 20010. 202/387-6780 or 462-8925. $9.95 for six issues. Bulk rates.

Grapevine. Quarterly publication of the Labor Institute. Shop floor strategies combined with information about economics. Often includes posters. Labor Institute, 853 Broadway, Room 2014, New York, NY 10003. 212/674-3322. Free to individuals. Bulk rates.

Plant Closings

(See also: Bargaining, Legal Advice.)

Plant Closures Network. National network formed to distribute news of local groups' experiences and activities, share research on causes and effects of plant closings, and if possible, coordinate national action. Plant Closures Network, c/o Plant Closures Project, 433 Jefferson St., Oakland, CA 94607. 415/834-5656.

Shutdown: Mill Closures and Woodworkers, by Bob Baugh. Dealing with shutdowns through collective bargaining. Includes plant closing notice, successorship, closure agreements, severance pay. Also includes political approaches. 42 pages. International Woodworkers of America, Research Dept., 1622 N. Lombard St., Portland, OR 97217. 503/285-5281.

"Does Your Contract Protect Your Job?" *American Labor #2*, December 1979. Overview of contractual protections against plant closings. 4 pages. *American Labor*, 1835 Kilbourne Pl. NW, Washington, DC 20010. 202/387-6780 or 462-8925. $1 plus 65¢ postage. Bulk rates.

Shutdowns and Layoffs: Assessing the Impacts. Includes a section that will help you to identify a potential plant closing. 46 pages. Northwest Interfaith Movement, Greene at Westview, Phladelphia, PA 19116. $1.60.

Major Collective Bargaining Agreements: Plant Movement, Interplant Transfer, and Relocation Allowances. Extensive description of clauses covering these issues, in the context of the problem of plant closings. 110 pages. Bureau of Labor Statistics Bulletin 1425-50, July 1981. Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

Plant Shutdown Monitor. Monthly publication which lists and describes major shutdowns, layoffs, cutbacks, concessions, and other labor-related developments. 60 pages. The Data Center, 464 19th St., Oakland, CA 94612. 415/835-4692. $65/year.

The Fight Against Shutdowns: Youngstown's Steel Mill Closings, by Staughton Lynd. Details the variety of tactics used by Ohio steelworkers to try to save their mills, and draws conclusions about which are most likely to be successful. 247 pages. Singlejack Books, Box 1906, San Pedro, CA 90733. $10.90 postpaid.

Publications—Improving Them

How To Do Leaflets, Newsletters, and Newspapers, by Nancy Brigham. Everything a union member needs to know about producing material that looks good and gets your point across. 144 pages. PEP Publishers, P.O. Box 289, Essex Station, Boston, MA 02112. $5.95. Bulk rates.

"A Guide to Improving Union Publications," *American Labor* #11/12. 1835 Kilbourne Pl. NW, Washington, DC 20010. 202/387-6780 or 462-8925. $1 plus 65¢ postage. Bulk rates.

"Leaflets That Work," *American Labor* #17. Same address and price.

Basic Communication Skills: A Handbook for Unions, by Austin Perlow. Teaches effective communication. Covers writing leaflets, stories for the union paper, news releases, and more. 346 pages. BNA Books, BNA Distribution & Customer Service Center, 9401 Decoverly Hall Rd., Rockville, MD 20850. $12.50 postpaid.

"Quality of Work Life" Progams

"The Circle Game," by Mike Parker and Dwight Hansen. Critiques QWL programs as undermining unions, suggests possible responses. In January 1983 issue of *The Progressive* magazine, 409 E. Main St., Madison, WI 53703. $2.

Inside the Circle: A Union Guide to QWL, by Mike Parker. Analyzes the employers' motives for implementing QWL and shows how it 'works' to undermine unions. Gives detailed steps a union can take to deal with QWL. Includes many case studies, a history of QWL, a QWL survey, a conference outline, and legal remedies. 160 pages. Labor Education & Research Project, P.O. Box 20001, Detroit, MI 48220. $10.00 plus $1 postage. Bulk rates.

"'Quality of Work Life' Experiments: Progress or Union Busting?" *American Labor* #14. 1835 Kilbourne Pl. NW, Washington, DC 20010. 202/387-6780 or 462-8925. $1 plus 65¢ postage. Bulk rates.

The Machinist, June 1982. Contains an article outlining the Machinists Union's objections to QWL plans. *The Machinist*, 1300 Connecticut Ave. NW, Washington, DC 20036. 202/857-5220. Single copies free.

"Positive Labor Relations: Killing Your Union With Kindness." In *RUB Sheet* #22. AFL-CIO National Organizing Committee, same address.

"Twisting Quality Circles To Bust Unions," by Guillermo J. Grenier. Case study of a company's use of quality circles and industrial psychology to keep a union out. *AFL-CIO Federationist*, May 14, 1983. Same address.

Researching Your Employer

Spying On Your Employer, by Kim Moody. Explains how to use the library to discover your employer's true financial condition. Step-by-step guide leads you from one source to the next. One version for trucking companies, one for industrial companies. Four pages each. Labor Notes, P.O. Box 20001, Detroit, MI 48220. 313/883-5580. 50¢ each. Bulk rates.

Resources: Digging Out Facts On Your Employer. Shows what can be obtained from resources available in the library and includes a checklist for evaluating an employer's "ability to pay." Used in labor education programs in Iowa. 218 pages. Labor Center, External Programs, College of Business Administration, Phillips Hall, University of Iowa, Iowa City, IA 52242. 319/353-5355. $10.

Research for Action: A Guidebook to Public Records Investigation for Community Activists. Guide to federal, state and local records containing information valuable to labor and community activists. Based on California but applicable to most states. Includes how to discover parent ownership of allegedly local companies. 112 pages. California Institute for Rural Studies, P.O. Box 530, Davis, CA 95616. $7.50.

How To Find Information About Companies. Lists all government sources of information, including a state by state listing of all agencies and departments. Tells how to use the Freedom of Information Act. 333 pages. Washington Researchers, 918 16th St. NW, Washington, DC 20006. 202/833-2230. $75.

Corporate Profiles. Each profile consists of 150-250 pages of clippings from the business and labor press and from company and government reports, covering every aspect of the particular firm. Over 150 companies now profiled. Will research your company upon request. The Data Center, 464 19th St., Oakland, CA 94612. 415/835-4692.

Industrial Cooperative Association. Provides technical assistance to unions or organized workers who want to investigate their employer's corporate strategy in order to strengthen their hand in bargaining. Also evaluates companies for possible worker buy-out, and helps to set up worker cooperatives. Did study for Morse Tool strikers. Available anywhere in the country. Fees negotiable. Contact Janet Saglio, ICA, 249 Elm St., Somerville, MA 02144. 617/628-7330.

Revitalizing the Labor Movement

Labor Education & Research Project. Publisher of this book and of *Labor Notes*. Holds local and national conferences, aids in communication among activists. Provides speakers and aid to local groups. LERP, P.O. Box 20001, Detroit MI 48220. 313/883-5580.

Corporate Campaign, Inc. Runs campaigns against corporations to aid union struggles. Targets top officials and interlocking institutions. Provides aid in research, strategy development, public relations, coalition building. Headed by Ray Rogers, architect of ACTWU's campaign against J.P. Stevens. 80 Eighth Ave., 16th floor, New York, NY 10011. 212/741-1766.

"Winning Strikes: It Takes More than a Picket Line," *American Labor* #18. 1835 Kilbourne Pl. NW, Washington, DC 20010. 202/387-6780 or 462-8925. $1 plus 65¢ postage. Bulk rates.

"Internal Organizing: Unionizing the Organized," *American Labor* #20. Same address.

"Our Own Show: Organizing Cultural Programs for Working People." Tells how unions can conduct entertaining educational programs, and how to obtain labor-related films, books, music, etc. 28 pages. *American Labor*, same address. $2.95 postpaid. Bulk rates.

Teamsters for a Democratic Union. National rank and file organization within Teamsters Union, with many local chapters. Has monthly newspaper, *Convoy-Dispatch*, subscriptions $20/year. TDU, P.O. Box 10128, Detroit, MI 48210. 313/842-2600.

Success Stories

Labor-Community Unity: The Morse Strike Against Disinvestment and Concessions. Detailed story of UE Local 277's winning strike against a Gulf+Western subsidiary in 1982, and how the local won community support. Includes the Industrial Cooperative Association's analysis of Morse's disinvestment. Midwest Center for Labor Research, 4012 Elm, E. Chicago, IN 46312. 219/398-6393. $2 plus 50¢ postage.

"Moog: The Saga of a Shop-Floor Victory," by Dave Elsila. In *Solidarity* magazine, June 1982. Tells how a slow-down strike inside the plant beat concessions. Order indiviual copies from UAW *Solidarity*, 8000 E. Jefferson, Detroit, MI 48214.

The History of the Boston School Bus Drivers. A history of the six-year-old local which details the active involvement of the rank and file against union busting and shows how it won community support. USWA Local 8751, c/o Gene Bruskin, 121 Fisher Ave., Roxbury, MA 02120. $1 plus 25¢ postage.

"The Hotel Workers: Rebirth of a Union." Tells the story of Hotel and Restaurant Employees Local 26 in Boston and its successful mobilization of its multi-ethnic membership and the community in a 1982 contract struggle. 6 pages. *The Labor Page*, 670 Centre St., Jamaica Plain, MA 02130. $1.

Unemployed Organizing

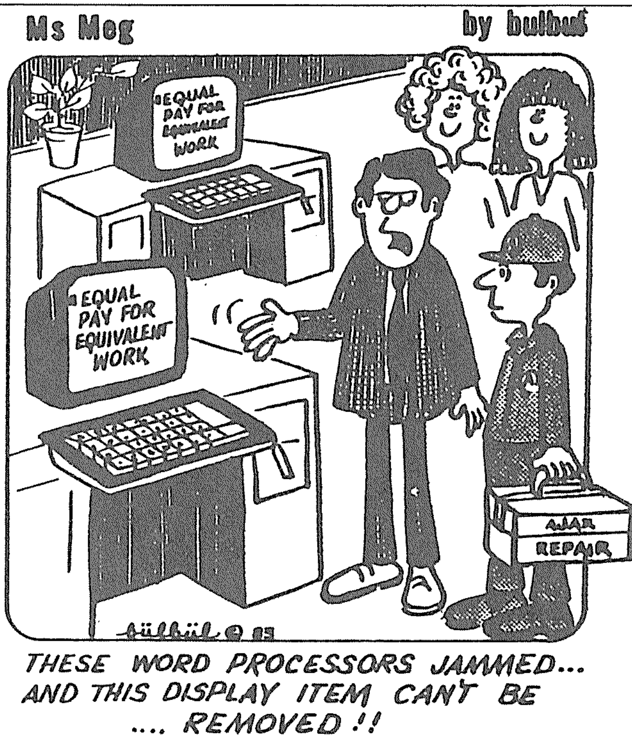
National Unemployed Network. Consists of committees of unemployed workers in many cities. Aids new committees in getting started, sponsors demonstrations and campaigns. NUN, 116 Fifth Ave., McKeesport, PA 15132. 412/461-4776.

"Organizing the Unemployed: Food Banks Are Not Enough," *American Labor* #21. 1835 Kilbourne Pl. NW, Washington, DC 20010. 202/387-6780 or 462-8925. $1 plus 65¢ postage. Bulk rates.

Women Workers

(See also: Minorities.)

Bargaining for Equality: A Handbook for Working Women, by the Women's Labor Project. Thorough discussion of bargaining possibilities around issues such as job sharing, affirmative action, comparable worth, sexual harassment, flexible hours, child care, maternity benefits. Also explains legal rights and how to take a discrimination case to the appropriate government agency. 144 pages. National Labor Law Center. 2000 P St. NW, Suite 612, Washington, DC 20036. $5.50 plus 83¢ postage. Bulk rates.



National Committee on Pay Equity. National coalition of labor and women's groups working to stimulate and coordinate the movement for "equal pay for work of comparable value." Has publications on union and government efforts to achieve comparable worth. 1201 16th St. NW, Room 422, Washington, DC 20036. 202/822-7304.

Comparable Worth Project Newsletter. Latest developments in movement for equal pay for "women's jobs." Project also carries many other publications. Quarterly, 16 pages. 488 41st St., #5, Oakland, CA 94609. 415/658-1808. $8, $4 for low income.

Pay Equity: A Union Issue for the 1980's. Explains the issue and how to set up a bias-free job evaluation system. 15 pages. Single copies available free from AFSCME, Women's Activities, 1625 L St. NW, Washington, DC 20036.

Pay Equity Issues. Describes bargaining strategies for addressing pay equity. 74 pages. SEIU District 925, 2020 K St. NW, Washington, DC 20006. 202/452-8750.

Stopping Sexual Harassment: A Handbook, by Elissa Clarke. Comprehensive guide to personal strategies, union procedures, legal remedies, and organizing against sexual harassment. 57 pages. Labor Education & Research Project, P.O. Box 20001, Detroit, MI 48220. $2.50 plus 75¢ postage. Bulk rates.

9 to 5. National organization of women office workers which tries to better conditions through lawsuits, protests and petition campaigns. Local chapters in many cities. Allied with Service Employees District 925, which was created to organize women office workers. Newsletters, pamphlets and membership information available from 9 to 5, 1224 Huron Rd., Cleveland, OH 44115. 216/566-9308.

Office Work in America. Facts and statistics about clerical workers. Includes a list of other publications about women office workers. Working Women Education Fund, 1224 Huron Rd., Cleveland, OH 44115. $4.

Bargaining for Equality. Guide to fighting workplace discrimination against women. Sample clauses from contracts negotiated by the National Union of Provincial Government Employees (NUPGE) on seniority, hours of work, affirmative action, sexual harassment, parental leave. NUPGE Research Dept., 2841 Riverside Dr., Suite 204, Ottawa, Ontario K1V 8N4, Canada. 613/526-1663. $1.

Empowerment: A Handbook for Union Women. Explains how women can gain union skills and become active in their unions. 600 pages. Coalition of Union Women (CLUW) Center for Education and Research, 2000 P St. NW, Room 615, Washington, DC 20036. 202/296-3408. $12 postpaid ($9 for CLUW members). The Center also has much information on file and will try to answer inquiries or make referrals.

Working Women: A Handbook of Resources, Rights and Remedies. Information on organizations and publications for working women in the South, as well as inspiring stories of women's struggles on the job. 128 pages. *Southern Exposure*, P.O. Box 531, Durham, NC 27702. $4. Bulk rates.

The Women's Handbook: An Overview of Government's Retreat from Women's Equality. Discusses how the Reagan Administration's policies affect women. Southern Project on Women's Economic Rights, 75 Marietta St., Room 307, Atlanta, GA 30303. 404/523-8754. $3.

Appendix A

AN EXAMPLE OF MEMBERSHIP EDUCATION ON CONCESSIONS

The following excerpts from the United Brotherhood of Carpenters' June 1982 *Organizing-Industrial Bulletin* are an excellent example of education on the subject of concessions. The article shows why concessions would not create more jobs in the home construction supplies industry. And it gives some practical advice on how to deal with concessions-seeking employers. The *Bulletin* goes to 3,100 UBC organizers, international representatives, and local officers.

Are High Wages the Cause of the Depression in Our Industry?

The major cause of the economic slump in industries connected to the home construction industry—lumber and plywood, kitchen cabinets, millwork, furniture, paneling, building supplies—is not high wages, but *high interest rates*. Mortgage interest rates which were at 9 percent only 5 years ago are today at 16 percent and higher. These interest rates have made houses unaffordable for all but the wealthy few and have sent the home construction industry—and supplier industries—into a depression.

The annual level of housing starts in 1981 was only half of what it was in 1977 and 1978 and that has meant a huge loss of jobs among our industrial members and depressed economic conditions among our employers. Between January, 1979 when housing began to drop off and January, 1982, fully 20 percent of all jobs in the sawmill, flooring, millwork, kitchen cabinet, veneer and plywood, household furniture and mobile home industries were lost!

But will wage concessions or freezes turn the depression in our industries around? Will lower wages in our industries help the home construction industry recover by making it possible to sell more houses?

An example will help to answer these questions. For the sake of argument, let's suppose that through very large wage concessions, the costs for all the building materials of a new home were cut by 10 percent. This 10 percent cut in material costs for an average priced new home in December, 1981 ($69,900) with the going mortgage interest rate (16%) would save the homebuyer *only $28 per month* (with a 30-year mortgage and 10 percent down payment). This is hardly enough to revive the industry.

On the other hand, a drop in mortgage interest rates from 16 percent to 12 percent (or government subsidies that would have the same effect) would cut monthly payments on the same home *by $199 per month!* This drop in the mortgage rate in fact would do more to lower homebuyers' monthly payments than if all the material costs for a new home were cut in half!

Wage concessions or freezes, as can be seen from the above, would not have much effect on the overall economic depression in our industries. Only a lowering of interest rates will revive housing and housing related industries.

Wage Concessions Cannot Revive the Industry, But Can They Save a Single Company?

The most common situation in terms of wage concession demands occurs when an individual employer claims hardship due to the depressed condition of his industry and asks the union for wage concessions to prevent either the closing of a shop or employee layoffs. How should the union respond?

First, the union should understand that any wage concession granted to a particular employer makes it that much more difficult for other bargaining units in the industry to maintain their wage standards.

Second, many employers, seeing that some unions have granted wage concessions, will plead poverty and ask for concessions no matter what their financial situation.

Third, a union which grants wage concessions when financial conditions do not warrant it or which fails to get guarantees in return for the concessions, could be embarrassed in the future when economic conditions change.

Some Practical Advice

When an employer pleads poverty, the union should ask for supporting financial evidence from the company. Without financial information the union can only rely on the company's word and this could prove embarrassing to the union. Many employers, when asked for supporting financial information, will moderate their demands rather than plead poverty.

The union, as the bargaining representative, has the right to financial information when poverty is pleaded. The UBC Industrial Department will provide advice on specific information that should be requested. Information provided by the employer should include a statement by the company's accountant that the information is accurate and presents fairly the company's financial situation.

Do not make wage concessions without getting something in return, such as better grievance and arbitration language, a ban on contracting out work, better safety and health language, severance pay provisions, or whatever is most needed in the contract.

Do not make permanent concessions. Any concessions made should be on a temporary basis. If economic conditions improve, your members should automatically benefit, for example, through a profit-sharing plan. Or, you should negotiate a deferred wage increase rather than forgo the increase permanently. Include a wage reopener in your contract rather than freezing wages for the life of a contract.

Most gains in the contract took years to achieve. It makes no sense to make a concession and then spend years trying to win back what you gave up in bad times.

Our industries are very cyclical. In a year's time, interest rates may drop and our industries could be on the upswing. A local that is unable to recover concessions it made to a company could be in for big trouble.

These are very difficult times for union negotiators. If you face demands for wage concessions or a wage freeze, contact the Industrial Department or a special industrial representative for advice or assistance.

Appendix B

MODEL LANGUAGE ON INVESTMENT

Following are excerpts from a consent decree agreed to by U.S. Steel in December 1982 and awaiting court approval. In 1979 the company had signed a consent decree with the Environmental Protection Agency promising to clean up the pollution from its Pittsburgh-area mills. In 1981 Congress passed a law saying that steel companies could enter into agreements to postpone their compliance with the Clean Air Act if they would spend the money they would have spent on pollution control on modernization instead.

Excerpts from the consent decree are included here as a model for the explicit language unions should attempt to win when bargaining over investment.

Definitions

Capital Investment: For the purpose of the modernization projects contained herein, a "capital investment" of funds shall mean that such capital funds are irrevocably committed. The following action shall constitute a "capital investment": the issuance and delivery by certified mail to the Assistant Attorney General. . .on or before July 16, 1983, of a resolution of the Board of Directors of the United States Steel Corp. . . .The investment must be expended after December 1, 1982 in the construction of a modernization project pursuant to the Decree schedule for such project. . . .

Modernization Project

The defendant shall install at its Homestead No. 4 Shear Unit a rotary shear for plates with entry and exit tables, scrap chopper, and plate positioner. The installation of this rotary shear, and the relocating and rearranging of the existing plate leveler, and shear, unpiler, marking table, etc., will permit the processing of more plates per turn with improved performance in meeting plate dimension tolerances.

The defendant shall construct the project on the following schedule:

Initiate Project	5-30-83
Initiate Construction	7-31-83
Initiate Operation	6-30-84

The defendant shall "invest" $1.72 million in this project on or before July 16, 1983.

Stipulated Penalties

If Defendant does not complete the construction of any modernization project required herein by the date scheduled in this Decree, Defendant shall pay upon demand a stipulated penalty of $7,500 for each day that each such project remains incomplete....

If Defendant fails to meet an interim date in a schedule for the construction of a modernization project, Defendant shall pay a stipulated penalty upon demand of $5,000 per day for each day the violation continues....

If Defendant fails to invest the required funds for the modernization project on or before July 16, 1983 it shall pay upon demand a stipulated penalty of $1.72 million.

Notes

Many of the references are included in the list of Resources in Chapter 6.

Introduction

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2. "Ford hints it may seek relief, too," *Detroit Free Press*, December 16, 1980.

3. "Pleas for wage relief flood into the UAW," *Business Week*, February 16, 1981, p. 27.

4. "Unions besieged by cries of 'less!' " *Detroit Free Press*, November 8, 1981, p. 12A.

5. "A management split over labor relations," *Business Week*, June 14, 1982, p. 19, Louis Harris poll.

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8. "A case of stunted growth for nonunion wages," *Business Week*, October 25, 1982, p. 94.
9. "The ticker," *Detroit Free Press*, March 16, 1983, p. 8D.
10. Robert Gasperow, Construction Labor Research Council, phone interview, May 10, 1983.
11. *Proceedings of the 34th General Convention of the United Brotherhood of Carpenters and Joiners, 1981*, p. 189.
12. "U.S. non-union building grows," *The Carpenters' Voice*, August 1982, p. 6.
13. Bureau of National Affairs *Daily Labor Report*, August 26, 1982, No. 166, Current Developments Section, p. A-1.
14. As usual during the winter, there were few contracts negotiated in the first quarter. Several of those which included wage cuts were reopeners of contracts due to expire in the summer.
15. "Government workers find that job security can suddenly vanish," *Wall Street Journal*, July 29, 1981.
16. "Public-employe unions are losing clout to management amid new fiscal climate," *Wall Street Journal*, November 30, 1981.
17. These figures cover about one million public sector workers, a quarter of all state and local employees covered by contracts. Note that these statistics are not comparable to those given for private sector workers, which include wages only and cover contracts with 1,000 or more workers. Also, COLA clauses are much less common in the public sector, and pensions are not subject to collective bargaining in many state and local government jurisdictions.
18. Jeff Busch, "Health plan cuts and premium hikes hit 9.5 million," *Labor Notes*, March 24, 1982, p. 11.
19. Dan La Botz, "Federal workers' rights in jeopardy," *In These Times*, May 18-24, 1983, p. 8-10.
20. *Shutdown: Economic Dislocation and Equal Opportunity*, a report of the Illinois Advisory Committee to the U.S. Commission on Civil Rights, June 1981, p. 29.
21. Ibid, p. 32.
22. *Business Incentives and Minority Employment*, a report of the Wisconsin Advisory Committee to the U.S. Commission on Civil Rights, September 1982, p. 55-57.
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24. "How auto helps minorities," *UAW Washington Report*, December 3, 1982, p. 3.
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3. Economic Report of the President 1982, Table B-88. Profit rates have fallen in Europe too. The Organization for Economic Cooperation and Development, which collects economic data for the advanced Western nations, shows the following rates of return for "industry plus transport":

	1955	1965	1976
Canada	12.6%	11.0%	9.4%
U.S.	19.7	19.5	15.2
Germany	24.3	21.4	18.4
Sweden	10.8	9.9	5.6
United Kingdom	8.9	9.3	6.1
Netherlands	45.4	37.4	37.3
Japan	13.1	19.4	15.1*

*1975

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