



what's new in...

COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

December 25, 1980

Route to . . .

New Labor Secretary

Raymond J. Donovan, executive vice president of Schiavone Construction Company, Secaucus, N.J., has been selected by President-elect Ronald Reagan as the new Secretary of Labor.

Donovan has worked in all phases of Schiavone's operations but primarily labor relations.

Reaction to the appointment from representatives of organized labor and industry has been favorable, with Teamsters President Frank E. Fitzsimmons, AFL-CIO President Lane Kirkland, and U.S. Chamber of Commerce President Richard Lesh, voicing pledges of cooperation.

Abandoned Guidelines

The Carter Administration's voluntary wage and price guidelines were discontinued Dec. 16 when the Council on Wage and Price Stability announced it would cease monitoring compliance. CWPS added that it will continue to process non-compliance actions in progress and first- and second-year exception requests.

BNA Briefings

The 1981 Briefing Sessions on collective bargaining, sponsored by The Bureau of National Affairs, Inc., will be held in seven cities, beginning Feb. 27 in Washington, D.C.

Sessions also will be held in New York City, March 2; Minneapolis, March 4; Chicago, March 6; Los Angeles, March 9; St. Louis, March 11; and Boston, March 13.

For more information contact the 3NA Briefing Sessions Secretary, Room S-602, The Bureau of National Affairs, Inc., 1231 25th St., NW, Washington, D.C. 20037. Telephone (202) 452-4420 or toll free (800) 424-8039.

New Container-Handling Agreement

The International Longshoremen's Association has agreed with Atlantic and Gulf Coast port employers on a master contract supplement covering the handling of containerized cargo. The agreement allows ILA to strike if any court prohibits implementation of container rules. It also calls for imposing penalties on employers that violate the rules.

The agreement stems from a longstanding dispute over the legality of contract provisions requiring ILA members to perform stripping and stuffing of containers within 50 miles of port. NLRB found that the rules and their enforcement constituted an illegal secondary boycott. In June 1980, however, the U.S. Supreme Court remanded the case to NLRB, finding that the Board had failed to consider the key question of whether the rules are a legally permissible effort to preserve jobs.

The new four-point supplement provides that:

- containerization rules will be implemented on Jan. 1, 1981, in all ports from Maine to Texas, except Philadelphia, where ILA will contest an existing injunction against the rules;
- if the rules are declared illegal by any court, ILA shall have the right to terminate the contract upon serving 60 days' notice;
- any ocean carrier diverting cargo to ports where containerization rules are not enforced will be penalized \$1,000 per container, the amount to be divided equally between the union's pension and welfare funds; and
- if the parties are prevented from using the rules, they will work out a new formula for assessing rates employers must pay into job security funds.

Darlington Workers' \$5 Million Settlement

A 24-year labor dispute finally has ended with acceptance by former Darlington Manufacturing Company textile workers of a \$5 million back-pay settlement for themselves and the heirs of those who have died in the decades since the facility was shut down. Individual shares for the more than 500 persons range from \$50 to \$36,000.

The dispute began after Milliken & Company (then known as Deering Milliken Inc.) closed its Darlington, S.C., subsidiary in November 1956, shortly after employees voted for representation by the Textile Workers Union of America. TWUA merged in 1976 with the Amalgamated Clothing Workers to form the Amalgamated Clothing and Textile Workers.

The union charged that the company had closed the mill to dampen any move toward unionization at its 26 other textile facilities. Milliken previously had shut down operations in Alabama and Maine after the union initiated organizing campaigns at these locations.

NLRB subsequently found that the company, in violation of the Taft-Hartley Act, closed the Darlington Mill to discourage unionization (51 LRRM 1278 [1962]). The case was twice appealed to the U.S. Court of Appeals for the Fourth Circuit and the U.S. Supreme Court, which ultimately upheld unfair labor practice findings (58 LRRM 2657 [1965]).

The union had sought about \$20 million in back pay for the former employees. NLRB proposed the \$5 million settlement which ACTWU and Milliken agreed to on Dec. 3.

The settlement came two months after ACTWU accepted an agreement with J.P. Stevens & Co. ending a rancorous dispute with the company that had fought unionization for 17 years (see page 4).

Current Settlements

A 6½-year strike by more than 400 members of two Graphic Arts International Union locals against Kable Printing Co., Mount Morris, Ill., has ended with the Dec. 4 signing of a six-year contract. Photoengravers and bookbinders will retain their pre-strike seniority. The weekly salary of journeymen engravers increases to \$410 initially, while the hourly rate for bookbinders will range from \$5.56 to \$9.38. Benefits also are improved. The phasing out of photoengraving work and subcontracting were among the issues precipitating the strike.

Johns Hopkins Hospital has agreed to continue contributing to the National Union of Hospital and Health Care Employees' national benefits fund as part of a strike-ending agreement with District 1199E. The Baltimore hospital will reduce its contribution from 10 to 9 percent of gross payroll monthly. Some 1,400 blue-collar workers will receive wage increases of 8 percent in each of two years. The agreement is expected to set the pattern for an additional 2,100 employees at five other area hospitals.

Florsheim Shoe Company has agreed with the Amalgamated Clothing and Textile Workers on a two-year contract providing some 250 Chicago, Ill., employees with wage increases of 40 cents an hour in the first year and 33 cents in the second. Monthly pension benefits rise from \$6 to \$6.50 for each year of service and insurance coverage is expanded.

Following are median first-year wage increases in settlements reported in the two-week period ending December 22 and year-to-date median increases for this year and last (see 19:8026):

	2-week period		year to date		year to date 1979	
All industries	64.2¢	9.0%	70.2¢	9.5%	55.0¢	8.4%
All nonconstruction	63.4¢	8.8%	65.0¢	9.3%	52.5¢	8.4%
Manufacturing	70.0¢	10.1%	60.0¢	9.0%	50.9¢	8.3%
Nonmfg. exc. constr.	63.4¢	7.9%	70.2¢	9.5%	54.8¢	8.5%
Construction	(*)	(*)	\$1.25	11.3%	85.0¢	8.5%

(*) Insufficient data

Rail: Ruling On Dual Pensions

The U.S. Supreme Court has upheld provisions of the Railroad Retirement Act of 1974 that denied some former railroad employees joint railroad retirement and social security benefits. The 1974 Act—legislated to keep the railroad pension fund from bankruptcy—restructured the 1937 Railroad Retirement Act which provided that employees could receive benefits under both systems.

Reversing a lower court ruling that found the 1974 Act unconstitutional, the Supreme Court's decision bars some 86,000 railroad industry retirees from receiving extra benefits.

The Court ruled that railroad employees with less than 25 years' service retiring before December 31, 1974, who had since become permanently insured under the Social Security Act, had no equal protection right to dual benefits. The Court said that there were "plausible reasons" for Congress to conclude that employees with 10 to 24 years' service in the rail industry who were still actively employed in the industry when the legislation took effect had a greater equitable claim to dual benefits than those who were not active. (*United States Railroad Retirement Board v. Fritz*; US Sup Ct, No. 79-870, Dec. 9, 1980)

administering THE CONTRACT

Subcontracting Limits

Mead Corporation does not have the right under its contract with the Paperworkers Union to subcontract bargaining unit work in an effort to cut costs, even though the contract is silent on subcontracting, Arbitrator James A. Gross rules.

Mead subcontracted all plant and office janitorial work. Plant clean-up had been performed by a unit employee classified in the contract as a janitor. This employee was transferred to another part of the company when the subcontractor took over his work.

The Paperworkers argued that, regardless of subcontract rights, Mead was barred by the contract from eliminating any bargaining unit job.

The union also asserted that if Mead were allowed to reduce its costs by this move, it would be given a precedent for doing the same with other bargaining unit work.

Mead countered that, in the absence of a ban on subcontracting, it had the right to subcontract. It argued that the move did not threaten union integrity. Mead also asserted that the decision was made for legitimate economic reasons.

The arbitrator finds that the company does not have an unlimited or "absolute" right to subcontract in the absence of contract language on the matter. Most arbitrators agree, Gross notes, that a contract lacking this language does not give the employer the right to reduce the scope of the bargaining unit anyway.

Gross notes that unit work may be subcontracted only if the work requires special skills, is minimal or temporary in nature, or is subject to time limits. He concludes that elimination of a unit job simply for economy "is [neither] legitimate [nor] permissible." He upholds the grievance. (75 LA 665)

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FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 928

December 25, 1980

CHAMBER OF COMMERCE REPORT ON FRINGE BENEFIT COSTS

Cost of employee fringe benefits, including those required by law, averaged 36.6 percent of payroll in 1979 or \$2,676 per payroll hour, according to the latest annual survey by the Chamber of Commerce of the United States. In 1978 employer payments for fringe benefits averaged 36.9 percent of payroll, or \$2,471 per payroll hour.

Employer contributions for pension and insurance plans averaged 12.1 percent of payroll in 1979, while payments for time not worked, such as vacations, holidays, and other leave, averaged 9.5 percent. Payments for legally required benefits came to 9 per-

cent, and pay for lunch and rest periods and washup and travel time averaged 3.5 percent.

Employee benefit payments varied among the 922 firms responding to the Chamber survey from less than 18 to more than 65 percent of payroll. Average industry payments for fringe benefits varied from 28.2 percent in hospitals to 44.5 percent in petroleum. By region, fringe contributions accounted for the highest percentage of payroll in the Northeast (38.1), followed by the East North Central (37.9), West (35.2), and Southeast (33.9).

Selected tables from the Chamber of Commerce report follow.

TABLE 1. EMPLOYEE BENEFITS, BY TYPE OF PAYMENT, 1979

Type of benefit	Total, all companies	Total, all manufacturing	Total, all nonmanufacturing
Total employee benefits as percent of payroll	36.6	37.2	35.7
1. Legally required payments (employer's share only)	9.0	10.1	7.6
a. Old-Age, Survivors, Disability, and Health Insurance (FICA taxes)	5.8	5.9	5.6
b. Unemployment Compensation	1.5	1.9	1.0
c. Workers' compensation (including estimated cost of self-insured)	1.7	2.3	0.9
d. Railroad Retirement Tax, Railroad Unemployment and Cash Sickness Insurance, state sickness benefits insurance, etc.**	.	.	0.1
2. Pension, insurance, and other agreed-upon payments (employer's share only)	12.1	12.1	12.1
a. Pension plan premiums and pension payments not covered by insurance-type plan (net)	5.4	4.7	6.4
b. Life insurance premiums; death benefits; hospital, surgical, medical, and major medical insurance premiums, etc. (net)	5.7	6.6	4.4
c. Salary continuation or long term disability	0.3	0.3	0.3
d. Dental insurance premiums	0.3	0.3	0.2
e. Discounts on goods and services purchased from company by employees	0.1	.	0.2
f. Employee meals furnished by company	0.1	.	0.3
g. Miscellaneous payments (compensation payments in excess of legal requirements, separation or termination pay allowances, moving expenses, etc.)	0.2	0.2	0.3
3. Paid rest periods, lunch periods, wash-up time, travel time, clothes-change time, get-ready time, etc.	3.5	3.6	3.4
4. Payments for time not worked	9.5	8.8	10.2
a. Paid vacations and payments in lieu of vacation	4.7	4.5	4.8
b. Payments for holidays not worked	3.2	3.2	3.1
c. Paid sick leave	1.2	0.8	1.8
d. Payments for State or National Guard duty; jury, witness, and voting pay allowances; payments for time lost due to death in family or other personal reasons, etc.	0.4	0.3	0.5
5. Other items	2.5	2.6	2.4
a. Profit-sharing payments	1.4	1.6	1.2
b. Contributions to employee thrift plans	0.3	0.2	0.4
c. Christmas or other special bonuses, service awards, suggestion awards, etc.	0.4	0.5	0.3
d. Employee education expenditures (tuition refunds, etc.)	0.2	0.1	0.3
e. Special wage payments ordered by courts, payments to union stewards, etc.	0.2	0.2	0.2
Total employee benefits as cents per payroll hour	267.6	267.1	268.2
Total employee benefits as dollars per year per employee	5,560	5,605	5,501

*Less than 0.05%

**Figure shown is considerably less than legal rate, because most reporting companies had only a small proportion of employees covered by tax.

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**TABLE 2. EMPLOYEE BENEFITS AS PERCENT OF PAYROLL,
BY TYPE OF BENEFIT AND INDUSTRY GROUPS, 1979**

Type of benefit	Manufacturing Industries														Nonmanufacturing Industries									
	Total, all industries	Total, all manufacturing	Food, beverages, and tobacco	Textile products and apparel	Pulp, paper, lumber, and furniture	Printing and publishing	Chemicals and allied products	Petroleum industry	Rubber, leather, and plastic products	Stone, clay, and glass products	Primary metal industries	Fabricated metal products (excl. mach. and trans. equipment)	Machinery (excluding electrical)	Electrical machinery, equipment, and supplies	Transportation equipment	Instruments and miscellaneous manufacturing industries	Total, all nonmanufacturing	Public utilities (electric, gas, water, telephone, etc.)	Department stores	Trade (wholesale and other retail)	Banks, finance companies, and trust companies	Insurance companies	Hospitals	Miscellaneous nonmanufacturing industries*
Total employee benefits as percent of payroll	36.6	37.2	36.9	29.2	36.1	35.0	43.1	44.5	35.0	36.4	43.0	36.4	36.9	36.7	39.0	36.4	35.7	40.6	31.7	28.8	39.4	38.3	28.2	34.4
1. Legally required payments (employer's share only)	9.0	10.1	11.2	10.1	10.8	9.2	8.8	8.0	11.9	11.0	11.9	11.0	9.4	9.2	9.8	9.6	7.6	7.4	8.7	9.5	7.7	7.3	7.1	7.6
a. Old-Age, Survivors, Disability, and Health Insurance (FICA taxes)	5.8	5.9	5.9	6.0	6.0	5.8	5.8	5.5	6.0	5.9	5.9	5.9	5.9	5.9	5.9	5.8	5.6	5.7	5.8	5.9	5.7	5.7	5.8	5.3
b. Unemployment Compensation	1.5	1.9	1.9	2.5	1.7	2.3	1.3	0.8	2.3	1.8	1.9	2.0	1.5	2.0	1.9	2.1	1.0	0.8	2.2	1.7	1.6	1.3	0.3	1.0
c. Workers' compensation (including estimated cost of self-insured)	1.7	2.3	3.3	1.6	3.0	1.0	1.7	1.7	3.6	3.2	4.1	3.1	1.9	1.3	2.0	1.6	0.9	0.9	0.7	1.8	0.3	0.3	0.9	1.3
d. Railroad Retirement Tax, Railroad Unemployment and Cash Sickness Insurance, state sickness benefits insurance, etc.**	***	***	0.1	***	0.1	0.1	***	***	***	0.1	***	***	0.1	***	***	0.1	0.1	***	***	0.1	0.1	***	0.1	***
2. Pension, insurance, and other agreed-upon payments (employer's share only)	12.1	12.1	13.0	7.7	10.7	11.1	14.2	17.2	10.0	12.6	14.5	11.6	12.5	10.6	14.1	11.0	12.1	16.1	10.2	7.2	12.6	13.1	8.2	10.1
a. Pension plan premiums and pension payments not covered by insurance-type plan (net)	5.4	4.7	5.9	2.0	4.1	5.0	6.4	11.1	3.3	5.2	5.7	4.1	4.8	3.7	4.9	4.5	6.4	9.8	2.7	2.2	6.4	7.1	3.5	4.8
b. Life insurance premiums; death benefits; hospital, surgical, medical, and major medical insurance premiums, etc. (net)	5.7	6.6	6.4	5.3	5.9	5.4	6.6	5.5	6.0	6.7	7.9	6.8	6.7	5.9	8.1	5.7	4.4	5.2	3.0	4.1	4.9	4.3	3.6	4.1
c. Salary continuation or long term disability	0.3	0.3	0.3	0.1	0.3	0.3	0.5	0.1	0.2	0.2	0.2	0.2	0.3	0.4	0.2	0.3	0.3	0.4	0.3	0.3	0.3	0.4	0.2	0.3
d. Dental insurance premiums	0.3	0.3	0.3	0.1	0.1	0.2	0.4	0.2	0.1	0.4	0.5	0.3	0.3	0.4	0.4	0.3	0.2	0.2	0.1	0.1	0.3	0.2	0.1	0.2
e. Discounts on goods and services purchased from company by employees	0.1	***	***	0.1	***	***	***	***	0.1	***	***	***	***	***	0.1	***	0.2	0.1	4.1	0.3	0.1	***	0.3	0.1
f. Employee meals furnished by company	0.1	***	***	***	***	***	0.1	0.1	0.1	***	***	0.1	0.1	0.1	***	0.1	0.3	0.1	***	0.2	0.4	0.7	0.3	0.1
g. Miscellaneous payments (compensation payments in excess of legal requirements, separation or termination pay allowances, moving expenses, etc.)	0.2	0.2	0.1	0.1	0.3	0.2	0.2	0.2	0.2	0.1	0.2	0.1	0.3	0.1	0.4	0.1	0.3	0.3	***	***	0.2	0.4	0.2	0.5
3. Paid rest periods, lunch periods, wash-up time, travel time, clothes-change time, get-ready time, etc.	3.5	3.6	3.8	3.3	3.7	3.3	5.3	3.9	3.7	3.2	4.0	3.6	3.0	4.2	3.6	3.1	3.4	3.6	3.8	3.5	4.1	3.7	3.1	4.1
4. Payments for time not worked	9.5	8.8	8.0	5.9	8.6	8.4	11.0	12.0	8.2	9.0	9.1	8.2	9.0	9.3	10.0	8.8	10.2	12.3	7.6	6.3	10.0	10.4	9.3	9.7
a. Paid vacations and payments in lieu of vacation	4.7	4.5	4.2	3.1	4.7	4.4	5.5	6.4	4.5	4.8	5.0	4.4	4.6	4.7	4.9	4.4	4.8	5.7	3.8	3.1	4.6	4.8	4.4	4.6
b. Payments for holidays not worked	3.2	3.2	2.8	2.3	3.0	2.6	3.6	3.3	3.0	3.2	3.2	3.3	3.5	3.4	3.9	2.9	3.1	3.5	2.6	2.3	3.4	3.6	2.5	2.9
c. Paid sick leave	1.2	0.8	0.8	0.4	0.6	1.1	1.5	2.0	0.5	0.8	0.5	0.4	0.6	0.9	0.9	1.2	1.8	2.1	1.0	0.8	1.7	1.7	2.0	1.8
d. Payments for State or National Guard duty; jury, witness, and voting pay allowances; payments for time lost due to death in family or other personal reasons, etc.	0.4	0.3	0.2	0.1	0.3	0.3	0.4	0.3	0.2	0.2	0.4	0.1	0.3	0.3	0.3	0.3	0.5	1.0	0.2	0.1	0.3	0.3	0.4	0.4
5. Other items	2.5	2.6	0.9	2.2	2.3	3.0	3.8	3.4	1.2	0.6	3.5	2.0	3.0	3.4	1.5	3.9	2.4	1.2	1.4	2.3	5.0	3.8	0.5	2.9
a. Profit-sharing payments	1.4	1.6	0.4	1.3	1.0	1.9	1.8	1.1	0.8	0.2	2.7	1.2	2.2	2.2	0.8	2.7	1.2	***	1.3	1.7	3.7	2.1	0.1	1.5
b. Contributions to employee thrift plans	0.3	0.2	***	0.1	0.1	0.3	1.0	1.8	0.1	0.1	0.2	0.1	0.1	0.1	0.3	0.2	0.4	0.7	***	***	0.3	0.6	***	0.2
c. Christmas or other special bonuses, service awards, suggestion awards, etc.	0.4	0.5	0.3	0.6	1.0	0.7	0.6	0.2	0.2	0.2	0.3	0.4	0.5	0.8	0.1	0.7	0.3	0.1	0.1	0.4	0.3	0.5	0.1	0.8
d. Employee education expenditures (tuition refunds, etc.)	0.2	0.1	***	***	***	0.1	0.1	0.1	***	0.1	0.1	***	0.1	0.1	0.1	0.2	0.3	0.1	***	0.1	0.6	0.3	0.3	0.3
e. Special wage payments ordered by courts, payments to union stewards, etc.	0.2	0.2	0.2	0.2	0.2	***	0.3	0.2	0.1	***	0.2	0.3	0.1	0.2	0.2	0.1	0.2	0.3	***	0.1	0.1	0.3	***	0.1

*Includes research, engineering, education, government agencies, mining, construction, etc.

**Figure is considerably less than legal rate, because most reporting companies had only a small proportion of employees covered by tax.

***Less than 0.05%.

TABLE 3. EMPLOYEE BENEFITS AS CENTS PER PAYROLL HOUR, BY TYPE OF BENEFIT AND INDUSTRY GROUP, 1979

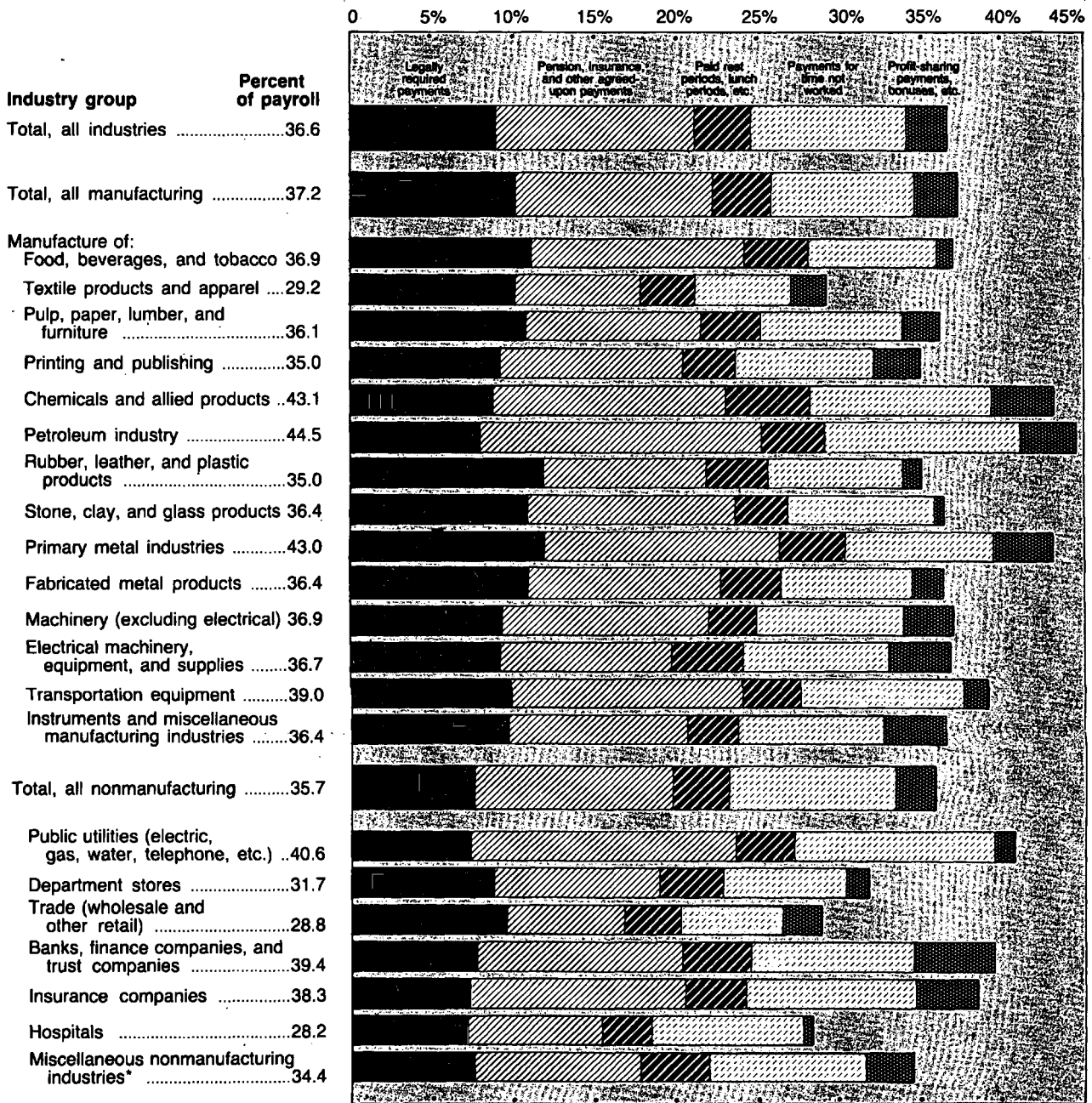
Type of benefit	Manufacturing industries														Nonmanufacturing industries									
	Total, all manufacturing	Food, beverages, and tobacco	Textile products and apparel	Pulp, paper, lumber, and furniture	Printing and publishing	Chemicals and allied products	Petroleum industry	Rubber, leather, and plastic products	Stone, clay, and glass products	Primary metal industries	Fabricated metal products (excl. mech. and trans. equipment)	Machinery (excluding electrical)	Electrical machinery, equipment, and supplies	Transportation equipment	Instruments and miscellaneous manufacturing industries	Total, all nonmanufacturing	Public utilities (electric, gas, water, telephone, etc.)	Department stores	Trade (wholesale and other retail)	Banks, finance companies, and trust companies	Insurance companies	Hospitals	Miscellaneous nonmanufacturing industries*	
Total employee benefits as cents per payroll hour	267.6	267.1	247.8	150.4	242.8	257.2	340.1	432.7	223.1	246.9	314.4	248.3	276.0	269.3	315.7	250.8	268.2	356.4	156.0	184.7	258.0	267.0	162.6	285.8
1. Legally required payments (employer's share only)	65.8	72.6	75.0	51.9	71.7	66.6	69.7	78.3	76.3	74.8	87.2	74.9	69.9	67.7	78.6	65.5	56.9	64.6	43.3	60.8	50.2	51.5	40.8	63.1
a. Old-Age, Survivors, Disability, and Health Insurance (FICA taxes)	42.3	42.2	39.5	30.7	40.3	42.4	46.0	53.8	38.1	40.0	43.4	40.3	43.9	43.0	47.5	39.9	42.5	49.6	28.5	37.8	37.6	39.8	33.2	43.8
b. Unemployment Compensation	11.0	13.4	12.4	12.8	11.1	16.7	10.3	7.5	14.8	12.5	13.9	13.7	11.3	14.8	15.2	14.2	7.7	7.2	11.0	11.0	10.4	9.1	1.9	8.5
c. Workers' compensation (including estimated cost of self-insured)	12.2	16.6	22.2	8.2	19.9	7.1	13.3	17.0	23.1	21.9	29.9	20.8	14.2	9.7	15.8	10.8	6.4	7.6	3.7	11.6	1.8	2.3	5.4	10.7
d. Railroad Retirement Tax, Railroad Unemployment and Cash Sickness Insurance, state sickness benefits insurance, etc.**	0.3	0.4	0.9	0.2	0.4	0.4	0.1	***	0.3	0.4	***	0.1	0.5	0.2	0.1	0.6	0.3	0.2	0.1	0.4	0.4	0.3	0.3	0.1
2. Pension, insurance, and other agreed-upon payments (employer's share only)	88.7	86.9	87.9	39.8	72.4	82.3	111.8	167.8	63.4	86.3	106.3	79.0	93.5	77.7	114.1	75.6	91.2	141.5	50.3	46.6	82.5	91.2	47.2	83.7
a. Pension plan premiums and pension payments not covered by insurance-type plan (net)	39.7	33.7	39.3	10.2	27.6	37.1	50.2	108.2	21.0	35.4	41.6	28.2	36.1	26.9	39.6	30.9	48.2	86.3	13.4	14.2	41.7	49.5	20.0	39.9
b. Life insurance premiums; death benefits; hospital, surgical, medical, and major medical insurance premiums, etc. (net)	41.5	47.2	43.2	27.5	39.5	39.7	52.1	53.7	38.1	45.7	58.0	46.2	50.1	43.6	65.6	39.4	33.3	45.4	14.7	26.4	32.4	29.8	20.8	34.6
c. Salary continuation or long term disability	2.1	2.0	2.0	0.7	2.3	2.4	3.7	1.4	1.4	1.2	1.3	1.6	2.5	2.9	1.7	1.9	2.4	3.2	1.5	1.8	2.3	2.8	1.3	2.2
d. Dental insurance premiums	1.9	2.2	2.1	0.5	0.7	1.6	3.3	1.9	0.6	2.7	3.8	1.8	2.3	2.9	3.4	1.8	1.6	2.1	0.5	0.8	1.7	1.3	0.7	1.6
e. Discounts on goods and services purchased from company by employees	0.7	0.2	0.2	0.4	0.2	0.3	***	0.4	0.6	0.3	***	***	0.1	0.2	0.6	0.2	1.3	1.1	20.0	1.7	0.4	0.3	1.5	0.5
3. Employee meals furnished by company	1.1	0.3	0.1	***	0.2	***	1.0	0.3	0.5	0.1	0.2	0.4	0.4	0.6	0.1	0.4	2.2	1.2	***	1.5	2.6	4.8	2.0	0.5
g. Miscellaneous payments (compensation payments in excess of legal requirements, separation or termination pay allowances, moving expenses, etc.)	1.7	1.3	1.0	0.5	1.9	1.2	1.5	1.9	1.2	0.9	1.4	0.8	2.0	0.6	3.1	1.0	2.2	2.2	0.2	0.2	1.4	2.7	0.9	4.4
3. Paid rest periods, lunch periods, wash-up time, travel time, clothes-change time, get-ready time, etc.	26.0	26.2	25.6	17.2	24.6	24.5	41.5	38.1	23.4	21.7	29.3	24.3	22.9	31.0	29.3	21.4	25.5	31.8	18.7	22.2	26.9	26.0	17.9	34.4
4. Payments for time not worked	69.0	63.1	52.7	30.1	58.0	61.9	86.6	116.2	52.4	60.5	66.7	56.4	67.4	68.6	81.1	60.8	77.0	107.1	36.6	40.4	65.8	72.0	53.6	81.2
a. Paid vacations and payments in lieu of vacation	34.1	32.7	27.8	15.7	31.8	32.5	43.0	61.9	28.5	32.2	36.9	29.8	34.5	34.9	39.7	30.4	36.0	49.6	18.6	19.6	30.0	33.3	25.4	38.7
b. Payments for holidays not worked	23.2	23.0	18.5	11.8	20.0	19.1	28.7	31.7	19.4	21.4	23.5	22.8	26.2	25.0	31.7	19.9	23.4	30.4	12.5	14.7	22.5	24.9	14.3	24.0
c. Paid sick leave	9.0	5.6	5.4	2.0	3.9	8.0	12.1	19.5	3.4	5.3	3.7	2.8	4.6	6.7	7.5	8.2	13.8	18.8	4.8	5.4	11.2	11.7	11.5	15.3
d. Payments for State or National Guard duty; jury, witness, and voting pay allowances; payments for time lost due to death in family or other personal reasons, etc.	2.7	1.8	1.0	0.6	2.3	2.3	2.8	3.1	1.1	1.6	2.6	1.0	2.1	2.0	2.2	2.3	3.8	8.3	0.7	0.7	2.1	2.1	2.4	3.2
5. Other items	18.1	18.3	6.6	11.4	16.1	21.9	30.5	32.3	7.6	3.6	24.9	13.7	22.3	24.3	12.6	27.5	17.6	11.4	7.1	14.7	32.6	26.3	3.1	23.4
a. Profit-sharing payments	10.4	11.5	3.0	6.5	6.9	14.0	14.4	10.3	5.2	1.0	19.5	8.0	16.6	16.0	6.7	18.9	8.9	0.2	6.8	10.9	24.1	14.7	0.4	12.4
b. Contributions to employee thrift plans	2.1	1.5	0.3	0.8	0.7	1.9	8.1	17.4	0.4	0.4	1.3	0.4	0.5	0.5	2.7	1.5	2.9	6.5	***	0.2	1.8	4.1	***	1.7
c. Christmas or other special bonuses, service awards, suggestion awards, etc.	3.1	3.5	1.8	2.9	6.8	5.1	5.0	1.8	1.1	1.5	2.2	2.9	3.5	5.5	1.1	5.0	2.4	1.0	0.3	2.5	1.8	3.3	0.6	6.3
d. Employee education expenditures (tuition refunds, etc.)	1.2	0.5	0.1	0.1	0.3	0.7	0.7	1.2	0.2	0.6	0.6	0.3	0.7	0.7	0.6	1.1	2.1	1.2	***	0.7	4.0	2.2	1.9	2.5
e. Special wage payments ordered by courts, payments to union stewards, etc.	1.3	1.3	1.4	1.1	1.4	0.2	2.3	1.6	0.7	0.1	1.3	2.1	1.0	1.6	1.5	1.0	1.3	2.5	***	0.4	0.9	2.0	0.2	0.5

*Includes research, engineering, education, government agencies, mining, construction, etc.

**Figure is considerably less than legal rate, because most reporting companies had only a small proportion of employees covered by tax.

***Less than 0.05¢.

**TABLE 4. EMPLOYEE BENEFITS AS PERCENT OF PAYROLL,
BY INDUSTRY GROUPS, 922 COMPANIES, 1979**



*Includes research, engineering, education, government agencies, mining, construction, etc.

Holiday Pay

Timken Company did not violate its contract with the Steelworkers by refusing holiday pay to a worker whose religion barred his working the day before the plant's 1979 holiday shutdown, Arbitrator Charles A. Morgan rules.

The contract requires an employee to work his last scheduled shift before a holiday to qualify for holiday pay. The grievant's last scheduled shift before the Christmas shutdown was 4 p.m. to midnight Dec. 21, which fell after sundown on his Sabbath.

Since his religious observance prevented his working that shift, he was denied holiday pay for Dec. 23, 24, and 25 and Jan. 1 (when the situation recurred).

The union argued that the contract's non-discrimination clause incorporates federal law prohibiting religious discrimination and implies a duty to make "a reasonable accommodation" to employees' beliefs.

Finding no inherent right to holiday pay, Morgan says the provision is not discriminatory on its face. He notes further that Timken did not require the grievant to work or discipline him for not working.

Denying the grievance, the arbitrator leaves it to the grievant to pursue through administrative or legal channels the question of whether Timken violated the Civil Rights Act of 1964, as amended. (75 LA 801)

Chrysler Survival Plan

Chrysler Corporation has asked members of the United Auto Workers to accept a freeze on wages and pension benefits through September 1982 and a rollback of COLA as part of a survival plan to help the company qualify for an estimated \$400 million in federally guaranteed loans.

Other proposals by Chrysler to slash costs include a request that banks convert non-guaranteed loans to preferred stock and a plea to suppliers to accept deferred payments and to freeze or reduce prices. Chrysler must convince the government that it can become viable within a reasonable period of time in order to receive any more of the \$1.5 billion in loans authorized by Congress; \$800 million has already been drawn by the company.

Conference Board's Bargaining Forecast

Major collective bargaining agreements negotiated in 1981 will provide first-year wage and benefit increases averaging 10.2 percent, according to the Conference Board's annual forecast. The board's panel of labor relations experts also predicts that the Consumer Price Index will advance 11.5 percent, unemployment will hit 8 percent, and productivity will continue to decline as labor costs per unit of output in manufacturing rise 11 percent.

Last year board panelists predicted for 1980 first-year wage-fringe gains averaging 9.5 percent, 10 percent inflation, 7 percent unemployment, and little improvement in productivity.

No new trends in bargaining are foreseen. George B. Morris, former chief negotiator for General Motors Corporation, said that bargaining will be concentrated on "bread-and-butter issues with little attention given to innovative new cost items." Morris added that continuing high rates of inflation and interest will create pressure for "higher up-front wage settlements, the further spread of COLA protection, and increased retirement benefits, especially for those already retired."

The panel notes that even though 1981 is an off-year in the three-year bargaining cycle, its importance is greater than usual because the auto, rubber, and steel industries—traditionally leaders—no longer play as great a role in the overall bargaining scene.

Bargaining Briefs

A 24-hour workweek with pay for 36 to 40 hours is offered to registered nurses at the Washington [D.C.] Hospital Center who agree to work two 12-hour shifts on Saturday and Sunday. All other nurses will be able to work Monday through Friday, a workweek that is virtually non-existent for nurses in the hospital industry. Although the plan was not negotiated with the nurses' bargaining agent (the District of Columbia Nurses' Association), association leaders were consulted and will discuss with management what benefits the weekend nurses will receive.

PEPSI is proposed as an engineers' version of COLA in negotiations between the Seattle Professional Engineering Employees Association and The Boeing Company. The acronym, standing for Professional Engineering Payroll Salary Insurance, is no more palatable to the

company than COLA, which Boeing has been unwilling to extend to salaried employees.

SPEEA members met Dec. 18 to hear details of Boeing's proposals for renewing a contract that expired Dec. 15. Voting on the proposal is proceeding by mail ballot, the votes to be counted Jan. 6. SPEEA negotiators recommended rejection, and the members earlier authorized a strike.

Two books on labor have just been published by The Bureau of National Affairs, Inc., Education Systems division. The twenty-first edition of *Primer of Labor Relations*, by Howard J. Anderson, provides a concise overview of federal laws and regulations governing labor relations and a practical guide to their operating principles. *Evidence in Arbitration*, by Professors Marvin J. Hill, Jr., and Anthony V. Sinicropi, takes a penetrating look at the problems of handling evidence faced by arbitrators. The *Primer*, \$7.50, and *Evidence in Arbitration*, \$12.50, are available from BNA Education Systems, The Bureau of National Affairs, Inc., 9401 Decoverly Hall Road, Rockville, Md. 20850.



Perspective

Unions In The Sunbelt

THE RECENT TRUCE in the long and bitter dispute between J. P. Stevens & Co. and the Amalgamated Clothing and Textile Workers Union may open a significant door to increased union membership in the South.

In BNA interviews, union officials said that ACTWU's settlement, reached in October with the nation's most prominent symbol of labor resistance, will encourage further organizing inroads among textile companies and other industries that are rapidly expanding in the Sunbelt.

Some 3,500 employees at Stevens plants in North Carolina, South Carolina, and Alabama now are covered by collective bargaining contracts.

ACTWU Executive Vice President Scott M. Hoyman predicted that the Stevens settlement will lead to "increased levels of union activity throughout the textile industry" and will serve as a "shot in the arm for organizing in general in the South."

According to Labor Department figures, 12 of the 15 least organized states are in the South and Southwest, and 10 of these prohibit union shops.

The reason for the low level of unionization in the South, Hoyman maintains, is that the region's "people have had the least chance to see a union operate effectively."

Charles McDonald, an executive assistant in AFL-CIO's organizing department, asserted that a "union presence" in the South is necessary because many Southerners consider unions a "foreign force" based "some place up North."

Stevens and ACTWU acknowledge, however, that the settlement does not signal an end to their organizing battle. Although the union says it will no longer single out the company as its number one organizing target, it vows to "continue a dynamic organizing campaign in presently non-union Stevens plants." The company, in turn, declares it will continue its attempts to dissuade workers from joining the union.

For example, immediately after the settlement was announced, Whitney Stevens, the company's board chairman, sent a letter to each employee, insisting that Stevens had "gained much more" than it lost and that it remains "openly and strongly opposed to unions."

Emphasizing that wages and benefits at the company's unionized plants will be no higher than those at its non-union facilities, the letter stated: "We sincerely believe that the great majority of Stevens people also oppose unions, and we intend to support their right not to be organized."

Coincidentally, the union distributed leaflets at non-unionized Stevens plants, citing major provisions contained in the contract: a grievance and arbitration procedure, wage and benefit reopeners, the right to select stewards, health and safety language, and a successorship clause.

Stressing that the company has pledged to extend the contract to any ACTWU unit certified by NLRB within 18 months after settlement, the leaflet stated that workers are "guaranteed" a good contract without a strike if they vote for union representation within the next year and a half.

ACTWU's leaflets also contain a coupon that can be detached and sent to the union's Charlotte, N.C., office by individuals interested in forming a union. Noting that letters were coming in at a rate of about 30 to 40 a day, an ACTWU official said that there has been much more interest in unionization since the settlement was announced.

Although declining to name any Stevens plants considered ripe for unionization, ACTWU said it hoped to obtain certification at four plants where NLRB representation cases are pending.

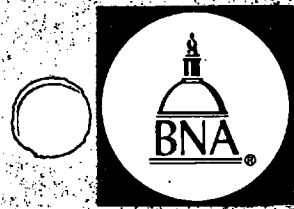
Major firms with a large portion of non-union plants include Burlington Industries, Inc., the largest textile manufacturer, where less than 10 percent of the work force is organized, and Cannon Mills, a totally non-union firm. The union reportedly has begun an intensive organizing drive at Cannon, where it lost an election in 1974 among 16,000 employees by 55 to 45 percent.

The Stevens settlement also is "bound to have an impact" on organizing in other industries in the South, according to Harold McIver, organizing director of AFL-CIO's Industrial Union Department.

Prime targets for unionization, he noted, include the largely unorganized furniture industry, and steel, rubber, chemical, and electronics plants. Service workers and public employees also provide tempting targets for union organizers.

Unions currently are concentrating on "runaway" plants established in the South by employers trying to escape the heavier concentration of unionization in the North, McIver said.

Among companies in the South slated for union organizing drives are Michelin Tire, E.I. Du Pont de Nemours, and Florida Steel. The steel company has fiercely resisted several organizing attempts by the Steelworkers, and, McIver avers, has earned a reputation in labor as "the number two lawbreaker."



what's new in...

COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

December 11, 1980

Route to

*Information Office
Eileen Hoffman*

CPI Base

Although the base years for most major government economic measures will move from 1967 to 1977 in January 1981, the base for the Consumer Price Index will not be changed until 1982, according to Bureau of Labor Statistics officials.

Updating the CPI base is "largely a technical problem" resulting from revisions made in the index in 1978, says BLS economist Patrick Jackman. BLS Commissioner Janet Norwood adds that CPI consists of a "very large data base" that requires more time to update than other economic indicators.

Changing the base will not affect percentage changes in the index, but the point change in a 1977 = 100 index would be smaller than in the 1967 = 100 index. Since many collective bargaining agreements tie cost-of-living adjustments to basis point changes in CPI, the 1967-based index will continue to be published long after the new base is introduced.

Another change in CPI—projected to take place in the mid-1980s—is a revision in the weighting of categories of consumer purchases. Buying habits of consumers in 1972-73 established the weights now used. BLS officials say that by the end of 1983 an ongoing buying-pattern survey should provide enough data to make assigning new weights possible.

New Minimum Wage

The federal minimum wage increases to \$3.35 an hour on January 1, 1981, the Labor Department reports.

The increase—the fourth and final under 1977 amendments to the Fair Labor Standards Act—will affect about 5.6 million of the 60 million workers subject to the Act, the department says.

The Size Of Bargaining In 1981

Major bargaining agreements covering 2.6 million workers will expire or reopen in 1981, according to preliminary figures published by the Bureau of Labor Statistics.

Of workers covered by agreements expiring in 1981, about 571,000 are under contracts with the United States Postal Service, some 400,000 are covered by agreements with the nation's Class I railroads, and 125,000 are covered by an agreement with the National Bituminous Coal Operators Association. Other major contracts expire in the airline, maritime, West Coast longshore, and construction industries.

The schedule of 1981 expirations is much lighter than in 1980 when some 3.8 million workers were covered by contracts that expired or provided wage reopeners.

Current Settlements

Machinists at Pratt & Whitney Division of United Technologies Corp. rejected the company's last wage offer under a contract reopener, but the offer will take effect anyway because less than two thirds of those voting approved a strike. Wage increases for 22,000 employees at four Connecticut plants range from 45 cents to \$1.20 per hour in December 1980 and from 17 to 51 cents in December 1981. A revised cost-of-living formula provides quarterly adjustments of 1 cent an hour for each 0.3 rise in the Consumer Price Index with a 12-cent cap.

A 30-month master contract has been negotiated by District 1199, National Union of Hospital and Health Care Employees, RWDSU, covering some 4,000 employees at more than 700 New York City area drug stores. The agreement provides wage increases of 6 percent on November 30, 1980, and January 3, 1982. A c-o-l clause is continued to provide adjustments in the second and third years equal to any annual increase above 5 percent in the CPI, capped at a maximum 5 percent adjustment. The employee's birthday is added as a paid personal holiday.

Montgomery Ward & Co. and some 35 Teamsters locals have reached agreement on new three-year contracts covering some 12,500 employees at Ward's catalog houses, major warehouses, retail stores, and repair service units nationwide. Although economic provisions vary from location to location, employees in most catalog houses and metropolitan areas will receive increases of 10 percent in the first year and 7.5 percent in each of the second and third years. A holiday is added in 1981 raising the total to from 8 to 11 depending on location.

Buffalo basic trades and the Construction Industry Employers Association have reached agreement eight months before contract expiration on a new three-year contract providing an over-term increase of \$5.15 an hour for nearly 10,000 building tradesmen. An increase of \$1.65 an hour or about 10 percent is due in June 1981, followed by \$1.75 or 9.5 percent in June 1982, and \$1.75 or 8.8 percent in June 1983. The parties believe that the early settlement, which is "moderate" compared to the national average for construction agreements, will have a stabilizing effect on the local construction industry.

The United Domestic Workers of America and Remedy Home & Health Care Services, Inc., recently negotiated a first contract covering some 2,100 employees caring for elderly and disabled citizens of San Diego County, Calif. The agreement covers mostly non-economic issues,

because the "homemakers" are compensated through a contract between the employer and the county. The contract provides for establishment of a labor-management relations committee, one week paid vacation, five days sick leave per year, a seniority system, a grievance procedure, a union shop, and extensive no-discrimination provisions.

Bonuses rather than wage increases have been agreed upon in a four-year contract between the Manville Forest Products Corporation and the United Paperworkers International Union. The union overwhelmingly ratified the agreement, covering some 850 Louisiana employees, after two unsuccessful attempts to secure a three-year contract meeting its wage demands—first 12 percent a year, then 8 percent. The bonuses, ranging from \$450 to \$1,150, are payable at six-month intervals. The average hourly wage rate of \$7.50 remains unchanged for the term.



Value Of Work

Rheem Manufacturing Company underpaid two employees, because it erred in evaluating the skills required to do their work, Arbitrator Anne Holman Woolf rules.

The proper pay rate for the work was subject to two previous arbitration cases. In the second of these cases, Arbitrator John P. Owen found that the work done by the two employees on the company's new larger lathe amounted to a new job, Maintenance Machinist. He ordered Rheem to determine the appropriate labor grade. The company's evaluator, using the established plan for evaluation, decided Maintenance Machinist was a Labor Grade 3 job. This was the same pay grade the employees were in prior to working with the new lathe.

The United Steelworkers asserted, on behalf of the machinists, that this labor grade was too low. The company contended that the evaluation was correct.

The contract requires that, in the event of a grievance over the proper classification or pay rate of a job, "the decision therein shall be governed by the principle that the new or adjusted base hourly wage rate shall be established upon the basis of the (company's) plan for evaluation . . . and shall be in line with other job classifications and base hourly wage rates at the plant."

Jobs are evaluated in terms of 11 factors, with a range of five possible degrees for each factor.

Woolf disagrees with the method the company's evaluator used to "slot" the Maintenance Machinist job and with the rating he gave to two skills under the evaluation plan.

The evaluator testified that he looked at two pay grade 3 jobs, Maintenance Man A and Toolmaker B, "to see where to slot" the new job. Woolf notes, however, that he never talked with any of the employ-

(Continued on page 3)

Following are median first-year wage increases in settlements reported in the two-week period ending December 8 and year-to-date median increases for this year and last (see 19:8025):

	2-week period		year to date		year to date 1979	
All industries	60.4¢	9.3%	70.7¢	9.5%	55.0¢	8.3%
All nonconstruction	60.0¢	9.3%	65.0¢	9.3%	52.0¢	8.3%
Manufacturing	57.3¢	8.3%	60.0¢	9.0%	50.0¢	8.3%
Nonmfg. exc. constr.	79.0¢	10.7%	70.8¢	9.5%	54.8¢	8.4%
Construction	(*)	(*)	\$1.25	11.3%	85.2¢	8.5%

(*) Insufficient data

Strike-Ending Nonferrous Agreements

A strike that began July 1 finally has ended with ratification of three-year contracts by union members at Anaconda Copper Company and ASARCO, the last two of ten major nonferrous industry companies to settle with a coalition of 26 unions led by the United Steelworkers.

The new agreements cover some 6,000 employees and generally follow the pattern set in August at Kennecott Copper Corporation where a walkout lasted eight weeks. Wages are increased 25 cents an hour in the first year, 20 cents in the second, and 15 cents in the third. A formula calling for quarterly c-o-l adjustments of 1 cent an hour for each 0.3 rise in the CPI is continued, and pension and insurance benefits are increased.

Strike-ending pattern agreements covering about 25,000 workers also have been reached at Phelps-Dodge, Inspiration Consolidated, Cities Service, White Pine, U.S. Metals, and Anamax.

The union coalition also accepted a plant-closing agreement covering some 1,200 employees at Anaconda's Montana smelting and refining operations which were discontinued October 1.

Provisions, retroactive to October 1, include: continuation of hospital, medical, and surgical insurance for one year and accidental death and dismemberment, dental, and life insurance for six months; first consideration for job openings at other facilities for up to one year; special early retirement benefits; and severance and supplemental pay additional to that provided in the master contract.

Facet Pension Plan Termination

Auto Workers locals in Detroit and Madison Heights, Mich., and Elmira, N.Y., have ratified a new three-year contract with Facet Enterprises, Inc., which terminates a defined benefits pension plan and replaces it with a defined contribution plan. Facet terminated the plan

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FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 927

December 11, 1980

PRODUCTIVITY AND COSTS: THIRD QUARTER 1980

Productivity in the private business sector increased .3 percent in the third quarter of 1980, when a .8 percent decrease in output was more than offset by a 1 percent decline in hours. From the third quarter of 1979 to the third quarter of 1980, productivity in private business has dropped .8 percent. The third-quarter increase was the first since fourth-quarter 1978.

Nonfarm business productivity, after declining for two consecutive quarters, increased 1.5 percent in third-quarter 1980, as hours dropped 1.4 percent and output rose .1 percent. Last quarter nonfarm business productivity declined 3.7 percent, when a 8.9 percent decrease in hours was outweighed by a 12.3 percent drop in output. Over the year productivity in this sector has fallen .7 percent.

Decreasing for the fourth consecutive quarter, productivity in manufacturing showed the only decline in any sector when it dropped .7 percent. The decline reflected decreases of 8.6 percent in output and 7.9 percent in hours. BLS reports the current period of decreasing manufacturing productivity to be the longest since a five-quarter decline occurred in 1955-56.

Preliminary data for nonfinancial corporations show productivity increased at a seasonally adjusted rate of 4.7 percent in third-quarter 1980. The third-quarter increase reflected an advance of .6 percent in output and a decrease of 3.9 percent in hours. Following a second quarter decline of 1.9 percent, the 4.7 percent productivity increase was the first gain in the nonfinancial corporations sector in almost two years, and the largest since 1975, BLS says.

TABLE 1. PERCENT CHANGE AT ANNUAL RATES IN PRODUCTIVITY & COSTS
(Seasonally Adjusted)

	2nd Quarter 1980 to 3rd Quarter 1980	3rd Quarter 1979 to 3rd Quarter 1980
Private Business Sector (revised)		
Productivity	0.3	-0.8
Hourly compensation	8.7	9.9
Unit labor costs	8.4	10.8
Real hourly compensation	1.5	-2.5
Output	-0.8	-2.6
Hours	-1.0	-1.9
Nonfarm Business Sector (revised)		
Productivity	1.5	-0.7
Hourly compensation	8.8	9.9
Unit labor costs	7.2	10.7
Real hourly compensation	1.6	-2.5
Output	0.1	-2.5
Hours	-1.4	-1.9
Manufacturing (revised)		
Productivity	-0.7	-2.4
Hourly compensation	12.1	11.6
Unit labor costs	12.9	14.4
Real hourly compensation	4.6	-1.0
Output	-8.6	-8.7
Hours	-7.9	-6.5
Nonfinancial Corporations (preliminary)		
Productivity	4.7	0.6
Hourly compensation	9.6	10.0
Unit labor costs	4.7	9.4
Real hourly compensation	2.3	-2.4
Output	0.6	-2.2
Hours	-3.9	-2.8

**TABLE 2. PRIVATE BUSINESS SECTOR, ALL PERSONS: PRODUCTIVITY, HOURLY COMPENSATION,
UNIT LABOR COSTS, AND PRICES, SEASONALLY ADJUSTED**

(Indexes 1967 = 100)

Year and Quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour ¹	Real compensation per hour ²	Unit Labor costs	Unit non-labor payments ³	Implicit price deflator
1979								
1st quarter	118.9	144.4	121.5	244.8	117.9	205.9	180.8	197.2
2nd quarter	118.3	143.4	121.3	250.4	117.0	211.7	183.7	202.0
3rd quarter	117.8	143.8	122.0	255.7	115.8	217.0	185.6	206.1
4th quarter	117.7	144.8	123.0	260.3	114.2	221.1	188.3	209.7
Annual average	118.3	144.1	121.8	253.1	116.4	214.0	184.4	203.8
1980								
1st quarter	117.7	144.8	123.1	267.6	112.9	227.5	190.0	214.5
2nd quarter	116.8	140.3	120.0	275.3	112.5	235.6	192.3	220.6
3rd quarter	116.9*	140.0*	119.7	281.1*	112.9*	240.4*	200.0*	226.4*
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATES⁵								
1979								
1st quarter	-3.1	1.2	4.5	11.0	-0.2	14.6	-1.0	9.3
2nd quarter	-2.0	-2.9	-0.9	9.5	-2.9	11.8	6.5	10.1
3rd quarter	-1.4	1.1	2.5	8.7	-4.1	10.3	4.2	8.3
4th quarter	-0.3	2.8	3.1	7.5	-5.4	7.8	5.9	7.2
Annual average	-0.8	2.4	3.3	9.4	-1.7	10.3	5.8	8.9
1980								
1st quarter	-0.3	0.2	0.5	11.7	-4.5	12.1	3.8	9.4
2nd quarter	-2.7	-12.0	-9.6	12.0	-1.5	15.1	4.9	11.9
3rd quarter	0.3*	0.8*	-1.0*	8.7*	1.5*	8.4*	17.0*	11.0*
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR⁶								
1979								
1st quarter	0.3	5.5	5.3	9.0	-0.8	8.7	9.7	9.0
2nd quarter	-0.7	2.2	2.9	9.4	-1.1	10.2	5.7	8.7
3rd quarter	-1.6	1.4	3.0	9.4	-2.1	11.2	4.8	9.1
4th quarter	-1.7	0.5	2.3	9.2	-3.2	11.1	3.9	8.7
Annual average	-0.8	2.4	3.3	9.4	-1.7	10.3	5.8	8.9
1980								
1st quarter	-1.0	0.3	1.3	9.3	-4.2	10.5	5.1	8.8
2nd quarter	-1.2	-2.2	-1.0	9.9	-3.9	11.3	4.7	9.2
3rd quarter	-0.8*	-2.6*	-1.9	9.9*	-2.5*	10.8*	7.8*	9.9*

¹ Wages and salaries of employees plus employers' contribution for social insurance and private benefit plans. Except for nonfinancial corporations, where there are self-employed, data also include an estimate of profits, salaries, and supplemental payments for the self-employed.

² Compensation per hour adjusted for changes in the Consumer Price Index for All Urban Consumers.

³ Nonlabor payments include profits, depreciation, interest, rental income, and income taxes.

⁴ Current dollar gross product divided by constant dollar gross product.

⁵ Percent change compounded at annual rate from original data rather than index numbers.

⁶ Current quarter divided by comparable quarter ago.

*Revised.

(Continued from page 2)

es in either of these jobs, and that he is unsure whether he talked to the grievants. This method "raises some questions in the arbitrator's mind," she says.

Woolf also says that the evaluator "under-evaluated" the two factors of initiative and ingenuity and physical demand for the new job.

The evaluator decided that "devising" skills required of the Toolmaker A in Labor Grade 1 were more demanding than "reproducing" skills required of the Maintenance Machinist. Woolf calls this "a distinction without a difference." Initiative and ingenuity are "equally demanded" of both, she says, and she upgrades the rating for machinist to the highest, or fifth, degree.

Woolf decides also that the Maintenance Machinist job requires "frequent" lifting of heavy material, not merely "occasional" lifting, as the evaluator found. She upgrades this rating to the third degree.

"When the job evaluation is corrected to conform to these findings . . . the findings (place) the Maintenance Machinist job . . . in the Labor Grade 2 range," Woolf says, one grade higher than the evaluator ruled.

Woolf orders Rheem to pay the two machinists at Labor Grade 2. She also awards them back pay from May 23, 1978, the date of the arbitrator's award in the first case involving this work. (75 LA 701)

because the amount of unfunded liabilities exceeds the company's net worth. The company does not anticipate any reduction in benefits to result. The plan covers 730 active employees and 1,300 retirees.

Facet will contribute an amount to fund monthly benefits of \$11 per year of service at the normal retirement date. The payment will be based on 2,000 hours of service per year, and will be expressed in cents per hour for each five-year interval from ages 20 to 65. The contract also provides a 3 percent wage increase each year, insurance improvements, and quarterly COLA of 1 cent an hour for each 0.3 CPI rise.

Duty of Successor to Bargain

The U.S. Court of Appeals for the Second Circuit, in a split decision, rules that a successor employer must bargain with an incumbent union if the majority of the successor's bargaining unit is made up of the predecessor's employees.

The court affirms an NLRB order to Saks & Company, Pittsburgh, Pa., to bargain with Local 86 of the Clothing and Textile Workers Union.

The company argued that it did not have a successor's duty to bargain because it did not hire a majority of the employees in the predecessor's alterations bargaining unit. This unit, Saks contended, consisted of 110 employees at two other department stores, from which it hired only 16 workers.

The court majority disagrees, finding that the number of employees in the predecessor unit hired by the successor is irrelevant. "The appropriate test of continuity (for establishing successorship) is whether a majority of the successor's bargaining unit is composed of the predecessor's employees," Judge Bonsal writes. Even though only 16 employees were hired from the existing unit, they comprise a majority of the 20 employees NLRB defined as the appropriate Saks bargaining unit, the court said. Furthermore, there was no evidence that these employees did not support the union as strongly as the existing unit did nor any evidence that their work would be any different than that in the existing unit. The court, therefore, finds Saks has a duty to bargain. (*Saks & Company v. NLRB*; CA2, Nos. 80-4029, 80-4057, Nov. 14, 1980)

Bargaining Briefs

Protesting Prudential Life Insurance Company's investments in non-union construction projects, the Washington (D.C.) Metal Trades Council has dropped the company as investor of its union pension fund. Prudential has invested more than \$52 million in Washington area construction this year, "about 99 percent" of which was open shop, the Council says.

Work rules changes that will enable Goodyear Tire & Rubber Company to invest \$4 million in the modernization of its Akron, Ohio, rubber mixing operations have been accepted by United Rubber Workers Local 2. Effective January 5, the plant will run on a 24-hour schedule and pieceworkers will work a full day instead of leaving upon reaching a pre-set quota. On June 1, 1981, shifts will increase from six to eight hours.

Teamsters members have rejected Braniff Airways' proposal to cut employees' pay by 10 percent for six months, thus blocking the carrier's attempt to institute a company-wide pay reduction. The Teamsters represents 5,000 employees at Braniff. Earlier, members of the International Association of Machinists and the Air Line Pilots Association—together representing 3,800 employees—approved the plan, but its implementation was contingent upon approval of all three unions. Braniff's contracts with the unions open for amendment in 1981.

A cost-of-living adjustment of 16 cents an hour took effect December 1 for employees represented by the United Auto Workers at the Big Three automakers: An additional 1 cent was diverted to benefits.

In the farm equipment industry, UAW-represented workers at International Harvester Company and Caterpillar Tractor Company received a 17-cent adjustment in December, while UAW workers at Deere & Company received a 1.6 percent adjustment.



Bargaining In The Next Four Years

LABOR'S collective bargaining goal under the Reagan administration "will remain what it always has been: the economic welfare, security, and dignity of our members," AFL-CIO Secretary-Treasurer Thomas Donahue told a group of arbitrators in San Francisco, Calif., last month.

Although most of organized labor waged an all-out campaign to defeat Reagan and re-elect President Carter, it has no intention of expressing its "political disagreement" with the new administration through the collective bargaining process, he said.

Reagan's election will not directly affect contract negotiations over the next four years provided administration policy is not set by ultra-conservatives, Donahue predicted.

~~Labor could be forced~~ by circumstances, however, to press for greater gains at the bargaining table to make up for losses brought on by changes in economic or social policy, Donahue warned.

Observing that during the course of the campaign the president-elect softened some of his "more extreme anti-labor positions," the second-ranking AFL-CIO officer said he does not expect the new administration to take any "overt action, such as punitive incomes policy or major legal moves, that will directly affect negotiations."

Donahue pointed out, however, that the election of "any new president" indirectly affects bargaining. "This impact," he said, "usually takes three different forms: first, in the atmosphere surrounding the talks; second, in the economic actions taken by the Administration; and third, a non-political reaction to the legislative or administrative actions taken on programs that directly affect working conditions."

Donahue suggested that there may be those in management who believe that with a conservative administration and a Republican majority in the Senate, they have an "ace in the hole" back in Washington protecting them from any ill effects caused by mistakes in bargaining strategy.

"Any company negotiator who believes that the election is a mandate for him to be hard-nosed and vindictive would be as wrong as any union negotiator who did likewise in response to the election of Jimmy Carter," he added.

The new administration's economic policies, Donahue conceded, could have a direct impact on bargaining. "For example," he said, "sudden, complete deregulation of energy prices will create an inflationary pressure on the paychecks of workers" causing them to seek relief at the bargaining table.

The type of tax cut likely to be promoted by the incoming administration would provide little relief for workers, Donahue averred, forcing unions to push for higher wage increases.

Similarly, any action taken to weaken social security and cut back on supplemental programs for the aged would motivate unions "to take steps to aid their members and their retirees."

Donahue noted that the new president will have "enormous latitude" to alter programs through administrative action. Any attempts to weaken occupational safety and health laws "would be matched by efforts at the bargaining table to make certain that the health of union members is not endangered," he stated.

Any moves by the incoming administration to apply "conservative dogma" in a way that would "destabilize labor relations in a particular industry" would be a mistake, Donahue said, adding:

"Legislative or administrative actions to nullify prevailing wage laws could bring chaos to entire industries. On this issue, the Reagan administration may have more problems with its right-wing zealots than the labor movement will have in taking action to defend the interests of its members."

Labor also will turn to the bargaining table to counteract any legislative or administrative moves to reduce unemployment insurance and workers' compensation. In addition, unions will not stand still for any "tinkering" with the Consumer Price Index that might alter the terms of collective bargaining agreements, Donahue warned, adding:

"Thus a host of issues that have been absent from collective bargaining for a number of years—or, at best, played a lesser role in negotiations—could find themselves once again at the forefront. . . ."

If social programs for all workers are weakened or eliminated, Donahue said, the fact that unions are able to negotiate benefits will become more apparent to non-union workers.

Instead of crushing the labor movement, "a right-wing attack on the social programs we have long supported could create conditions whereby non-union workers need unions even more than they do today."

Labor unions, Donahue concluded, "can play the game either way: We can seek gains for all workers through legislation or only for union members through collective bargaining. While the former serves our interest in the welfare of all workers, the latter best serves the labor movement's parochial interest in taking care of its members."



what's new in... COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

November 13, 1980

Route to . . .

*Info Office
Ed Hoffman*

Inflation Forecast

On his last day as President Carter's chief inflation advisor, Alfred E. Kahn predicted that President-elect Ronald Reagan may be more successful than his predecessor in reducing the inflation rate, but he warned the new administration against implementing dramatic policies for economic recovery too quickly.

"It's going to be a slow, long haul," Kahn said, "and I don't think Reagan's going to do anything quickly."

Many economists share the view that the high inflation rate and the floundering economy are problems with no quick, easy solutions. Among them is Albert Sommers, president of Mr. Carter's Price Advisory Council and chief economist of the Conference Board.

Sommers predicts that no matter what new policies the President-elect implements in his first year in office, the inflation rate will not decline in 1981.

Addressing the Washington Forum's annual symposium, Sommers said that rising food prices, deregulation of oil and natural gas, and a continuation of the present pattern of 9 and 10 percent wage increases should keep overall consumer prices rising at a double-digit rate throughout the next year.

Ruling out use of an incomes policy by the new President, Sommers said he expected "an effort by the White House to achieve a labor-management arrangement." The arrangement, however, would probably be "noninstitutionalized" and low key, according to Sommers.

The real test for Reagan will come in 1982 "when we see the shape of the new budget" and conclusions reached in drawing it up, Sommers projected.

Concord And Conflict

A former Republican official sees two contrary labor-management trends emerging in the wake of the GOP landslide. On one hand, predicts Arnold Weber, former director of the Cost of Living Council and Assistant Secretary of Labor in the Nixon Administration, formation of "coalitions of convenience" between employers and unions to deal with trade and other mutual concerns will accelerate.

Confrontations at the bargaining table also will increase as unions are forced to push for goals they can no longer obtain through legislation, Weber said in an address to the 11th Annual Symposium of the Washington Forum. Management, buoyed by the Republican victory and President-elect Reagan's anti-regulatory stance, will be pushing at the same time to end many workplace regulations, he added.

Now president of the University of Colorado, Weber cited three major labor events to watch next year:

- Coal negotiations in February. There is a "pretty good chance" that for the first time in 18 years the United Mine Workers will not strike and will reach a "reasonable" settlement—under 40 percent.

- Construction settlements. The most important question will be whether the explosion of wages on the West Coast will "ignite wages across the country." Weber doesn't think so, because "for the first time, there is intense nonunion competition" which will put "discipline and pressure" on the unions to keep wages in line.

- Rail employees' and airline mechanics' negotiations. These groups will be bargaining for the first time in unregulated industries. The question, Weber said, is whether the companies will be able to put restraints on unions that have been making substantial gains under protected economic situations.

Bargaining Orders: Two Court Views

Two appeals courts recently have issued apparently contrasting decisions on the issuance of bargaining orders by NLRB to remedy unfair labor practices committed prior to a representation election.

Accusing NLRB of "automatically issuing bargaining orders on the basis of virtually any unfair labor practice," the U.S. Court of Appeals for the Seventh Circuit declines to enforce a Board order requiring an Indiana nursing home to bargain with the Retail Clerks.

NLRB found and the court agrees that the employer engaged in unlawful pre-election conduct under the Taft-Hartley Act by interrogating employees and threatening reprisals because of union activities. The Board issued a cease-and-desist order and also concluded that a bargaining order instead of a new election was appropriate.

The Seventh Circuit finds that the Board failed to supply any basis that would justify bypassing a rerun election. "Even when a union is able to show majority support through authorization cards . . . the preferred method of establishing the union's representative status is by means of a secret ballot election," the court concludes. (105 LRRM 3028)

The U.S. Court of Appeals for the Third Circuit, meanwhile, holds that NLRB has the authority to issue a bargaining order to remedy "outrageous and pervasive" employer unfair labor practices during an organizing drive even if the union lost the representation election and never secured an authorization card majority.

Although NLRB found that the United Dairy Farmers Cooperative Association had committed outrageous violations during a 1973 organizing drive by the Teamsters, the members were sharply divided as to the proper remedy. Member Penello, with the deciding vote, ruled that NLRB lacked the legal authority to depart from the principle of majority rule, notwithstanding the employer's blatant violations of the Act.

The Third Circuit holds that the absence of a card majority does not in itself preclude the issuance of a bargaining order. Remanding the case to NLRB to reconsider its failure to include a bargaining order as part of the remedy, the court notes that the failure to recognize the authority of the Board in issuing bargaining orders in these circumstances would undermine the underlying goal of the Act to further the majority preference of all employees. (*United Dairy Farmers Cooperative Association v. NLRB*; CA 3, Nos. 79-1807, 79-1883, October 30, 1980)

Current Settlements

The Amalgamated Clothing and Textile Workers Union has agreed with 125 metropolitan New York City area textile dyeing companies on a three-year contract covering some 4,500 employees. Wages are increased 70 cents an hour in the first year, 60 cents in the second, and 70 cents in the third. New Year's Eve is added as a thirteenth holiday and maximum major medical insurance is raised to \$250,000.

Keebler Company and the Bakery, Confectionery, and Tobacco Workers have reached agreement on a two-year contract covering some 3,250 workers at plants in five states. Hourly wage rates averaging \$7.41 are increased by 80 cents on November 1, 1980, and by 75 cents in November 1981. A twelfth holiday is added and the company will increase its contributions to health-welfare and pension funds.

Machinists at McDonnell Douglas facilities in Long Beach and Torrance, Calif., overwhelmingly ratified a new three-year contract on November 2. Wage increases follow the Boeing Company pattern: 7 percent the first year, 3 percent in each of the next two years. C-o-l and pension provisions parallel those in the UAW—McDonnell Douglas contract.

Libbey-Owens-Ford Company has reached agreement with the Glass and Ceramic Workers on a three-year contract covering some 5,000 production and maintenance workers in four states. Provisions include 3 percent wage increases each year and quarterly c-o-l adjustments of 1 cent per hour for each 0.3 rise in CPI. Over term, normal pension benefits will rise from \$10 to \$14.45 per month per year of service; benefits under a special 30-year retirement provision, reduced after age 62, are increased from \$700 to \$915 per month.

Following are median first-year wage increases in settlements reported in the two-week period ending November 10 and year-to-date median increases for this year and last (*see 19:8023*):

	2-week period		year to date		year to date 1979	
All industries	63.0¢	9.7%	71.9¢	9.5%	54.3¢	8.3%
All nonconstruction	63.0¢	9.7%	65.0¢	9.4%	51.3¢	8.3%
Manufacturing	64.0¢	8.6%	60.0¢	9.0%	50.0¢	8.3%
Nonmfg. exc. constr.	60.0¢	9.0%	71.1¢	9.5%	52.9¢	8.2%
Construction	(*)	(*)	\$1.25	11.3%	85.2¢	8.5%

(*) Insufficient data

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An Extra Push

A manager at Coca Cola's Foods Division, Paw Paw, Mich., did not violate a contractual ban on supervisors' performance of bargaining unit work when he twice pushed a restart button to activate an inoperative boiler, Arbitrator John B. Coyle rules.

Coca Cola's contract with the Allied Industrial Workers permits supervisors to perform bargaining unit work when "transitory or technical production problems arise."

The grievance stemmed from a security guard's calling a supervisor after spotting an inoperative boiler when the plant was closed. The supervisor, rather than calling in a unit employee, pressed the boiler's reset button. The boiler responded but did not complete a full cycle so the supervisor again pressed the button, this time starting the machine.

The union contended that by pushing the reset button twice, the supervisor violated the spirit and intent of the contract. The union added that failure of the boiler to respond to the first press had safety implications and warranted attention from an experienced maintenance employee.

The company countered that the work required no more skill than flipping a switch, adding that it was immaterial that the button had to be pressed twice.

The disagreement is over whether an interruption of normal operations indicates a malfunction, Coyle observes. The company asserted that there is no malfunction if the boiler ultimately responds, while the union insisted that a malfunction is indicated if normal operations are not restored after one press of the reset.

The arbitrator concludes that if pressing the reset button restores operation, "there is no functional defect and the number of times this is applied is immaterial." (75 LA 569)

FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 925

November 13, 1980

BLS REVIEW OF SETTLEMENTS: FIRST NINE MONTHS 1980

First-year pay increases provided by major settlements in the first nine months of 1980 averaged 9.7 percent, up from 8.5 percent in first-half 1980 and 7.4 percent in 1979, according to preliminary data published by the Bureau of Labor Statistics. Over-term pay increases provided by these settlements averaged 7.3 percent, compared to 7.4 percent for all of 1979.

Data for the first three quarters of 1980 are based on 556 settlements covering 1,000 or more workers. Of the 2,980,000 workers covered by the agreements, almost one quarter are in the communications industry, and roughly another one quarter are in the construction industry. More than one tenth of the workers were in the primary metals industry. Many of the remaining workers were in the retail food, public utility, and nonelectrical equipment industries.

Cost-of-living provisions covered 1,734,000 or 58 percent of the workers under contracts covering 1,000 or more. First-year pay increases in contracts with escalator provisions averaged 8.2 percent, compared to 11.9 percent in contracts without c-o-l clauses. Annual over-term increases averaged 5.0 percent in agreements with escalators and 10.4 percent in those without them.

Collective bargaining agreements covering 5,000 or more workers negotiated in the first nine months of 1980 provided average first-year wage-benefit adjustments of 10.7 percent and average over-term wage-benefit gains of 7.2 percent. In first-half 1980, wage-benefit adjustments averaged 9.6 percent, while over-term wage benefit increases averaged 6.8 percent.

BLS points out that its method for computing wage and benefit settlement increases "differs somewhat" from that used by the Council on Wage and Price Stability to determine compliance with the Administration's voluntary wage standard. The BLS procedure excludes possible gains under c-o-l provisions and treats increases for benefit payments differently.

The results of the BLS survey differ from those in CBNC's *Wages and Fringes: First Half 1980* (see 18:973). The CBNC survey showed less acceleration in wage increases from a median 8.4 percent in the first three quarters of 1979 to 9.5 percent in the same period this year. CBNC reported median increases for 1,100 settlements covering 50 or more workers and weighted all settlements equally, while BLS reported average increases for 556 settlements covering 1,000 or more employees and weighted settlements by the size of the bargaining unit.

TABLE 1. FIRST-YEAR WAGE-RATE ADJUSTMENTS IN SETTLEMENTS COVERING 1,000 OR MORE WORKERS

Type & amount of wage-rate action (in percent) ¹	Percent of workers affected—		
	All industries	Manufacturing	Nonmanufacturing
ALL ACTIONS	100	100	100
No wage changes	--	--	--
Decreases	--	--	--
Increases	100	99	100
Under 4 percent	2	5	--
4 & under 6 percent	15	41	2
6 & under 8 percent	7	10	6
8 & under 10 percent	37	11	51
10 & under 12 percent	18	27	13
12 percent & over	20	4	28
Number of workers (in thousands)	2,980	1,048	1,931
Mean adjustment (percent)	9.7	7.3	11.1
Median adjustment (percent)	9.4	6.1	9.4

¹Percent of estimated average hourly earnings, excluding over-time. Presents changes in wage rates decided upon during the period and effective within 12 months of the effective date of the agreement.

NOTE: Because of rounding, sums of individual items may not equal totals.

TABLE 2. ANNUAL RATE OF INCREASE IN COMPENSATION, 1978 THROUGH FIRST NINE MONTHS 1980
(MEAN ADJUSTMENTS)

Major collective bargaining settlements	Annual rate of increase (in percent)			
	Full year		First 9 months	
	1978	1979	1979	1980
Wages: (1,000 workers or more)				
First-year wage-rate adjustment	7.6	7.4	7.6	9.7
Wage-rate changes over life of contract	6.4	6.0	6.2	7.3
Effective wage-rate adjustment	8.2	9.1	10.0	10.2
Wages & benefits combined: (5,000 workers or more)				
First-year changes	8.3	9.0	9.1	10.7
Average over life of contract	6.3	6.6	6.7	7.2

TABLE 3. ANNUAL RATE OF INCREASE IN WAGE RATES TO GO INTO EFFECT DURING LIFE OF CONTRACTS COVERING 1,000 WORKERS OR MORE NEGOTIATED FIRST NINE MONTHS 1980

Annual rate (in percent) ¹	Percent of workers affected -		
	All industries	Manufacturing	Nonmanu- facturing
ALL ACTIONS	100	100	100
No wage changes	--	--	--
Decreases	--	--	--
Increases	100	100	100
Under 4 percent	19	52	1
4 & under 6 percent	31	17	39
6 & under 8 percent	7	3	9
8 & under 10 percent	21	19	22
10 percent & over	22	8	29
Number of workers (in thousands)	2,980	1,048	1,931
Mean adjustment (percent)	7.3	5.4	8.3
Median adjustment (percent)	5.5	3.8	8.0

¹ Percent of estimated average hourly earnings, excluding overtime. Presents the total amount of the wage adjustment over the life of the agreement, reduced to an average annual (compound) rate.

NOTE: Because of rounding, sums of individual items may not equal totals.

TABLE 4. ANNUAL RATE OF INCREASE IN HOURLY COST OF WAGES & BENEFITS NEGOTIATED IN SETTLEMENTS COVERING 5,000 WORKERS OR MORE FIRST NINE MONTHS 1980

Annual rate of increase ¹	Percent of workers affected -	
	Adjustments averaged over life of contract ²	First-year changes ³
ALL ACTIONS	100	100
No change	--	--
Decreases	--	--
Increases	100	100
Under 4 percent	1	--
4 & under 6 percent	57	1
6 & under 8 percent	13	12
8 & under 10 percent	14	27
10 & under 12 percent	4	38
12 percent & over	12	22
Number of workers (in thousands)	2,098	2,098
Mean adjustment (percent)	7.2	10.7
Median adjustment (percent)	5.6	11.2

¹ Percent of estimated average hourly compensation.

² Changes in wages and benefits decided upon during the period and effective within 12 months of effective date of the agreement.

³ Changes in wage and benefit levels by the end of the contract period, expressed at an average annual (compound) rate. Essen-

tially measures the permanent or longrun adjustment in hourly levels resulting from the settlement.

NOTE: Because of rounding, sums of individual items may not equal totals.

TABLE 5. COMPARISON OF FIRST-YEAR WAGE DECISIONS COVERING 1,000 WORKERS OR MORE BEFORE & AFTER ESCALATOR ADJUSTMENTS, INDIVIDUAL QUARTERS, 1979 TO DATE

Year & quarter	Settlements with escalator provisions ¹			Settlements without escalator provisions		All settlements	
	Number of workers affected (thousands)	First-year settlement	Combined first-year & escalator adjustments	Number of workers affected (thousands)	First-year settlement	First-year settlement	Combined first-year & escalator adjustments
1979							
1st quarter	155	1.7	2.1	180	9.1	5.7	5.9
2nd quarter	472	8.6	12.8	785	9.2	9.0	10.6
3rd quarter	1,010	6.1	12.0	321	9.3	6.9	11.4
4th quarter	391	5.2	13.4	177	8.7	6.3	12.0
1980							
1st quarter	241	5.9	11.2	143	11.2	7.9	11.2
2nd quarter	463	6.8	8.8	371	11.4	8.9	10.0
3rd quarter	914	9.6	9.7	459	12.7	10.7	10.7

¹ Four quarters are required to show the full effect of escalator adjustments. Where less than four quarters are shown, data are incomplete.

TABLE 6. QUARTERLY WAGE & BENEFIT CHANGES, 3rd QUARTER 1979 TO DATE (IN PERCENT)

	1979			1980		
	III	IV	Average ¹ or total	I	II	III
Wage settlements:						
Wage-rate settlements (1,000 workers or more):						
First-year adjustment	6.8	6.3	7.4	7.8	8.7	10.7
Average over life of contract	5.1	5.3	6.0	6.3	6.8	7.4
Wage & benefit decisions (5,000 workers or more):						
First-year adjustment	9.0	8.5	9.0	8.6	10.1	11.6
Average over life of contract	6.1	6.0	6.6	6.4	6.8	7.3
Effective wage-rate changes:						
Total effective changes	3.3	1.6	9.1	1.5	2.9	3.1
Adjustment resulting from:						
Current settlement	1.0	0.5	3.0	0.4	1.0	1.5
Prior settlement	1.0	0.4	3.0	0.5	1.2	1.1
Escalator provision	1.2	0.7	3.1	0.6	0.6	0.6
Manufacturing	3.2	2.4	9.6	1.8	3.2	2.6
Nonmanufacturing excluding construction...	4.3	1.3	9.5	1.6	1.6	3.7
Construction	1.4	0.4	7.1	0.4	5.1	3.2

¹ Wage and wage-benefit settlements are annual averages. The effective wage-rate change for the year is the total of the four-quarter change.

NOTE: Data for 1979 are final. Because of rounding and compounding in the effective wage change series, sums of individual items may not equal totals.

**TABLE 7. PERCENTAGE CHANGES IN WAGES, MAJOR COLLECTIVE BARGAINING
SETTLEMENTS, 1979 & FIRST NINE MONTHS 1980
(MEAN ADJUSTMENTS)**

Item	1979	First 9 months 1980	
	Average adjustments	Average adjustments	Number of workers (in thousands)
Wage rates alone (1,000 workers or more):			
First-year changes in -			
All industries	7.4	9.7	2,980
Contracts with escalator clauses	6.2	8.2	1,734
Contracts without escalator clauses	9.1	11.9	1,245
Manufacturing	6.9	7.3	1,048
Contracts with escalator clauses	5.6	6.2	788
Contracts without escalator clauses	9.4	10.5	261
Nonmanufacturing	8.0	11.1	1,931
Contracts with escalator clauses	7.0	9.9	947
Contracts without escalator clauses	8.8	12.2	984
Construction	8.8	13.9	677
All industries excluding construction	7.2	8.5	2,303
Nonmanufacturing excluding construction	7.6	9.6	1,255
Annual rate of change over life of contract in - ¹			
All industries	6.0	7.3	2,980
Contracts with escalator clauses	4.6	5.0	1,734
Contracts without escalator clauses	8.0	10.4	1,235
Manufacturing	5.4	5.4	1,048
Contracts with escalator clauses	4.0	4.1	788
Contracts without escalator clauses	8.1	9.3	261
Nonmanufacturing	6.8	8.3	1,931
Contracts with escalator clauses	5.5	5.8	947
Contracts without escalator clauses	8.0	10.7	984
Construction	8.3	11.6	677
All industries excluding construction	5.7	6.0	2,303
Nonmanufacturing excluding construction	6.2	6.5	1,255
Wages & benefits combined (5,000 workers or more):			
First-year changes in -			
All industries	9.0	10.7	2,098
Contracts with escalator clauses	8.5	10.2	1,514
Contracts without escalator clauses	10.0	12.1	585
Manufacturing	9.2	9.5	756
Nonmanufacturing	8.7	11.4	1,343
Annual rate of change over life of contract in - ¹			
All industries	6.6	7.2	2,098
Contracts with escalator clauses	5.9	5.8	1,514
Contracts without escalator clauses	8.0	10.8	585
Manufacturing	6.5	6.0	756
Nonmanufacturing	6.8	7.9	1,343

¹ Total increase over contract term expressed at an average annual (compound) rate.

NOTE: Data for 1979 are final. Because of rounding, sums of individual items may not equal totals.

Summer Help

Cherokee Electric Cooperative, Centre, Ala., was required to provide college students working during the summer the same compensation due regular employees after the students completed probation, Arbitrator Ralph Roger Williams rules.

The contract between the cooperative and the Steelworkers provided that a new employee, upon completion of a 30-day probationary period, shall become a "regular employee" with seniority and other rights.

The company contended that in the past it had paid summer employees the minimum wage required by law rather than the starting rate of \$5.20 for utility laborers.

The union argued that in 1978 it had notified the employer that it would consider all employees hired to do bargaining unit work covered by the agreement.

The arbitrator states that the agreement's seniority language is "controlling." He further states that the recognition clause does not exclude summer help. The arbitrator cannot, Williams says, "elevate side agreements between the company and the grievants to a status superior to the agreement itself."

Arbitrator Williams awards the grievants the difference between \$3 and \$5.20 an hour for the duration of their employment with the company. (75 LA 519)

Negotiating Neutrality Clauses

Employers faced with union demands for contract provisions requiring management neutrality during an organizing drive can lawfully decline to bargain over the issue, according to Andrew M. Kramer, a Chicago-based management attorney.

Not only are neutrality clauses incompatible with the basic policies of the Taft-Hartley Act because they undermine the "laboratory conditions" needed for representation elections, Kramer contends, but they also "offer no benefit to employers or employees."

Addressing the Labor Law Advisory Panel of the National Association of Manufacturers, Kramer advised employers not to agree to a neutrality clause, and if they do, to construe the language narrowly and retain their right to make "neutral" remarks about the union.

Neutrality clauses first appeared in 1976 when the United Auto Workers won a commitment from General Motors to "observe a posture of neutrality" toward the union's organizing efforts. The concept spread to the rubber industry in 1979 when the United Rubber Workers negotiated neutrality provisions with all major firms except Goodyear Tire and Rubber Company, Kramer notes. He states that such agreements:

- Place "obvious limitations" on management's free speech rights;
- Harm employee interests by enabling unions "to restrict free flow of information necessary to make an informed decision about unionization;"
- Violate the spirit, if not the precise language, of the Taft-Hartley Act's ban on employer assistance to unions;
- Coerce management into remaining silent during an organizing drive and effectively cut off the only source of information that could counterbalance union propaganda.

The issue of whether neutrality clauses are a mandatory subject for bargaining has not yet been addressed by the National Labor Relations Board or the courts, Kramer observes. In any event, he predicts, NLRB probably would not find such provisions unlawful. Ultimately, the protection of employee rights from the threat posed by neutrality agreements, Kramer concludes, probably lies with the courts.

Bargaining Briefs

A cost-of-living adjustment of 14 cents an hour took effect November 1 for some 300,000 workers in the basic steel industry. Some 27,000 workers in the container industry also will receive an adjustment of 14 cents an hour on November 15. The payments bring to 40 cents an hour total adjustments made under 1980 contracts in each industry.

Opposition to a decision by the Physicians National Housestaff Association to appeal to the Supreme Court a 1976 NLRB ruling that interns and residents are students not covered by the National Labor Relations Act has resulted in the resignations of the organization's president and acting executive director. PNHA's largest local, the New York-based Committee of Interns and Residents, also has withdrawn from the association. CIR would have PNHA concentrate on organizing.

Eight rail unions have petitioned the Interstate Commerce Commission to reconsider its approval of the merger of the Chessie System and Seaboard Coast Lines railroads. The unions say that the merger agreement would provide substandard protections to employees facing layoffs. Merger provisions limit the time benefit payments are to be made to six years after layoff or a period equal to an employee's length of service, if less than six years. The unions argue that there should be no time restrictions if an employee can show that the "loss of benefits or relocation" were caused by the merger.

Greyhound Corporation and the Amalgamated Transit Union have reached a tentative settlement reportedly providing a 12 percent package increase for some 15,000 bus drivers and terminal workers nationwide. Members will vote on the new contract December 2.

Republic Airlines and the Airline Employees Association also have tentatively agreed on a new contract covering 4,200 employees.



Cutting Labor Costs

STRIVING to keep financially ailing companies afloat and to preserve members' jobs, labor unions over the past year have agreed to reduce or delay wage and cost-of-living increases and to relinquish counterproductive work practices.

The United Auto Workers' agreement with Chrysler Corporation trimming labor costs by \$462.5 billion over three years has received the most publicity. The United Steelworkers, the United Rubber Workers, and other unions also have accepted contract revisions that cut labor costs.

Steelworkers at U.S. Steel Corporation's American Division plants in Ambridge and Shiffler, Pa., in December 1979 agreed to a 39-month wage freeze, after first rejecting the freeze. Subsequently the company announced it would keep the two facilities open, but close its Gary, Ind., plant where union members refused to reverse their rejection.

Interlake, Inc., employing some 1,200 workers at two old steel mills in Newport and Wilder, Ky., closed down the plants last July after the Steelworkers rejected the company's proposal for a one-year wage freeze.

At Wheeling-Pittsburgh Steel Corporation, the union agreed last August to defer c-o-l adjustments due August 1 and November 1 until late January 1981, when they will be paid retroactively. In addition, payment of a \$150 bonus provided for under the industry's Experimental Negotiating Agreement was moved from October to December. The agreement covered some 12,000 workers at seven plants in Pennsylvania, Ohio, and West Virginia.

Members of Steelworkers Local 2869 at Kaiser Steel Corporation voted in September to forgo 10 cents from each of 10 c-o-l adjustments. The cuts were proposed by the local in response to Kaiser's threat to liquidate. Employment at the Fontana, Calif., mill had dwindled from more than 6,000 to about 4,000.

The international union subsequently declined to approve the COLA reduction, saying it was not convinced that Kaiser's financial problems were related to labor costs. Nevertheless, a compromise agreement was reached "to seek out, discuss, and implement all feasible ways to improve production, re-

duce steelmaking costs," and make the company "more competitive."

Some 1,200 members of the union at Penn-Dixie Steel Corporation in Kokomo, Ind., agreed in September on the basic steel pattern, but with a 16-month deferral of the initial wage increase.

The *United Rubber Workers* and Uniroyal, Inc., negotiated a pay reduction plan that was to cut labor costs by 12.9 percent over 17 months. Effective August 1, the plan reduced wages by an average 58 cents an hour and suspended c-o-l adjustments until January 1, 1981, for some 8,500 workers. Employees were to forgo pension service credits from August through December and pension benefits for retirees were reduced for five months.

This month Rubber Workers at Dunlop Tire and Rubber Company agreed to reductions in c-o-l adjustments for 738 employees. COLAs in effect immediately were cut by 55 cents an hour. Future adjustments will be reduced by 50 percent until the total reduction reaches \$1.05 an hour.

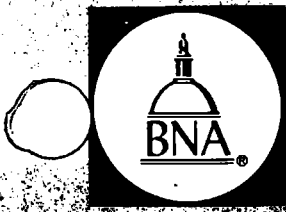
Firestone Tire & Rubber Company has advised URW, meanwhile, that it intends to close its Noblesville, Ind., plant which employs about 875 hourly and salaried workers. The company reportedly has left open the possibility that it will consider keeping the plant open if it obtains cost-cutting concessions from the union.

The International Association of Machinists, representing 2,000 mechanics, and the Air Line Pilots Association with 1,800 members at Braniff Airways last month accepted a 10 percent wage cut. Implementation of the pay cut, however, is contingent upon its acceptance by some 5,000 clerical and passenger service employees, represented by the International Brotherhood of Teamsters.

Nine unions with more than 800 members have agreed with the new owner of the *Cleveland Press* to a wage freeze in 1981, 5 percent increases in 1982 and 1983, reductions in staff, and elimination of costly work rules.

A two-year agreement negotiated last April by the Metropolitan Transit Authority and the Transport Workers Union and the Amalgamated Transit Union—which together represent some 33,000 New York City employees—includes provisions to cut labor costs. Among these are elimination of 20-minute paid breaks and two paid hours off on Election Day, a new wage progression system, and a procedure to reduce sick leave abuses.

Teamsters, on the other hand, rejected in September a trucking employers' request to reopen the National Master Freight Agreement on possible deferral of c-o-l adjustments. The union contended that the employers did not adequately demonstrate an adverse economic impact from the recently enacted law deregulating the industry.



what's new in...

COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

11-3-80
October 30, 1980

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September Prices Climb

Steep increases in food, housing, and transportation prices drove up the Consumer Price Index for All Urban Consumers (CPI-U) 0.9 percent in September to 251.7 percent of the 1967 base, according to the Bureau of Labor Statistics. The Index for Urban Wage Earners and Clerical Workers (CPI-W) also rose 0.9 percent to 251.9 percent.

After seasonal adjustment, both measures rose 1 percent in September, compared with 0.7 percent in August and no change in July.

Over the past twelve months, CPI-U has risen 12.7 percent and CPI-W 12.6 percent.

Changes At AFL-CIO

The International Association of Machinists has withdrawn from AFL-CIO's Industrial Union Department, saying that the department only "duplicates services" now provided by the union.

The dues money the union saves by the disaffiliation will be used to strengthen IAM organizing, a union spokesman said.

IAM emphasized that it will continue to cooperate with the department on coordinated bargaining.

The *Railway Carmen's* withdrawal from AFL-CIO's Railway Employees Department, meanwhile, has forced dissolution of the coalition of rail shopcraft unions. RED said it could not function with its three remaining affiliates, the International Brotherhoods of Electrical Workers, Boilermakers and Blacksmiths, and Firemen and Oilers.

Former RED President Andrew Ripp said that a "spirit of cooperation" will continue between the shopcraft unions but that now each union will handle its own negotiations.

Shipyard Settlements

Ending a two-month strike that began July 28, members of Marine and Shipbuilding Workers Local 9 have returned to work at Todd Pacific Shipyards Corp., Los Angeles, Calif., after approving a three-year contract covering some 3,800 employees.

Hourly pay is increased 90 cents retroactive to July 28, 1980, and 40 cents in July 1981 and in July 1982. A quarterly cost-of-living adjustment is unchanged, providing one cent for each 0.4 rise in CPI.

Employer contributions to a health and welfare fund rise 32 cents an hour retroactive to July, and 27 cents an hour in the second and in the third year. In addition, the union agreed to contribute 21 cents an hour to the fund over term.

Averting a strike for the first time since 1969, Marine and Shipbuilding Workers Local 5 has accepted a three-year contract at General Dynamics Corporation, Quincy Shipbuilding Div., Quincy, Mass. The agreement, covering 3,500 workers, was reached 1½ hours before an October 17 strike deadline.

Hourly wage increases range from \$1.10 to \$1.60 over the life of the contract, and semiannual cost-of-living adjustments provide an additional 60 cents over term.

Maximum major medical coverage is extended to employees' dependents and increases from \$75,000 to \$100,000 in October 1980. Other insurance improvements include increased coverage for in-hospital doctor's visits, X-ray and laboratory expenses, and dental benefits. Also provided is a \$1,000 post-retirement life insurance policy for employees with five or more years of service retiring on or after January 1, 1981.

More On Aerospace

Union members at Lockheed Corporation and McDonnell Douglas Corporation have ratified new contracts generally following the aerospace industry pattern set earlier this month between the International Association of Machinists and The Boeing Company.

More than 80 percent of IAM members at Lockheed's Burbank, Calif., and Marietta, Ga., plants approved a new agreement on October 19, and 75 percent of the union members at the company's Sunnyvale, Calif., facility ratified a similar agreement on October 26. The national agreement covers 36,000 workers.

Tracking the Boeing pattern, the Lockheed contract increases hourly wages by 7 percent the first year and 3 percent in each of the next two years. Quarterly cost-of-living adjustments of one cent for each 0.3 CPI rise are continued, but diversion of one cent from each adjustment to benefit costs is discontinued.

Differences between the agreements are in pension increases. Beginning in January 1981, monthly benefits for Lockheed employees are increased from \$12.60 to \$14 for each year of past service and from \$14 to \$17 for years of future service. In 1983, the monthly benefit for each year of past service rises to \$15. Retirees will receive a one-time across-the-board 6 percent increase in benefits on January 1, 1981.

At Boeing pensions were increased to \$14 per month for years of service prior to 1981 and to \$16 per month for 1981 and later years. In both January 1981 and 1983, retirees' benefits will be raised by either \$1 per

month per year of service or 1 percent for each year following retirement, whichever is greater.

The UAW-McDonnell Douglas contract, covering 15,000 employees in Long Beach, Calif., Tulsa, Okla., and Melbourne, Ark., also has been ratified. Excepting pension provisions, the agreement follows the Boeing pattern.

Monthly pension benefits are increased from \$12 to \$15 per year of service. Employees retiring after 30 years of service, regardless of age, now receive a pension equal to their regular benefit plus a \$375 monthly supplement until age 62, instead of a flat \$600 per month. Pensions for employees already on early retirement increase from \$600 to \$675 a month, while benefits for those on regular retirement go up \$1.50 per month for each year of service. Survivor benefits are increased from \$250 to \$300 a month.

Yet to be ratified is another Machinist agreement covering 7,200 employees at McDonnell Douglas plants at Huntington Beach and Torrance, Calif., and at Cape Kennedy and Titusville, Fla.

The Show Goes On

Three-year agreements covering some 60,000 performers at major motion picture and television studios have been ratified by members of the American Federation of Television and Radio Artists and the Screen Actors Guild.

Employees, who struck the producers on July 21, actually began returning to work October 3, after the unions reached tentative agreements with the producers.

Highlights of the new contracts include: a 32.5 percent increase in minimums over term; a 4.5 percent share of revenue from programs made for pay TV (a major issue in the dispute); increased pension benefits; a dental plan; revised work schedules increasing overtime benefits; a strong non-discrimination program; and improved working conditions for minors.

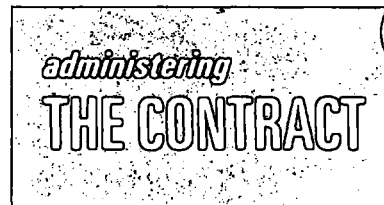
Other Current Settlements

Following are median first-year wage increases in settlements reported in the two-week period ending October 27 and year-to-date median increases for this year and last (see 19:8022):

	2-week period		year to date		year to date 1979	
All industries	66.0¢	10.2%	72.7¢	9.5%	54.3¢	8.3%
All nonconstruction	66.2¢	10.1%	65.0¢	9.5%	51.2¢	8.3%
Manufacturing	66.0¢	9.5%	60.0¢	9.1%	50.0¢	8.3%
Nonmfg. exc. constr.	58.5¢	10.0%	71.6¢	9.5%	52.6¢	8.2%
Construction	(*)	(*)	125.0¢	11.3%	85.2¢	8.5%

(*) Insufficient data

A four-week strike ends with agreement between the **Hawaiian Employers Council** and the Carpenters on a four-year contract covering some 6,000 employees statewide. Under the agreement, wages are increased 95 cents an hour retroactive to September 2, 1980, 75 cents in March 1981, \$1 in September 1981, 75 cents in March 1982, 90 cents in September 1982, and \$1 in September 1983 and March 1984. The previous hourly wage rate was \$11.05.



Seniority Vs. Guarantee

Charles H. Johnston's Sons Co., Inc., Greensburg, Ind., was required to schedule a senior employee for work on Friday, even though the employee had "broken" his 40-hour workweek guarantee by not reporting for work on Monday, Arbitrator Charles P. Chapman ruled.

The company reasoned that since it did not have work for all warehousemen on Friday it was in its economic interests to schedule an employee who had not missed work during the week and had to be paid under the guarantee whether he worked or not, rather than the grievant, who was ineligible for the guarantee.

The Teamsters contended that the employer's failure to schedule the warehouseman for work on Friday when less senior employees were assigned to work on that day was a lay-off and not, as the company claimed, a non-scheduled day.

The contract's seniority clause, the union pointed out, required that "in the event of layoff . . . (a) plant-wide seniority, and (b) present skill and ability to perform the work" shall be considered.

The company, citing its management rights, argued that the right "to assign work . . . is vested exclusively in the company. . . ."

The company further argued that for 10 years there had been an "unchallenged" past practice whereby the company had scheduled employees for one day off during the Monday through Friday workweek without regard to seniority.

The arbitrator grants that the company had the right to "lay off . . . assign work, and to schedule hours," but he states that these rights are "subject only to such limitations as are contained in this agreement."

In view of that restriction, Chapman decides that the company's fail-

(Continued on page 3)

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▶ About 77 percent of all defined benefit and over 87 percent of all defined contribution plans include provisions for disability retirement.

▶ The typical defined benefit multiemployer plan formula is a unit benefit type; \$10 per month per year of service is a common benefit unit. Employer contributions calculated under defined contribution plans are generally geared to hours worked or paid; \$1.50 per person per hour is typical.

Multiemployer Plan Trends Since ERISA

▶ Since ERISA's effective date, the number of plans requiring one year of service for membership has increased. In addition, there has been a decrease in the number of plans with minimum or maximum age requirements.

▶ As a result of ERISA, the large majority of defined benefit plans have established 10-year cliff vesting. Among defined contribution plans there has been an increase in the number of plans with full and immediate vesting.

▶ The typical defined benefit plan benefit formula has increased from \$8 per month per year of service in 1974 to \$10 per month per year of service currently.

▶ The typical employer contribution in defined contribution plans has increased from \$1.10 for each hour of covered employment to \$1.50.

Mergers

▶ Approximately 12 percent of multiemployer defined benefit plans have been involved in mergers in the last six years. Only two percent of

multiemployer defined contribution plans have been involved in mergers during this period.

▶ In those plans that were involved in mergers, the mergers occurred predominantly because of employers terminating single employer plans and transferring the plan's assets to the multiemployer plan.

Reciprocity

▶ Approximately 46 percent of multiemployer defined benefit plans have reciprocity agreements with other plans.

▶ Reciprocity agreements can generally be classified either as money transfer agreements or as pro rata benefit agreements. The pro rata benefit agreement is the more commonly used among defined benefit multiemployer plans.

▶ Reciprocity agreements appear most frequently in the construction industry.

Employer Withdrawals

▶ Pre- and post-ERISA, 63 and 64 percent, respectively, of the defined benefit plans stated that the withdrawal of an employer had no effect on participants' benefits attributable to service with the employer prior to the time the employer participated in a plan.

▶ Pre- and post-ERISA, nine percent and ten percent, respectively, of the defined benefit plans provided, in cases of employer withdrawal, for forfeiture of benefits attributable to service prior to the time an employer participated in a plan.

(Continued from page 2)

ure to assign the grievant for work on Friday constituted a layoff in violation of the contract since the grievant was senior to other employees who worked on Friday and had the skill and ability to do the work.

The company's sole defense hinges on whether there was a past practice governing scheduling, the arbitrator finds.

Chapman says that evidence showed there had been times before the filing of this grievance when the company had not scheduled certain employees for one day in a workweek in which they had broken their guarantee. But it was not clear, he adds, how many of these instances involved a question of seniority. He was left with the impression there might have been "a few."

Furthermore, there was no conclusive proof that the union was aware of the claimed practice, the arbitrator says.

According to Chapman "the filing of a grievance is the prerogative of the employee and if he chooses not to file . . . it does not follow that the union is put on notice as to the possible establishment of a past practice. It takes something more," he adds, "than a mere failure to file grievances to establish a past practice."

The arbitrator awards the grievant all wages for the day he was laid off. (75 LA 337)

A two-year agreement covering some 2,400 employees has been reached between Lufkin Industries, Inc., Lufkin, Texas, and Machinists Local 1999, Welders and Boilermakers Local 587, and Molders Local 429. Hourly pay is increased 12 percent in the first year and monthly pension benefits rise from \$9 to \$10.50 per month per year of service over term. The Christmas bonus formula is revised to provide 40 times an employee's hourly rate on December 1, 1980. The contract, expiring September 30, 1982, calls for a second-year wage reopener.

Changing Technology In The Retail Food Industry

Technological changes raise a serious threat to the job security of employees in the retail food industry, United Food and Commercial Workers Union President William H. Wynn told participants of the union's first Retail Food Conference in Houston, Texas, earlier this month.

A new committee of union officials will review and seek to supplement the union's information on technological changes. In addition, it will address management's assertion that the union is determined to maintain contract language restricting productivity.

Turning to the industry's Joint Labor Management Committee, Wynn charged that attempts by union representatives to cope with problems associated with technological change—scanners in particular—have been thwarted by the industry's refusal to supply information that might allow productivity bargaining.

Willard R. Bedell, chairman of JLMC, averred that management's reluctance to discuss productivity limits resolution of the issue. If the parties do not find ways to sit down and talk about productivity, "the government will," he said, because the retail food industry is a sensitive, highly visible sector of the economy.

Much of the dilemma in dealing with productivity is that it means many different things to different people, Bedell stated. Employers disagree among themselves about what it is and how it should be improved.

If UFCW can only define productivity, it will have gone a long way toward a solution of the problem. When the union arrives at a course of action, "a common position," it will see "better cooperation from management," he concluded.

Bargaining Briefs

Firestone Tire & Rubber Company has advised the United Rubber Workers that it will close down its Akron, Ohio, tire plant early next year. Under the parties' contract, the company is required to inform the union six months in advance of a plant shutdown. The facility employs 1,345 workers, of whom 330 have been on layoff for more than a year. Since last May, Firestone has discontinued operations at five U.S. tire plants.

Strikes idled fewer workers in the first nine months of this year than in any first nine-month period in the past 10 years, according to the Bureau of Labor Statistics. The number of strikes in effect through the third quarter was the lowest since 1978. BLS figures show that 1,442,000 workers were idled by 3,894 strikes in effect from January through September 1980.

Resolutions to preserve master agreements and to strengthen job security measures have been adopted by members of the Teamsters for a Democratic Union, a dissident group of the International Brotherhood of Teamsters. Meeting at TDU's fifth annual convention in Cleveland, Ohio, earlier this month, delegates also called for an end to "sweetheart deals," direct membership election of international officers, and a dues reduction for unemployed members.

A coalition of nine unions meeting in Pittsburgh October 10-12 has resolved that the nation's reliance on nuclear energy is "hardly the ideal solution" to unemployment. "Millions of jobs," the coalition said, could be created by greater use of coal and solar energy and by expansion of mass transit and rail systems.

Resolutions adopted at the conference call for job protection for workers losing jobs in a transition away from nuclear energy and more union control over pension funds to ensure these funds are invested in safe technologies providing union jobs.



Perspective

Agreement At J. P. Stevens

A LONG AND RANCOROUS labor dispute in the largely nonunionized Southern textile industry has ended with settlement between J. P. Stevens & Co. and the Amalgamated Clothing and Textile Workers on a 2½-year agreement committing the company to execute collective bargaining contracts covering 3,500 employees at 10 plants.

In return, the union agreed to terminate a nationwide boycott of Stevens products and to call off a concentrated campaign to impede the company's relations with the financial community.

Union members at Roanoke Rapids, N.C., on October 19 unanimously approved the first contract covering 3,000 workers at seven plants. Similar contracts covering another 500 workers at High Point, N.C., Allendale, S.C., and West Boylston, Ala., also were ratified.

Unionized employees, the only Stevens workers denied wage increases in 1979 and 1980, will receive back payments totaling \$3 million or about \$1,300 per bargaining unit member, according to ACTWU estimates. Increases of about 10 percent retroactive to July 1979 and about 8 percent retroactive to last July match those granted nonunionized hourly employees.

In addition, bargaining unit members will be retroactively covered by pension plan provisions that took effect January 1, 1980, for hourly workers at all other Stevens plants. Employees who retired from the plant after January 1 will receive lump-sum back pension payments.

Union spokesmen pointed to the noneconomic terms as the "life and guts" of the new contracts. Among these provisions are a grievance and arbitration procedure, dues checkoff, a seniority system to determine job changes and promotions, regulation of workloads, a new set of "reasonable" company rules, and union participation in setting health and safety policy.

The parties will mutually select "a nationally known and nationally respected outstanding American" to serve as arbiter in any disputes arising under the agreement. A union spokesman said the company's unwillingness to agree to an arbitration procedure was "the single most important factor impeding our negotiations for more than six years."

Under the settlement agreement, the union is required to publicly disavow continuance of the consumer boycott. ACTWU consented to place advertisements announcing an end to the boycott, at the company's expense, in up to five publications.

In addition, the union pledged to call off its campaign to prevent reelection of Stevens officials serving as board members at other firms and to "isolate the company from the financial community."

Union pressure forced former Stevens chairman James D. Finley off the boards of Manufacturers Hanover Trust Company and New York Life Insurance Company. He has remained, however, on Sperry Rand Corporation's board.

The company agreed to a "portability" clause specifying that any unit certified by the National Labor Relations Board within the next 18 months automatically will be covered under the new contracts.

ACTWU consented to drop outstanding lawsuits and pending NLRB complaints against Stevens, with the exception of four pending representation cases. In addition, it pledged to cease singling out the company as its "prime target" in southern textile industry organizing drives.

The union also agreed not to enforce its rights under a broad access remedy granted by the U.S. Court of Appeals for the Fourth Circuit this year.

In that decision, the Fourth Circuit directed the company to allow union representatives access to employees in nonwork areas at all Stevens plants, to provide access to bulletin boards, and to make available lists of employee names and addresses. The ruling stemmed from unfair labor practice charges.

Coincidentally, the extraordinary remedies ordered by the Fourth Circuit were upheld by the Supreme Court on Oct. 20, one day after the settlement between Stevens and ACTWU was agreed upon.

The union said it will "use the momentum that this settlement produces to accelerate and broaden our southern organizing program" for all textile and clothing workers.

While the parties hailed the agreement as the "foundation of a harmonious and productive relationship," each side insisted that it had gained more concessions than the other. They intimated that the agreement leaves them enough latitude to continue their struggle against each other.

Efforts to organize Stevens workers began in 1963 and it was not until 10 years later that the Textile Workers Union of America won an election at the Roanoke Rapids plant. TWUA merged with the Amalgamated Clothing and Textile Workers to form ACTWU in 1976.

NLRB has cited Stevens—the nation's second largest textile manufacturer with some 40,000 employees at 84 plants—24 times for labor violations and courts have upheld 23 of the cases, ACTWU says.



what's new in...

COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

October 16, 1980

Route to...

*Information Office
Eileen Hoffman*

Rail Deregulation

President Carter on October 14 signed into law a railroad deregulation bill that completes the Administration's goal of deregulating the airline, trucking, and rail industries.

Highlights of the bill (S. 1946) include provisions for reducing the size of Conrail's workforce by subsidized voluntary early retirements, keeping Conrail on the tracks with federal operating subsidies, allowing the Milwaukee Road's overdue loans to go unpaid if the reorganizing railroad meets certain conditions, and job protection benefits for laid-off Rock Island and Conrail workers.

August Strike Activity

Working time lost because of strikes fell to 1.7 days per thousand in August, down from a 15-month high of 2.1 days per thousand in July, according to the Bureau of Labor Statistics.

The number of work stoppages beginning in August (409) and the number of workers on strike (64,000) was the lowest for any August in 10 years, BLS says. But an unusually large number of strikes bridging from July into August brought the total to the July level of 768—the highest since October 1979.

Each affected worker was idled an average 14 days.

Major strikes in the motion picture, copper, and hotel industries accounted for about 30 percent of the workers on strike and about 40 percent of the idleness.

In The Binders

U.S. Steel—Steelworkers program of insurance benefits, 29:201.

Short Contract In Apparel Industry

The Clothing Manufacturers of America has reached agreement with the Amalgamated Clothing and Textile Workers Union on an 18-month contract covering some 80,000 employees in the men's and boys' tailored apparel industry.

The 18-month contract is the shortest in the industry in recent history, according to a company official. Duration of the previous contract was 40 months. The parties agreed that the depressed state of the industry and the inflation rate were major factors in settling on a shorter term.

The term of the agreement also represents a compromise between the union's desire for either a one-year contract or an uncapped cost-of-living clause and the employer's proposal for a three-year term with a capped escalator formula.

The new agreement raises hourly rates 30 cents on October 1, and 20 cents on March 1, 1981, and October 1, 1981. Also on October 1, 1981, employees will receive a c-o-l payment of up to 10 cents, equal to six cents for each 1 percent increase above 9.1 percent in the Consumer Price Index between June 1980 and 1981.

~~The parties also agreed that during the term of the next contract employees with 20 years of service at individual companies will receive four weeks of vacation pay. Employees now receive three weeks' vacation pay after one year or more of service in the industry.~~

Machinists' Ratification At Boeing

The International Association of Machinists ratified on October 4 a three-year contract covering some 40,000 employees at The Boeing Company in Seattle, Wash., Wichita, Kans., and Portland, Ore. The settlement—the first in 1980 aerospace bargaining—was approved by about 75 percent of IAM members voting.

A 7 percent wage increase took effect October 4. In response to union demands for "unleveling" increases, the first-year hike is weighted toward the higher pay grades. Old hourly rates of \$8.79 to \$11.64 (including \$1.99 in cost-of-living adjustments) increase to a range of \$9.27 to \$12.67. Across-the-board increases of 3 percent in the second and third years raise rates to a range of \$9.55 to \$13.05 on October 4, 1981, and to \$9.84 to \$13.44 on October 4, 1982.

The quarterly c-o-l adjustment is unchanged, providing one cent for each 0.3 rise in the Consumer Price Index.

A modified union shop replaces an agency shop and requires all new employees to join the union within 30 days and to remain members for the life of the contract.

The normal retirement age was reduced from 62 to 60 and the reduction factor for those retiring prior to age 60 was changed from a range of 74 to 90 percent to a range of 85 to 97 percent. Monthly benefits are increased from \$14 to \$16 for years of service prior to 1978 and from \$16 to \$18 for 1978 and all years thereafter.

Monthly benefits for retirees will increase on January 1, 1981, and January 1, 1983, by \$1.00 for each year of credited service or by one percent of retirement income for each year since retirement.

An employer-paid financial security plan is phased out and employees

will receive their accrued benefits in a lump sum. In its place is a sick leave bonus plan under which employees with less than 40 hours of sick leave at the end of the year will carry their leave forward, while those with more than 40 hours will receive a payment for excess hours ranging from 100 to 160 percent.

Insurance improvements include an increase from \$250,000 to \$500,000 in lifetime maximum major medical; increases in hospital room and home health care coverage, weekly sickness and accident benefits, and life insurance; orthodontic benefits for dependents; a new comprehensive alcoholism program; and an increase in medical benefits for retirees.

Other aerospace negotiations are scheduled between Boeing and the Seattle Professional Engineering Employees Association, representing 22,000 engineers and technicians, on a new contract to replace one expiring December 15. The new SPEEA agreement is expected to track the IAM pattern.

Meanwhile, IAM continues to negotiate at Lockheed Corporation where an agreement covering 18,000 employees expired October 1. The contract is being extended on a day-to-day basis. Also negotiating at Lockheed is the Engineers and Scientists Guild.

At McDonnell Douglas Corporation, IAM and United Auto Workers contracts expired October 12. The Southern California Professional Engineering Association's contract with McDonnell Douglas expires November 1.



Seniority Over Ability

Arbitrator Armon Barsamian finds that United Vintners, Inc., Madera, Calif., broke its agreement with the Distillery Workers by denying weekend overtime to a senior skilled maintenance mechanic whom a supervisor considered not qualified to do the work.

The mechanic ranked fourth in plant seniority, having worked for 25 years at various maintenance functions in the company's bottling operations. He bid on a posting for seven employees to do general maintenance work over the weekend. The employee's supervisor denied the bid because he did not consider the applicant—a mechanic-painter—qualified.

The union argued that the contract clause on weekend overtime made no mention of ability, but required that preference for weekend overtime work "shall first be given to employees working in the department (Continued on page 3)

Following are median first-year wage increases in settlements reported in the two-week period ending October 13 and year-to-date median increases for this year and last (see 19:8021):

	2-week period		year to date		year to date 1979	
All industries	79.8¢	9.6%	72.7¢	9.5%	55.0¢	8.4%
All nonconstruction	77.5¢	9.5%	65.0¢	9.5%	51.4¢	8.3%
Manufacturing	67.6¢	8.0%	60.0¢	9.1%	51.2¢	8.5%
Nonmfg. exc. constr.	87.5¢	10.8%	72.0¢	9.5%	51.7¢	8.2%
Construction	*	*	125.0¢	11.3%	85.2¢	8.5%

(* Insufficient data

Other Current Settlements

A 15-week strike ends with agreement between **Scott Paper Company** and the United Paperworkers International Union on a three-year contract covering some 3,000 employees in Mobile, Ala.

Under the agreement, hourly wage rates averaging \$8.60 are increased by 5 cents plus 8 percent retroactive to June 1, 1980, and 8 percent in both the second and third years. Insurance and vacation provisions are improved and a 13th holiday (floating) is added. Previous monthly pension benefits of \$15.50 per year of service rise to \$16.50 in the first year, to \$17 in the second, and to \$17.50 in the third. The contract expires May 31, 1983.

The Association of Flight Attendants ratified on October 2 a two-year agreement with Western Airlines, Inc., covering 2,200 employees nationwide. The settlement provides a 15 percent wage increase retroactive to November 1, 1979, and a 7 percent increase retroactive to June 6, 1980. In June 1981, attendants will receive a 10 percent pay hike. Starting rates rise over term from \$12.47 an hour under the old contract to a range of \$14.34 to \$16.87. A new escalator clause will yield one cent per hour up to 20 cents annually for each full point rise in CPI:

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FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 923

October 16, 1980

WAGES AND FRINGES: THIRD QUARTER 1980

The median first-year wage increase negotiated in the first nine months of 1980 was 72.7 cents an hour, 17.9 cents higher than in the corresponding period of 1979, according to a survey of 1,100 contract settlements providing exact wage data reported in CBNC's Table of Current Contract Settlements. The figures do not include possible cost-of-living adjustments.

Listed below is a comparison of first-year median wage gains negotiated in the first nine months of 1979 and 1980 in cents per hour and percentage:

	1979		1980	
	Cents	%	Cents	%
All industries	54.8¢	8.4%	72.7¢	9.5%
All industries excluding construction	50.8¢	8.4%	65.0¢	9.5%
Manufacturing	51.0¢	8.5%	60.0¢	9.1%
Nonmanufacturing excluding construction	50.0¢	8.2%	71.2¢	9.5%
Construction	85.2¢	8.5%	125.0¢	11.2%

Median wage increases provided by agreements in the first nine months of 1980 averaged 8.1 percent per year over term in all industries, 7.8 percent in all industries-excluding-construction, 7.6 percent in manufacturing, 8 percent in nonmanufacturing-excluding-construction, and 10.3 percent in construction.

Deferred increases, effective ten or more months after the initial increase, were negotiated in 1,051 or 85 percent of the total 1,231 contracts reported in the most recent nine-month period. Manufacturing contracts accounted for 41 percent of the deferred increases, nonmanufacturing-excluding-construction for 26 percent, and construction for 18 percent.

The following table shows median deferred increases due in 1981 and 1982 provided by settlements reported to date in 1980. Second- and third-year median increases in the construction industry are based primarily on wage-benefit packages.

	1981		1982	
	Cents	%	Cents	%
All industries	60.0¢	8.1%	50.0¢	6.6%
All industries excluding construction	51.0¢	8.0%	42.0¢	6.0%
Manufacturing	50.0¢	7.1%	38.0¢	5.5%
Nonmanufacturing excluding construction	53.7¢	8.0%	45.4¢	6.5%
Construction	130.0¢	10.4%	125.0¢	9.2%

Cost-of-living provisions will generate additional increases over term under 28 percent of all contracts concluded in the January-September period. Forty-one percent of the c-o-l clauses provided for annual adjustments, 30 percent for quarterly adjustments, and 6 percent for semiannual adjustments. Reports on the remainder did not specify an adjustment period.

C-o-l provisions were contained in 34 percent of manufacturing contracts so far this year, 30 percent of nonmanufacturing-excluding-construction settlements, and 9 percent of construction contracts.

Contract duration changed most significantly in the construction industry in the first nine months of 1980. One-year agreements were negotiated in 15 percent (up from 4 percent one year ago), two-year contracts in 42 percent (up from 35 percent), and three-year contracts in 43 percent (down from 61 percent).

In manufacturing, three-year terms were contained in 64 percent of contracts; two-year terms in 29 percent; and one-year terms in 6 percent.

In nonmanufacturing-excluding-construction, three-year terms were provided in 59 percent of contracts; two-year terms in 35 percent; and one-year terms in 5 percent.

Fringe benefits were negotiated or revised in 81 percent of all settlements so far this year. Insurance provisions, the most frequently negotiated or renegotiated benefit, were contained in 62 percent of all new contracts. Dental insurance, the most frequently negotiated insurance benefit, was contained in 35 percent of all contracts compared to 19 percent one year ago. Optical insurance increased from 4 percent last year to 18 percent in the first nine months of 1980.

Pension plans were changed in 54 percent of all agreements so far this year. Those contracts specifying new benefit amounts provided monthly benefits averaging \$12.50 in manufacturing and \$14.13 in nonmanufacturing-excluding-construction.

Holidays were added or revised in 28 percent of contracts negotiated to date this year. Those contracts specifying the exact number provided an average 12 holidays in manufacturing and 10 in nonmanufacturing-excluding-construction.

Changes in vacations were negotiated in 30 percent of new contracts this year. Income maintenance plans were found in 7 percent of contracts.

MEDIAN FIRST-YEAR WAGE SETTLEMENTS, JANUARY-SEPTEMBER 1980

(IN CENTS PER HOUR AND PERCENTAGE)

	1st Quarter		2nd Quarter		3rd Quarter		Year to date	
	Cents	%	Cents	%	Cents	%	Cents	%
All industries	59.0¢	9.0%	75.0¢	10.2%	72.7¢	9.5%	72.7¢	9.5%
All industries, excluding construction	59.0¢	9.0%	65.0¢	10.2%	70.0¢	9.3%	65.0¢	9.5%
Manufacturing	56.4¢	9.4%	60.0¢	10.2%	60.0¢	9.0%	60.0¢	9.1%
Nonmanufacturing, excluding construction	60.3¢	8.8%	68.9¢	10.4%	72.7¢	9.5%	71.2¢	9.5%
Construction	(*)	(*)	112.5¢	10.0%	145.5¢	12.0%	125.0¢	11.2%

* Insufficient data.

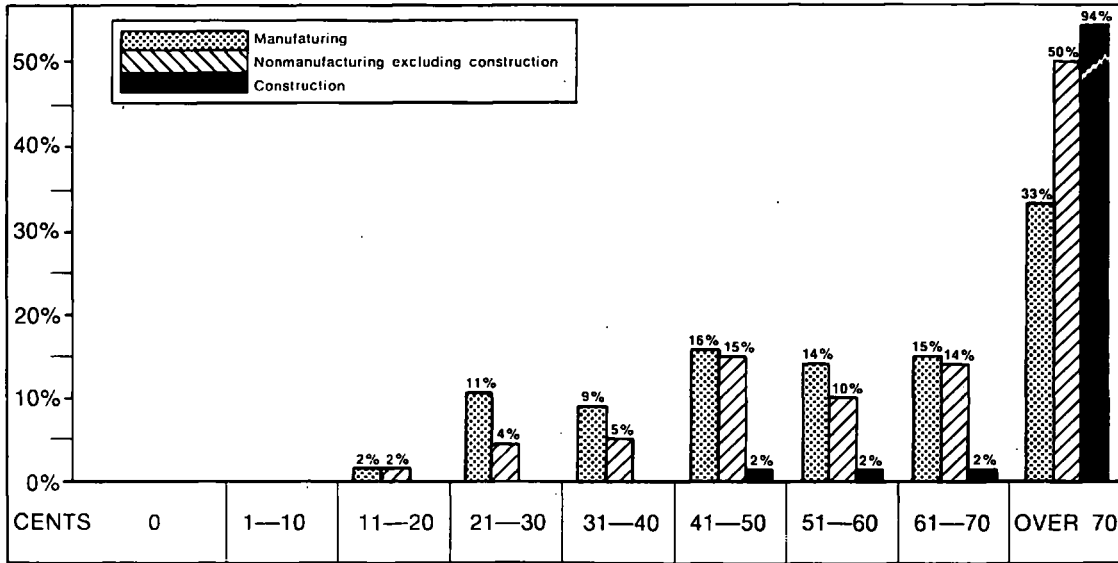
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**MEDIAN WAGE INCREASES AND NUMBER OF REVISED FRINGE PROVISIONS
BY INDUSTRY, FIRST NINE MONTHS 1980**

	Total Settlements ¹	Median Settlement (cents per hour)	Median Settlement (percentage)	Deferred Increases	Cost-of-living clauses	Vacations	Holidays	Pension plan	Income maintenance	Insurance	Life insurance	Accidental death & dismemberment	Sickness & accident	Disability insurance	Hospital insurance	Surgical insurance	Major medical	Maternity benefits	Drug plan	Dental plan	Optical plan
MANUFACTURING																					
Apparel & other finished textiles	12	35.0	7.6	8	1	7	6	3	-	6	-	-	-	-	1	1	2	-	-	1	1
Chemicals & allied products	63	70.4	9.2	44	14	22	29	19	-	30	9	1	10	1	5	4	11	1	1	10	-
Electrical machinery & equipment	28	60.3	9.5	25	13	10	7	20	-	26	10	7	12	2	6	5	11	1	1	12	1
Fabricated metals	15	50.0	8.0	13	5	3	8	8	-	12	3	2	4	-	2	-	4	-	-	2	-
Foods & beverages	46	57.5	9.1	44	12	17	14	22	-	31	8	2	7	2	4	-	6	2	2	10	4
Furniture	11	-	-	11	2	4	6	5	-	9	1	-	2	-	-	-	2	-	-	-	-
Leather & leather products	2	-	-	2	-	-	1	2	-	2	2	1	2	-	-	-	-	-	-	-	-
Lumber & wood products	15	70.0	9.6	13	1	4	9	10	-	10	2	-	2	-	1	1	1	-	-	2	1
Machinery (except electrical)	48	52.5	7.5	47	29	13	26	36	4	41	20	10	15	1	4	2	11	-	2	20	9
Miscellaneous manufacturing	13	58.8	12.0	13	1	3	7	7	-	8	3	1	3	2	2	-	2	-	1	5	-
Ordnance	1	-	-	1	1	-	-	-	-	1	1	-	1	-	-	-	-	-	-	-	-
Paper & allied products	67	70.0	9.7	59	5	30	28	53	2	55	27	5	27	-	4	6	23	-	1	17	1
Petroleum & allied products	48	100.0	10.5	26	-	33	-	5	-	47	-	-	-	-	1	-	-	-	-	46	-
Primary metals	49	25.0	2.5	47	38	22	8	40	19	43	32	2	39	-	-	1	20	-	-	27	28
Printing & publishing	66	75.0	9.8	42	19	12	11	27	2	34	3	1	3	1	7	2	4	-	-	2	2
Professional, scientific & controlling instruments	8	-	-	7	3	1	4	3	-	6	3	1	2	-	1	-	1	-	-	1	-
Rubber products	12	51.5	9.6	12	4	7	6	4	-	9	7	2	5	-	5	-	5	-	-	1	2
Stone, clay & glass	43	68.0	10.3	38	17	19	23	35	-	31	19	14	18	1	5	2	13	2	1	8	2
Textile mill products	24	45.0	9.7	15	5	11	10	13	-	16	9	3	10	1	5	-	3	-	-	2	1
Tobacco	6	-	-	6	6	6	6	4	-	5	-	-	5	-	-	-	2	-	-	-	2
Transportation equipment	39	48.0	5.8	37	34	5	27	30	16	34	25	5	22	16	1	-	7	1	3	18	21
Total manufacturing	616	60.0	9.1	510	210	229	236	346	43	456	184	57	189	27	54	24	128	7	12	184	75
NONMANUFACTURING (Excluding Construction)																					
Agriculture	7	95.0	10.8	6	2	2	3	4	-	6	-	-	-	-	-	-	-	-	-	3	-
Communications	42	72.7	9.5	42	39	42	38	39	37	41	1	-	-	-	2	2	1	-	37	40	37
Insurance	11	-	-	10	3	1	3	6	-	9	2	-	1	1	2	1	3	-	-	1	-
Mining	4	-	-	2	-	4	2	2	-	4	-	-	-	-	-	-	2	-	-	2	-
Services																					
Except health care	40	50.0	9.3	36	4	12	11	20	-	26	5	1	1	1	4	2	3	-	-	8	4
Health care	68	48.3	8.0	61	7	12	24	16	-	26	1	-	1	4	-	1	-	1	-	6	2
Shipping & longshoring ..	8	120.0	11.5	8	-	1	-	8	-	8	-	-	-	-	-	-	-	-	-	-	-
Transportation (combined)	22	106.9	9.2	22	13	12	6	12	-	11	7	2	1	-	1	1	3	-	1	5	5
Airline	12	128.0	10.9	12	6	8	3	10	-	6	4	2	-	-	1	1	3	-	1	2	3
Railroad	2	-	-	2	1	-	-	-	-	1	-	-	-	-	-	-	-	-	-	1	1
Streetcar, bus & taxi ..	8	-	-	8	6	4	3	2	-	4	3	-	1	-	-	-	-	-	-	2	1
Water & other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trucking & warehousing ..	6	-	-	6	2	-	1	3	-	3	-	-	-	-	-	-	-	-	-	1	-
Utilities (light, power, gas & water)	60	71.6	8.9	43	6	20	4	21	-	29	6	1	-	2	5	-	12	-	1	11	2
Wholesale & retail trade ..	94	75.0	11.0	87	32	29	14	66	2	48	13	1	16	2	2	2	5	-	9	10	12
Total nonmanufacturing-excluding-construction	362	71.2	9.5	323	108	135	106	197	39	211	35	5	20	10	16	9	29	1	48	87	62
Total all-industries excluding construction ..	978	65.0	9.5	833	318	364	342	543	82	667	219	62	209	37	70	33	157	8	60	271	137
CONSTRUCTION																					
Total all-industries	1231	72.7	9.5	1051	342	365	342	661	82	768	219	62	209	37	70	33	157	8	60	271	137

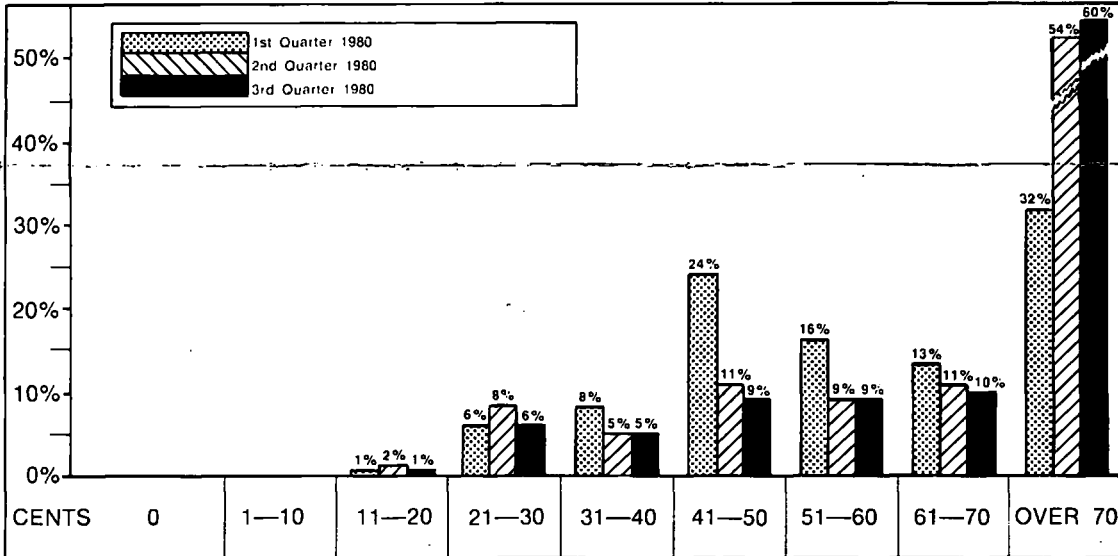
¹Includes some settlements carrying wage increases of unspecified amounts; not included in tabulations of medians.

**DISTRIBUTION OF WAGE INCREASES BY INDUSTRY SECTOR
FIRST THREE QUARTERS 1980**
(In cents per hour)



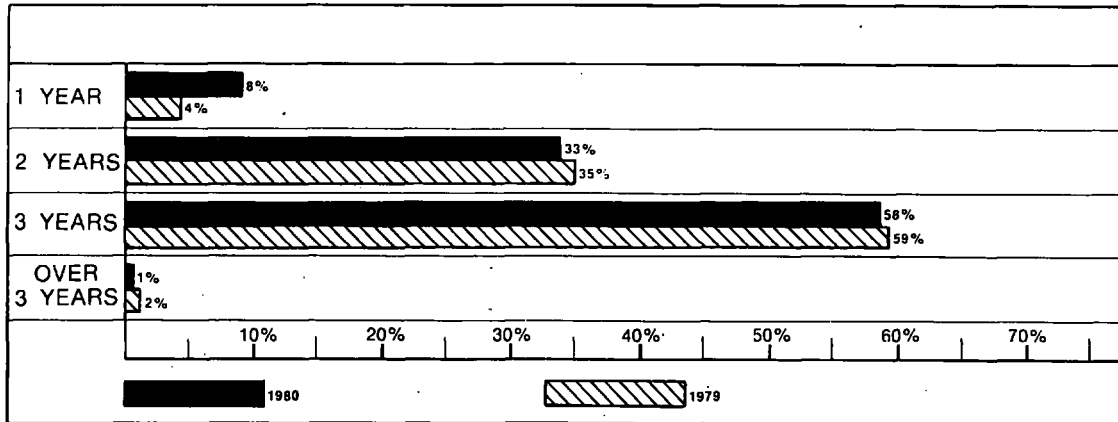
Based on 524 settlements in manufacturing, 324 in nonmanufacturing excluding construction, and 252 in construction (figures do not include settlements where amount of increase is not specified)

DISTRIBUTION OF WAGE SETTLEMENTS BY RANGED AMOUNTS
(Based on 479 settlements in 3rd quarter, 397 in 2nd quarter and 224 in 1st quarter 1980)



* The figures do not include settlements where amount of increases is not specified.

CONTRACT DURATION — Negotiated in First Three Quarters



4 DISTRIBUTION OF PERCENT INCREASES
(Shown as number of settlements in each industry sector)

FIRST THREE QUARTERS 1979 & 1980

	All industries		All industries excluding construction		Manufacturing		Nonmanufacturing excluding construction		Construction	
	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980
Total Settlements	847	1112	709	859	459	526	250	333	138	253
0%	3	0	1	0	1	0	--	0	2	0
1%	2	4	2	4	2	3	--	1	--	--
2%	14	36	14	35	14	34	--	1	--	1
3%	9	29	8	29	5	25	3	4	1	--
4%	21	22	20	17	14	15	6	2	1	5
5%	32	51	26	48	18	38	8	10	6	3
6%	86	44	58	36	35	23	23	13	28	8
7%	136	76	118	63	62	38	56	25	18	13
8%	228	150	204	120	139	55	65	65	24	30
9%	98	196	71	159	55	69	16	90	27	37
10%	92	180	80	153	61	126	19	27	12	27
11%	35	97	28	69	22	39	6	30	7	28
12%	25	68	19	35	12	23	7	12	6	33
13%	12	49	9	27	4	13	5	14	3	22
14%	15	29	15	20	8	7	7	13	--	9
Over 14%	39	81	36	44	7	18	29	26	3	37

(Continued from page 2)

scheduling overtime in accordance with the employee's plant seniority."

The union further argued that if the company sought employees with specific skills for the weekend overtime, it should have specified those skills in its posting.

The employer cited a past practice linking overtime to ability as required by "industrial realities" and accused the union of falling back on a narrow and technical reading of the contract because the grievant's qualifications alone did not support the union's case.

The employer contended that the contract must be read as a whole. Weekday overtime, for example, was awarded to employees provided they had "the ability and experience with the employer on such work."

The arbitrator dismisses for lack of evidence the company's assertion of past practice. As for "industrial realities," he notes that they are "a matter for negotiations and not arbitration." Barsamian also dismisses as "irrelevant and immaterial" the weekday overtime clause cited by the company since there is clear language on weekend overtime.

The arbitrator concludes that "as the employer did not specify a particular skill [in its posting], and as grievant is within the 'skilled maintenance' classification, he had every right to bid for and . . . be awarded one of the seven positions for weekend overtime." (75 LA 275)

Other improvements include time and one-half for hours worked on Thanksgiving, Christmas, New Year's Day, and July 4 and \$11.00 per hour for understaffing pay. Major medical insurance is increased from \$250,000 to \$500,000 and sick leave, bereavement leave, and pension benefits are improved.

Auto-related unemployment in the Detroit area is reflected in new layoff provisions for John Hancock Mutual Life Insurance Company employees represented by the Teamsters. A three-year contract covering 250 Dearborn claims office employees pledges the company to "keep whole" all fringe benefits and seniority rights of laid off employees for one year. Wage increases of 12 percent effective October 1, 10 percent in 1981, and 9 percent in 1982 were negotiated along with c-o-l payments and fringe benefit improvements.

West Coast Construction Settlements

Associated Builders and Contractors President Ted C. Kennedy has advised Council on Wage and Price Stability Chairman Alfred E. Kahn that construction pay increases negotiated on the West Coast this year—particularly in the San Francisco Bay area—deserve immediate attention from CWPS. "Many of these increases not only exceed the President's guidelines but are double the percentage established by the Council as necessary to stem inflation," the industry official declared.

Kennedy expressed "alarm" at recent high settlements in the industry. In a letter to Kahn he cited recent data from the Construction Labor Research Council which shows a national first-year wage increase in construction of 11.5 percent and nearly 16 percent for West Coast settlements. Kennedy was especially concerned that Sheet Metal Workers in the Bay area will be earning more than \$30 an hour in July 1982.

He expressed his concern that large wage increases "will spread to other areas of the country as industry tries to 'match wages'" in the building trades and this will result in an unnecessary escalation of construction costs. Because construction is the nation's largest single industry, Kennedy contends that the high wage increase in the industry "will contribute significantly to spiralling inflation."

Bargaining Briefs

A solar energy program to encourage installation of solar air heating equipment in members' homes has been launched in California by the Sheet Metal Workers' International Association. Three manufacturers under contract with SMWIA have agreed to sell solar collectors to union members at discount rates. Members also will be able to borrow at low interest from the National Pension Fund and from a major California bank for the purchase and installation of solar air hot water equipment.

A cost-of-living adjustment of 49 cents per hour took effect October 1 for hourly employees covered by the Teamsters' National Master Freight Agreement. Over-the-road operators received a c-o-l adjustment of 1.225 cents per mile. The adjustments are semiannual.

Members of the United Rubber Workers on October

1 received a quarterly c-o-l increase of 18 cents per hour at Goodyear Tire and Rubber Company, Firestone Tire and Rubber Company, and B.F. Goodrich Company. At financially troubled Uniroyal, Inc., URW agreed to forfeit the October adjustment due 8,500 workers.

The Railway Carmen has notified some of the nation's railroads that it wants to discuss reopening its agreements with them to negotiate new language on contracting out, disciplinary procedures, and other items. Under the Railway Labor Act, carriers have 10 days after receiving union notification to set up talks with union representatives.

The union says that many employers "have been responsive" and that it foresees no problems in getting the talks started. Some management officials, however, have questioned the propriety of the Carmen's action because the rail industry's agreement with 14 national rail unions includes a moratorium against filing reopener notices until after January 1, 1981. The union answers that this notice is "outside" the moratorium.



Perspective

Tripartite Industry Councils

CREATION of national industrial councils for major industries to further cooperation between labor, business, and government and to develop worker participation in economic growth policy is recommended by the Senate Democratic Task Force on the Economy.

Employment and labor-management relations policies in the 1980s must be structured for a world of scarce energy supplies, strong global competition, and rapid technological advances, the task force says, adding:

"These changes are inevitable and require a labor-management relations climate of compromise and willingness to accept change. Our national policy must foster better labor-management communication and understanding of how technological or other changes can best be instituted in our industries."

The councils should provide a forum for planning economic growth and coalescing diverse approaches on how to handle a wide range of industrial issues, the panel report states.

Forums also should be established in the plants to promote quality-improvement programs, and "the collective bargaining process should be utilized to assure worker participation in the development of these programs."

Employee ownership of companies "should be encouraged both in ongoing firms and as a means to preserve jobs and protect the local economy in plant closing situations," the report suggests. It notes that preliminary evidence indicates that some types of employee-ownership programs can increase production.

The task force also recommends expansion of existing retirement plans to enhance worker mobility, increase retirement income security, and advance "capital formation."

Deductible limits for Keogh plans and Individual Retirement Account plans should be increased, the report says. In addition, employees already covered by company pension plans should be allowed to make limited deductible contributions to those plans or to IRAs. These changes would produce "higher rates of individual savings, thereby generating substantial investment capital."

Other provisions in retirement plans recommended

by the panel include employee participation in investment of funds and portability.

Extended national unemployment insurance during periods of severe unemployment, advance notification of plant shutdowns, severance pay for workers displaced by plant closures, and job training and relocation programs are among other labor-related recommendations issued by the task force.

A "targeted" tax cut, at least half of which would go toward improving productivity, also is recommended. The report calls for simplifying depreciation schedules and shortening write-off periods for capital investments.

Turning to international trade, the task force says that United States restraints on imports should be linked to efforts by U.S. firms to become more competitive.

Concerning business regulation, the report suggests that legislative steps can be taken to improve cost efficiency of controls and that government agencies should consider alternative proposals to lessen the adverse impact on the economy.

The panel calls for "regulatory negotiation commissions" to provide labor, management, and public interest representatives a chance to develop a consensus on important regulatory issues in the fields of environment and health and safety.

President Carter's six-point program to bolster the economically ailing steel industry, meanwhile, contains federal initiatives to aid workers displaced by production cutbacks and plant closings.

Responding to recommendations of the Steel Tripartite Committee—composed of labor, management, and government representatives—the program also reinstates a trigger price mechanism to curb imports and calls for tax breaks for investment in plant modernization.

The President's plan calls for 13 additional weeks of unemployment insurance benefits and allocation of \$300 million in federal funds to train and relocate laid-off workers in steel and related industries.

In addition to tax breaks for investment in plant renovation, the program provides for an extra 10 percent credit for investment in distressed areas.

Some provisions of the steel industry package are included in the President's economic revitalization program announced in August.

The steel industry program designates \$600 million in federal research and development funds to further study recommendations made by the tripartite advisory committee.

Mr. Carter said he will submit legislation in January 1981 to "stretch out" for up to three years compliance rules for strict federal air and water pollution standards. The proposed legislation would require that funds saved by compliance delays be invested in plant modernization.



what's new in... COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

September 4, 1980

Route to . . .

~~D. J. Young~~
G. B. Hoffma

Price Standstill

The Consumer Price Index for All Urban Consumers (CPI-U) rose 0.1 percent unadjusted in July to 247.8 percent of the 1967 base, according to the Bureau of Labor Statistics. The Index for Urban Wage Earners and Clerical Workers (CPI-W) also rose 0.1 percent to 248.0 percent.

After seasonal adjustment, both measures showed no change from June to July—the first time since March 1967. Over the past year, CPI-U has risen 13.2 percent and CPI-W 13.0 percent.

The standstill in the rate of inflation resulted from a 0.7 percent decline in the housing index offsetting higher food prices and moderate increases in most other categories.

Revitalization Board

President Carter unveiled August 28 an "economic revitalization" program that includes a tripartite board of representatives from labor, government, and business to advise the Administration on a "full range of economic policy issues."

Headed by AFL-CIO President Lane Kirkland and I.E. duPont de Nemours and Company Chief Executive Officer Irving S. Shapiro, the Economic Revitalization Board eventually will recommend remedies for industrial dislocation and improvements in job training programs.

The first task for the board is to recommend a plan for organizing an Industrial Development Authority that would control the disbursement of private and public funds for economic revitalizations.

Although details of the operation and the authority of the board have yet to be worked out, the general functions of the panels appear similar to those recommended by the AFL-CIO (see page 4).

Breakthrough In Copper Strike

Settlement on pattern-setting agreements between Kennecott Copper Corporation and a coalition of 23 unions led by the United Steelworkers promises an end to an eight-week strike against 10 copper companies in nine states.

Terms of the agreements parallel those negotiated in the basic steel industry, according to the Steelworkers. Copper employees, however, will not be required to forgo a cost-of-living adjustment to pay for fringe improvements, a concession included in steel contracts.

The unions were unsuccessful in their attempt to obtain a c-o-l formula of one cent for each 0.26, instead of 0.3, rise in the Consumer Price Index, an improvement contained in the Steelworkers' aluminum industry contracts and in rubber and auto industry agreements.

Wages are increased 25 cents an hour in the first year, 20 cents in the second, and 15 cents in the third. Hourly pay averaged about \$10 under old agreements. Other provisions tracking those in basic steel include increased benefits for current and future pensioners and improvements in supplemental unemployment benefits.

Kennecott, employing some 9,000 of the 40,000 striking workers, traditionally has been the pattern-setter for the industry. Settlement with other companies usually takes three to five weeks, but a union spokesman, noting that some firms have already resolved local issues, predicts the process will take less time this year.

The nine companies yet to settle are Anaconda, ASARCO, Phelps-Dodge, Magma, Inspiration Consolidated, Cities Service, White Pine, U.S. Metals, and Anamax.

Pacific Coast Shipyard Pattern

Some 11,000 AFL-CIO shipyard workers represented by the Pacific Coast Metal Trades District Council have ratified a three-year agreement with the Pacific Coast Shipbuilders Association, which bargains for 170 West Coast employers.

The contract covers workers in San Francisco, Oakland, Portland, and Seattle and is expected to be accepted by another 11,000 workers in Pacific Coast states and Alaska and Hawaii.

Effective through June 30, 1983, the agreement provides hourly pay increases of 90 cents retroactive to July 1 and 40 cents in 1981 and 1982. Contributions to health and welfare and pension funds increase 25 cents retroactive to July 1 and will go up an additional 20 cents in the second and in the third year. The cost-of-living clause remains unchanged, providing a quarterly adjustment of one cent per hour for each 0.4 rise in CPI. Other improvements include two additional holidays and increased mileage and tool allowances.

Marine and Shipbuilding Workers struck Todd Pacific Shipyards Corp., in Los Angeles, meanwhile, after rejecting by a vote of 2,640 to 10 a contract proposal nearly identical to the one accepted by the Metal Trades Council in northern shipyards.

The contract between Shipbuilding Workers Local 9 and the shipyard expired July 27, and the next day the union voted to go out on strike. According to a company spokesman, the union cites the higher cost of living in southern California in demanding greater wage and benefit increases than those provided by the pattern agreement.

Other Current Settlements

The Great Atlantic and Pacific Tea Company has agreed with the United Food and Commercial Workers on a three-year contract covering some 12,000 employees at 265 New York City area supermarkets.

Wages rise \$25 per week in the first year and \$15 the second and third; \$10-a-week c-o-l increases are due in February 1982 and 1983. Under a new store-closing provision, workers hired before August 7, 1971, will receive \$300 for each consecutive year of employment.

Sheet Metal Workers in 12 San Francisco Bay area counties have ratified new three-year agreements with the Sheet Metal and Air Conditioning Contractors National Association which provide wage-fringe increases of \$12.50 an hour over term. The first increase of \$3.60, retroactive to July 1, is followed by increases of \$1.40 on January 1, 1981, \$3.50 on July 1, 1981, and \$4 on July 1, 1982. Before the settlement, hourly rates including fringe payments ranged from \$18.42 to \$18.51. Workers struck the San Francisco and Redwood Empire SMACCNA chapters for four weeks, while their counterparts in the greater Oakland area struck for five.

Transport Workers have ratified a three-month nationwide agreement with American Airlines, covering 12,000 mechanics, dispatchers, meteorologists, fleet and ground service employees, and communications workers. Retroactive to March 1, the contract provides basic wage improvements totalling 21.6 percent over term. Cost-of-living adjustments of one cent hourly for each 0.3 CPI rise will add a maximum 18 cents this month and a maximum 22 cents in September 1981 and August 1982. The agreement further calls for refunding all employee contributions made to the pension plan before 1976 when the plan became employer-paid, and for partial payoff of accumulated sick leave on retirement.



Reimbursement

Southwestern Bell Telephone Company, St. Louis, Mo., cannot set an upper limit on the amount it will reimburse employees for lunch expenses when its contract with the Communications Workers of America requires reimbursement of "reasonable" expenses, Arbitrator A. Dale Allen, Jr., rules.

The contract provided that an employee "shall be reimbursed by the Company for reasonable out-of-pocket noonday meal expense[s] actually incurred" when assigned to work outside his exchange area.

The grievance arose when two installers were denied reimbursement for meal tickets ranging from \$3.05 to \$4.13 which exceeded the predetermined maximum limit of \$3 imposed by a division supervisor.

Challenging the supervisor's authority, the union argued that in situations where it wished to grant the company sole discretion to determine reasonableness, specific language was written making the company's right clear. The funeral leave clause, for example, states that funeral leave pay will be granted "as is determined by the Company to be reasonable."

The union pointed out that a \$3 ceiling may or may not be reasonable depending on the location where the meal is eaten and that in other divisions of the company no ceilings had been set.

"The best evidence that \$3 is not always reasonable," the union added, is that even after the \$3 policy was imposed, employees continued to purchase lunches in excess of the limit knowing they must bear the additional expense.

To reinforce its argument, the union submitted menus from local "working man" restaurants reflecting prices ranging from 45 cents to \$6.95.

Management argued that the key issue was not whether \$3 would buy

(Continued on page 3)

Following are median first-year wage increases in settlements reported in the two-week period ending September 1 and year-to-date median increases for this year and last (See 19:8018):

	2-week period		year to date		year to date 1979	
All industries	71.2¢	9.2%	71.3¢	9.7%	54.3¢	8.4%
All nonconstruction	70.0¢	8.8%	63.0¢	9.3%	50.0¢	8.3%
Manufacturing	69.3¢	9.0%	60.0¢	9.5%	51.4¢	8.5%
Nonmfg. exc. constr.	70.2¢	8.5%	67.9¢	9.0%	50.0¢	8.0%
Construction	129.2¢	10.6%	125.0¢	10.9%	87.5¢	8.6%

Steel Industry: Pay Deductions And Deferrals

Members of Steelworkers Local 2869 at the financially troubled Kaiser Steel Corporation voted 714 to 498 last week to forgo 10 cents from each of the next 10 c-o-l adjustments provided for under terms of the basic steel agreement which expires August 1, 1983.

The pay cuts were proposed by the local in response to Kaiser's threat to liquidate. Employment at the Fontana, Calif., mill has dwindled from more than 6,000 to about 4,000.

McLouth Steel Corporation has asked some 3,700 Steelworkers at its three Detroit, Mich., plants to extend for one year a contract due to expire October 1. Under the company proposal, a c-o-l provision would be continued, but wages and benefits would remain at present levels. A company official predicts the union will be receptive to the proposal, calling it a "reasonable request" considering the economic state of the industry.

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Manufacturing	69.3¢	9.0%	60.0¢	9.5%	51.4¢	8.5%
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FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 920

September 4, 1980

PRODUCTIVITY AND COSTS: SECOND QUARTER 1980

Productivity in the private business sector declined 1.9 percent in the second quarter of 1980, with an 11.3 percent decrease in output outpacing a 9.5 percent drop in hours, revised data published by the Bureau of Labor Statistics show. From the second quarter of 1979 to the second quarter of 1980, productivity in private business dropped 1.0 percent. This was the sixth consecutive quarter of decline in this sector.

In the nonfarm business sector, productivity fell 2.9 percent in second-quarter 1980, reflecting reductions of 11.5 percent in output and 8.8 percent in hours. Last quarter nonfarm business productivity fell 1.1 percent when a 0.2 percent increase in output was outweighed by a 1.3 percent increase in hours.

In manufacturing, productivity in second-quarter 1980 declined 4.5 percent, as output decreased 21.7

percent and hours fell 18.0 percent. In the past five years, this decline in output and hours has been exceeded only when 1975 data reflected decreases of 27.3 percent in output and 24.3 percent in hours. The 4.5 percent decrease was the third consecutive quarterly decline in productivity in the manufacturing sector.

Reflecting decreases of 9.8 percent in hours and 10.7 percent in output, preliminary data for nonfinancial corporations show that productivity declined at a seasonally adjusted 1.1 percent in second quarter 1980. This was the sixth consecutive quarter of decline for nonfinancial corporations. BLS reports the decline in hours to be the largest since first-quarter 1975, and the decrease in output to be the largest ever recorded since the series started in 1958.

TABLE 1. PERCENT CHANGE AT ANNUAL RATES IN PRODUCTIVITY & COSTS
(Seasonally Adjusted)

	1st Quarter 1980 to 2nd-Quarter 1980	2nd Quarter 1979 to 2nd Quarter 1980
Private Business Sector (revised)		
Productivity	-1.9	-1.0
Hourly compensation	11.9	9.9
Unit labor costs	14.1	11.0
Real hourly compensation	-1.6	-3.8
Output	-11.3	-2.0
Hours	-9.5	-1.0
Nonfarm Business Sector (revised)		
Productivity	-2.9	-1.2
Hourly compensation	10.7	9.8
Unit labor costs	14.1	11.2
Real hourly compensation	-2.6	-4.0
Output	-11.5	-2.1
Hours	-8.8	-0.9
Manufacturing (revised)		
Productivity	-4.5	-1.4
Hourly compensation	15.2	10.5
Unit labor costs	20.7	12.1
Real hourly compensation	1.3	-3.4
Output	-21.7	-6.6
Hours	-18.0	-5.2
Nonfinancial Corporations (preliminary)		
Productivity	-1.1	-0.5
Hourly compensation	11.1	9.7
Unit labor costs	12.3	10.3
Real hourly compensation	-2.3	-4.1
Output	-10.7	-2.0
Hours	-9.8	-1.5

**TABLE 2. PRIVATE BUSINESS SECTOR, ALL PERSONS: PRODUCTIVITY, HOURLY COMPENSATION,
UNIT LABOR COSTS, AND PRICES, SEASONALLY ADJUSTED**
(Indexes 1967 = 100)

Year and Quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour ¹	Real compensation per hour ²	Unit labor costs	Unit nonlabor payments ³	Implicit price deflator ⁴
1979								
1st quarter	118.9	144.4	121.5	244.8	117.9	205.9	180.8	197.2
2nd quarter	118.3	143.4	121.3	250.4	117.0	211.7	183.7	202.0
3rd quarter	117.8	143.8	122.0	255.7	115.8	217.0	185.6	206.1
4th quarter	117.7	144.8	123.0	260.3	114.2	221.1	188.3	209.7
Annual average	118.3	144.1	121.8	253.1	116.4	214.0	184.4	203.8
1980								
1st quarter	117.7	144.8	123.1	267.6	112.9	227.5	190.0	214.5
2nd quarter	117.1*	140.6*	120.1*	275.3	112.4*	235.1*	193.1*	220.6*
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATES ⁵								
1979								
1st quarter	-3.1	1.2	4.5	11.0	-0.2	4.5	-1.0	9.3
2nd quarter	-2.0	-2.9	-0.9	9.5	-2.9	-0.9	6.5	10.1
3rd quarter	-1.4	1.1	2.5	8.7	-4.1	2.5	4.2	8.3
4th quarter	-0.3	2.8	3.1	7.5	-5.4	3.1	5.9	7.2
Annual average	-0.8	2.4	3.3	9.4	-1.7	3.3	5.3	8.9
1980								
1st quarter	-0.3	0.2	0.5	11.7	-4.5	0.5	3.8	9.4
2nd quarter	-1.9*	-11.3*	-9.5*	11.9*	-1.6*	-9.5*	6.6*	11.8*
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR ⁶								
1979								
1st quarter	0.3	5.5	5.3	9.0	-0.8	5.3	9.7	9.0
2nd quarter	-0.7	2.2	2.9	9.4	-1.1	2.9	5.7	8.7
3rd quarter	-1.6	1.4	3.0	9.4	-2.1	3.0	4.8	9.1
4th quarter	-1.7	0.5	2.3	9.2	-3.2	2.3	3.9	8.7
Annual average	-0.8	2.4	3.3	9.4	-1.7	3.3	5.8	8.9
1980								
1st quarter	-1.0	0.3	1.3	9.3	-4.2	1.3	5.1	8.8
2nd quarter	-1.0*	-2.0*	-1.0	9.9*	-3.9	-1.0	5.1*	9.2*

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¹Wages and salaries of employees plus employers' contribution for social insurance and private benefit plans. Except for nonfinancial corporations, where there are no self-employed, data also include an estimate of wages, salaries, and supplemental payments for the self-employed.

²Compensation per hour adjusted for changes in the Consumer Price Index for All Urban Consumers.

³Nonlabor payments include profits, depreciation, interest, rental income, and indirect taxes.

⁴Current dollar gross product divided by constant dollar gross product.

⁵Percent change compounded at annual rate from original data rather than index numbers.

⁶Current quarter divided by comparable quarter a year ago.

*Revised.

(Continued from page 2)

an adequate lunch, but whether a supervisor may predetermine what constitutes a reasonable amount to be spent on lunch in his jurisdiction.

The company noted that supervisors are obligated to try to control expenses and that after the division supervisor had eaten in some local restaurants he had concluded that \$3 was sufficient for lunch.

The contract implies that the employer is authorized to determine what is reasonable and past practice "clearly shows" that management determines "what meal expense is 'reasonable,'" the employer said.

Although the arbitrator agrees that management generally passes judgment on issues not specifically abridged or defined in an agreement, in looking at the contract he finds that the term "reasonable" is a negotiated term found in many provisions and as such its interpretation is subject to challenge by the union.

Agreeing that a company has a right to operate in a "cost-conscious and efficient manner" and therefore to establish an initial guideline as to what is a reasonable cost for lunch, the arbitrator nevertheless observes that a guideline does not become law unless a specific figure is substituted for "reasonable" in the agreement.

Upholding the grievance, the arbitrator orders the company to reimburse the installers for the amount of the meal tickets. (75 LA 57)

Some 12,000 Steelworkers at Wheeling-Pittsburgh Corporation, meanwhile, have accepted a company plan to defer two c-o-l adjustments and a \$150 employee bonus provided for under the industry's Experimental Negotiating Agreement.

Detente At The Bargaining Table?

The 1980s will be a "decade of detente" between labor and management, not because the parties necessarily want it, but because they will be forced by circumstances to cooperate, predicts Kenneth E. Moffett, deputy director of the Federal Mediation Service.

Speaking at a recent Federal Bar Association meeting in Washington, D.C., Moffett expressed the opinion that a combination of lowered productivity, high unemployment, and the threat of high-quality foreign imports will force unions and employers to abandon confrontation which has characterized their relationship for 30 years.

He predicts increased use of joint labor-management committees, such as the Japanese quality circles devised to improve quality and productivity, and even a spread of European-style co-determination, with workers represented on corporate boards of directors.

Citing the relative decline in strikes this year, with negotiations at the peak of a three-year cycle, Moffett expressed "great hope as far as labor peace is concerned." Negotiators, he said, have become "so much more rational, so much more professional."

Francis T. Coleman of Pierson, Ball and Dowd, Washington law firm, held an opposite view on the same panel. He predicted increasing confrontation not only between labor and management, but between government and management as well. He sees the labor movement in a period of stagnation, confronted with declines in membership and in the ratio of union victories in NLRB elections. Talk of mergers, he believes, is a sign of troubled times for unions.

Coleman cited as further evidence of disarray in the union ranks "their current vitriolic attack" on labor relations consultants, management attorneys, and others whom the unions describe as "union busters."

Bargaining Briefs

First-year wage increases provided by major state and local government contracts negotiated in 1979 and covering 5,000 or more workers averaged 6.8 percent, according to preliminary estimates by the Bureau of Labor Statistics. Contracts containing cost-of-living provisions provided first-year increases averaging 6.1 percent and averaged 33.4 months in duration, while those without COLA provided first-year increases averaging 7.2 percent and had terms averaging about 19.8 months.

The Milwaukee Railroad has begun deducting 10 percent from the paychecks of more than 8,000 employees under a plan designed to save the bankrupt company \$10 million by the end of 1980. If the company can be reorganized successfully, employees will have the option of using their deferred wages to buy preferred stock in the Milwaukee at 1.3 times the amount withheld.

Already approved by more than half the 14 unions representing railroad employees, the plan further calls for a 7 percent wage deferral in 1981. Should the plan to save the company fail, employees will have claims against the estate.

A 15-month high in strikes was reached in July, the Bureau of Labor Statistics reports, with more than four million worker-days of idleness recorded. Major strikes contributing to the record were those by some 90,000 construction workers in California, 25,000 actors in TV films, 9,000 Detroit municipal employees, and 9,000 San Francisco hotel employees.

Also releasing a report on characteristics of work stoppages in the first half of 1980, BLS found that general wage changes were the major issue in 57 percent and "plant administration" in 23 percent. The largest proportion—42 percent—lasted between 30 and 59 days, accounting for 57 percent of days idle. Only 1 percent lasted longer than 90 days.

("LA" references are to BNA's Weekly Labor Arbitration Reports)



Reindustrialization

THE TRIPARTITE BOARD proposed by President Carter as part of his "economic revitalization program" appears to serve the purpose of the National Reindustrialization Board recommended by the AFL-CIO Executive Council at its August meeting in Chicago.

The body outlined by the AFL-CIO would have far-reaching authority to plan and finance a massive industrial modernization program.

Stressing the need for a tripartite approach, AFL-CIO's ruling body declared that a stronger industrial economy is vital to the country's future economic health. The Council said:

"It is time for the government to take the lead in developing a new partnership with labor and business to help reestablish a growing, diversified, and secure industrial economy. Such a partnership may be difficult to achieve because of recent and continuing business hostility to basic aspirations of workers and their unions. However, such an effort to establish a limited partnership must be made."

The Board should consider "industrial development in areas of high unemployment," and should strive "to restore and revive the urban economic base," the Council asserted, adding: "In the process the Board could also play an important role in reviewing inflationary forces that might be evidenced in the particular industrial sectors."

In addition, the Council recommended a Reindustrialization Financing Corporation. Under the direction of the Board, RFC would be empowered to make or guarantee loans by private lenders to finance plant and equipment modernization.

"The RFC should have access to both public and private funds to enhance its lending capability," the statement declared. "Specific provisions should be made to qualify pension funds to invest part of their assets in the RFC. Pension benefits should be guaranteed."

The Council also recommended extending authority to the proposed board to approve below-market-rate financing and "use tax policy" as a tool for reindustrialization. "This will require structuring business tax policy in terms of precise and planned goals

by making the tax incentives more flexible and selective rather than across the board."

Any reindustrialization program must deal with problems of plant closings, the Council averred. "The devastating effect on workers and their communities from unannounced, sudden plant shutdowns and relocations should be eased by legislation."

Such legislation should require advance notification, financial aid to workers, protection of collective bargaining rights, relocation expenses, severance pay, continuation of pension and health-welfare benefits, and job training.

"Only through cooperative action, reflecting a balance of the interests of the public, labor, and industry can the reindustrialization program objectives be achieved. The success of the program is vital for each of the interests concerned and for the nation as a whole," the statement concludes.

In a related action, the Council approved recommendations for new pension fund investment initiatives put forth by an AFL-CIO committee.

The pension fund committee urged unions to participate in the management of pension funds to achieve four policy objectives:

- "To increase employment through industrialization including manufacturing, construction, transportation, maritime, and other sectors necessary to revitalize the economy.
- "To advance social purposes such as worker housing and health centers.
- "To improve the ability of workers to exercise their rights as shareholders in a coordinated fashion.
- "To exclude from union pension plan investment portfolios companies whose policies are hostile to workers' rights."

The committee urged AFL-CIO to initiate a drive to establish, by statute, a "new independent institution," partially supported by pension funds.

The objective of the institution would be to provide the necessary capital "to stimulate the development of new job-creating industries and/or to support modernization of existing industries, both with a view toward maintaining the ability to compete in U.S. and world markets and, at the same time, to increase productivity."

Under the committee proposal, funding of the new institution would include allocations from private pension funds. The government would guarantee a minimum return on invested funds to "minimize the risk either to a particular fund or to an individual's pension." The organization would be directed by a tripartite board of directors representing labor, employers, and the public.

Pension funds, amounting to approximately \$525 billion, represent the largest single source of income investment capital in the country.

what's new in...

COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

August 21, 1980

Route to . . .

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Aerospace Openers

The 1980 round of bargaining in the aerospace industry has started, with emphasis on inter-union cooperation and possible merger.

The Machinists opened talks August 12 at The Boeing Company—apparently the prime target because of its financially sound position—and then at Lockheed Corporation's California plants. The union's contracts covering 41,000 at Boeing and 31,000 at Lockheed expire in October.

The Auto Workers started talks in St. Louis August 18 for some 15,000 employees at McDonnell Douglas Corporation's California plants.

Both unions, demanding a greater share of the industry's profits for their members, said they hoped agreements with all three companies could be reached without strikes.

The merger possibility came up in recent talks between Machinists President William Winpisinger and Auto Workers President Douglas Fraser on cooperation in aerospace negotiations, although the discussion was described as preliminary, informal—with no likely effect on this year's contract negotiations.

Combined membership of the two unions exceeds the more than 2.2 million claimed by the Teamsters, the nation's largest union.

Coordination of another kind was announced in Seattle by the Machinists and the Seattle Professional Engineering Employees Association, representing 11,500 engineers and scientists and 10,600 technical employees under agreements expiring December 16 at Boeing. The joint effort is "designed to insure economic justice for all Boeing employees."

Tentative Telephone Settlements

On the eve of an August 10 strike deadline, the American Telephone and Telegraph Company and three unions reached tentative agreement on national three-year contracts providing improvements of nearly 35 percent in wages and benefits for 700,000 employees.

The Communications Workers of America and the Telecommunications International Union have announced agreement on local contracts with all of AT&T's Bell System companies, and the International Brotherhood of Electrical Workers reports agreement by all of its Bell locals and 26 of 28 locals at Western Electric Company.

Mail balloting on the national and local agreements is expected to be completed by September 20. The agreements cover 525,000 employees represented by CWA, 116,000 by IBEW, and 60,000 by TIU.

First-year pay increases under the settlement average 9.5 percent, ranging from a minimum \$5 per week to 10.2 percent. Pay increases would average 2.67 percent in the second year and 2.68 percent in the third, with pay hikes in both years ranging from no increase for starting rates to 3 percent for employees at the top of their wage schedules. Operators would receive an additional \$7.50 per week over term as part of a job upgrade.

A new cost-of-living formula would provide adjustments in August 1981 and August 1982 of 55 cents per hour plus 0.65 percent of basic rates for each 1 percent CPI rise. Improved c-o-l protection was a major demand of all unions, and CWA estimates that the new formula would recover about 80 percent of the inflation rate.

Job security improvements include a guarantee that employees with 15 years' service who are downgraded would not have their pay cut over term; the removal of all penalties for early retirement with 30 years of service; an improved Supplemental Income Protection Plan; and 12 paid excused work days over term. To relieve job pressures the parties agreed to less job monitoring of operators and to establish union-management committees on the quality of worklife, new technology, and job evaluations.

The settlement also provides improved pensions for current and future retirees, wage and benefit protection for employees who may be transferred to an AT&T subsidiary as a result of proposed industry de-regulation, and a new vision care plan, improved dental and orthodontic benefits, and revised prescription drug coverage.

Steelworkers' Convention

Renewal of the Experimental Negotiating Agreement and enactment of legislation requiring advance notice of plant closings drew the attention of 4,000 delegates to the United Steelworkers' twentieth constitutional convention in Los Angeles, Calif., August 4-8.

The union expects to begin negotiations with the steel industry this fall to continue ENA which exchanges the union's no-strike pledge for minimum 3 percent annual wage increases, continued c-o-l adjustments, and one-time \$150 bonuses.

Although some industry representatives contend that ENA has become too expensive and should not be continued—at least not without some changes—Steelworkers President Lloyd McBride is optimistic about its renewal. "When faced with the alternatives of stockpiling

and strike threats and erosion of the domestic market," he maintains, management "will see the wisdom of continuing a system that I think has proven workable."

Convention delegates approved overwhelmingly a resolution urging enactment of legislation requiring companies to give advance notice of plant shutdowns. Any new legislation, the Steelworkers say, must include "stiff penalties" against companies that fail to comply with the pre-notification requirement. It also must provide training opportunities for workers and federal subsidies to achieve plant conversion wherever possible, the union adds. (See also page 4.)

Some 12,000 Steelworkers at Wheeling-Pittsburgh Steel Corporation, meanwhile, are voting August 21 on whether to delay payment of two c-o-l increases and the ENA bonus. If the company proposal is approved by union members, c-o-l adjustments due on August 1 and November 1 will be paid retroactively on February 1 and payment of the September \$150 ENA bonus will be deferred until December.

Current Settlements

Following are median first-year wage increases in settlements reported in the two-week period ending August 18 and year-to-date median increases for this year and last (see 19:8017):

	2-week period		year to date		year to date 1979	
All industries	70.0¢	10.0%	71.3¢	9.8%	55.0¢	8.4%
All nonconstruction	57.1¢	9.2%	62.5¢	9.4%	50.0¢	8.3%
Manufacturing	57.1¢	9.8%	60.0¢	9.5%	53.0¢	8.5%
Nonmfg. exc. constr.	56.7¢	9.0%	66.7¢	9.0%	50.0¢	8.0%
Construction	178.0¢	13.7%	125.0¢	11.0%	87.0¢	8.5%

The Cleveland Food Industry Committee and the United Food and Commercial Workers have negotiated three-year contracts providing some 13,000 Cleveland and Akron, Ohio, supermarket employees with wage-benefit increases of 28 percent. Wages are increased 30 cents an hour retroactive to August 4 and 70 cents September 1. In September 1981 and 1982 journeyman meat cutters will receive an additional 55 cents and cashiers and clerks, 50 cents. C-o-l adjustments of 35 cents are due in August 1982 and 1983. A twelfth holiday is added and a pre-paid legal plan is established.

Associated General Contractors and four basic crafts have reached agreement on three-year contracts covering some 19,500 members of the Teamsters, Carpenters, Laborers, and Cement Masons in Oregon. First-year increases range from \$1.22 to \$1.78 per hour. The Laborers will receive an additional 53 cents an hour due from a wage-reduction experiment. Second- and third-year increases for all trades will be a minimum 5 percent or the actual increase in the CPI up to 10 percent. If inflation is greater than 10 percent, the parties will negotiate an increase for the amount above 10 percent.

Briggs and Stratton Corporation and the Allied Industrial Workers have agreed on a three-year contract covering some 9,200 employees in Milwaukee, Wis. The contract raises hourly rates averaging \$6.90 by 10.5 percent August 1, 9 percent August 1981, and 8 percent August 1982. A cost-of-living clause provides adjustments of 0.1 percent for each 0.1 percent CPI rise above 9 percent in the second year and 8 percent in the third up to 12 percent.



Bending Disability

Lone Star Industries, Inc., is not required to provide disability benefits to a 56-year-old manual laborer who is physically able to return to light bargaining unit work but is otherwise unqualified to do the work within his physical abilities, Arbitrator Gerald Cohen rules.

Lone Star's agreement with the Cement Workers provided that an employee is "disabled when, on the basis of qualified medical evidence, he is found to be wholly and permanently prevented from performing the duties of any employment within the bargaining unit as a result of bodily injury or disease, either occupational or nonoccupational. . . ."

The grievant, suffering from back and shoulder pains which interfered with the continual bending and lifting required by his job, had been receiving sickness and accident benefits for 52 weeks when he applied for a permanent disability pension.

Not satisfied with the employee's chiropractor's assessment that the laborer was disabled by a "degenerative spinal condition," the company solicited an opinion from a doctor of its own choice.

The company doctor was unable to substantiate the grievant's complaints by examination or X-ray and found no reason "except for the patient's subjective complaints," that he could not "perform duty" at the company.

Conflicting medical opinions required the parties to seek a deciding third doctor's opinion which stated that the "patient's symptoms are out of proportion to . . . physical findings" and that the patient "certainly can return to light work that does not require any heavy lifting or continuous bending."

The only jobs in the unit that did not require lifting or bending were those of chemical analyst and electronic instrument technician, for

(Continued on page 3)

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FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 919

August 21, 1980

BLS REVIEW OF SETTLEMENTS: FIRST HALF 1980

First-year pay increases provided by major settlements in the first six months of 1980 averaged 8.5 percent, compared to 7.4 percent in 1979, according to preliminary data published by the Bureau of Labor Statistics. Over-term pay increases provided by first-half settlements averaged 6.7 percent, up from 6.3 percent in first-quarter 1980 and 6.0 percent last year.

Data for the first half of 1980 are based on 290 settlements covering 1,000 or more workers. About one fifth of the 1,349,000 workers covered by the agreements were in the primary metals and construction industries. One seventh of the workers were in the transportation equipment industry. Many of the remaining workers were in the retail food, public utility, and nonelectrical equipment industries.

Cost-of-living provisions covered 778,000, or 58 percent of workers, under contracts covering 1,000 or more. First-year pay increases in contracts with escalator provisions averaged 6.6 percent, compared to 11.1 percent in contracts without c-o-l clauses. Annual over-term increases averaged 4.5 percent in agreements with escalators and 9.7 percent in those without them.

Collective bargaining agreements covering 5,000 or more workers negotiated in the first six months of

1980 provided average first-year wage-benefit adjustments of 9.6 percent and average over-term wage-benefit gains of 6.8 percent. In first-quarter 1980, wage-benefit adjustments averaged 8.6 percent, while over-term wage-benefit increases averaged 6.4 percent.

BLS points out that its method for computing wage and benefit settlement increases "differs somewhat" from that used by the Council on Wage and Price Stability to determine compliance with the Administration's voluntary wage standard. The BLS procedure excludes possible gains under c-o-l provisions and treats increases for benefit payments differently.

The results of the BLS survey differ from those in CBNC's *Wages and Fringes: First Half 1980* (see 18:973). The CBNC survey showed a greater acceleration in wage increases from a median first-year gain of 9.0 percent in the first quarter of 1980 to 9.5 percent in the first six months of 1980. CBNC reported median increases for 621 settlements covering 50 or more workers and weighted all settlements equally, while BLS reported average increases for 290 settlements covering 1,000 or more employees and weighted settlements by the size of the bargaining unit.

TABLE 1. FIRST-YEAR WAGE-RATE ADJUSTMENTS IN SETTLEMENTS COVERING 1,000 OR MORE WORKERS

Type & amount of wage-rate action (in percent) ¹	Percent of workers affected —		
	All industries	Manufacturing	Nonmanufacturing
ALL ACTIONS	100	100	100
No wage changes	1	1	—
Decreases	—	—	—
Increases	99	99	100
Under 4 percent	3	5	—
4 & under 6 percent	30	49	2
6 & under 8 percent	14	11	18
8 & under 10 percent	14	9	22
10 & under 12 percent	21	21	21
12 percent & over	17	5	36
Number of workers (in thousands)	1,349	804	545
Mean adjustment (percent)	8.5	6.8	11.0
Median adjustment (percent)	8.5	5.0	10.6

¹Percent of estimated average hourly earnings, excluding overtime. Presents changes in wage rates decided upon during the period and effective within 12 months of the effective date of the agreement.

NOTE: Because of rounding, sums of individual items may not equal totals.

TABLE 2. ANNUAL RATE OF INCREASE IN COMPENSATION, 1978 THROUGH FIRST SIX MONTHS 1980
(MEAN ADJUSTMENTS)

Major collective bargaining settlements	Annual rate of increase (in percent)			
	Full year		First 6 months	
	1978	1979	1979	1980
Wages: (1,000 workers or more)				
First-year wage-rate adjustment	7.6	7.4	8.2	8.5
Wage-rate changes over life of contract	6.4	6.0	7.1	6.7
Effective wage-rate adjustment	8.2	9.1	8.2	8.2
Wages & benefits combined: (5,000 workers or more)				
First-year changes	8.3	9.0	9.2	9.6
Average over life of contract	6.3	6.6	7.3	6.8

TABLE 3. ANNUAL RATE OF INCREASE IN WAGE RATES TO GO INTO EFFECT DURING LIFE OF CONTRACTS COVERING 1,000 WORKERS OR MORE NEGOTIATED FIRST SIX MONTHS 1980

Annual rate (in percent) ¹	Percent of workers affected -		
	All industries	Manufacturing	Nonmanu- facturing
ALL ACTIONS	100	100	100
No wage changes	--	--	--
Decreases	--	--	--
Increases	100	100	100
Under 4 percent	36	61	--
4 & under 6 percent	10	10	12
6 & under 8 percent	12	4	23
8 & under 10 percent	23	16	33
10 percent & over	19	10	32
Number of workers (in thousands)	1,349	804	545
Mean adjustment (percent)	6.7	5.2	8.9
Median adjustment (percent)	6.3	3.6	8.9

¹ Percent of estimated average hourly earnings, excluding overtime. Presents the total amount of the wage adjustment over the life of the agreement, reduced to an average annual (compound) rate.

NOTE: Because of rounding, sums of individual items may not equal totals.

TABLE 4. ANNUAL RATE OF INCREASE IN HOURLY COST OF WAGES & BENEFITS NEGOTIATED IN SETTLEMENTS COVERING 5,000 WORKERS OR MORE FIRST SIX MONTHS 1980

Annual rate of increase ¹	Percent of workers affected -	
	Adjustments averaged over life of contract ²	First-year changes ³
ALL ACTIONS	100	100
No change	--	--
Decreases	--	--
Increases	100	100
Under 4 percent	1	1
4 & under 6 percent	1	56
6 & under 8 percent	18	11
8 & under 10 percent	51	21
10 & under 12 percent	10	4
12 percent & over	19	7
Number of workers (in thousands)	943	943
Mean adjustment (percent)	9.6	6.8
Median adjustment (percent)	9.3	5.6

¹ Percent of estimated average hourly compensation.

² Changes in wages and benefits decided upon during the period and effective within 12 months of effective date of the agreement.

³ Changes in wage and benefit levels by the end of the contract period, expressed at an average annual (compound) rate. Essen-

tially measures the permanent or longrun adjustment in hourly levels resulting from the settlement.

NOTE: Because of rounding, sums of individual items may not equal totals.

TABLE 5. COMPARISON OF FIRST-YEAR WAGE DECISIONS COVERING 1,000 WORKERS OR MORE BEFORE & AFTER ESCALATOR ADJUSTMENTS, INDIVIDUAL QUARTERS, 1979 TO DATE

Year & quarter	Settlements with escalator provisions ¹			Settlements without escalator provisions		All settlements	
	Number of workers affected (thousands)	First-year settlement	Combined first-year & escalator adjustments	Number of workers affected (thousands)	First-year settlement	First-year settlement	Combined first-year & escalator adjustments
1979							
1st quarter	155	1.7	2.1	180	9.1	5.7	5.9
2nd quarter	472	8.6	12.8	785	9.2	9.0	10.6
3rd quarter	1,010	6.1	12.0	321	9.3	6.9	11.4
4th quarter	391	5.2	11.5	177	8.7	6.3	10.6
1980							
1st quarter	241	5.9	10.0	144	11.2	7.8	10.5
2nd quarter	469	6.8	7.3	376	11.1	8.7	9.0

¹ Four quarters are required to show the full effect of escalator adjustments. Where less than four quarters are shown, data are incomplete.

TABLE 6. QUARTERLY WAGE & BENEFIT CHANGES, 2nd QUARTER 1979 TO DATE (IN PERCENT)

	1979				1980	
	II	III	IV	Average ¹ or total	I	II
Wage settlements:						
Wage-rate settlements (1,000 workers or more):						
First-year adjustment	8.9	6.8	6.3	7.4	7.8	8.7
Average over life of contract	7.2	5.1	5.3	6.0	6.3	6.8
Wage & benefit decisions (5,000 workers or more):						
First-year adjustment	10.5	9.0	8.5	9.0	8.6	10.1
Average over life of contract	7.8	6.1	6.0	6.6	6.4	6.8
Effective wage-rate changes:						
Total effective changes	2.6	3.3	1.6	9.1	1.4	2.6
Adjustment resulting from:						
Current settlement	1.1	1.0	0.5	3.0	0.4	0.7
Prior settlement	1.0	1.0	0.4	3.0	0.5	1.2
Escalator provision	0.5	1.2	0.7	3.1	0.6	0.6
Manufacturing	2.3	3.2	2.4	9.6	1.7	2.9
Nonmanufacturing excluding construction...	1.9	4.3	1.3	9.5	1.6	1.5
Construction	4.8	1.4	0.4	7.1	0.4	4.1

¹ Wage and wage-benefit settlements are annual averages. The effective wage-rate change for the year is the total of the four-quarter change.

NOTE: Data for 1979 are final. Because of rounding and compounding in the effective wage change series, sums of individual items may not equal totals.

TABLE 7. PERCENTAGE CHANGES IN WAGES, MAJOR COLLECTIVE BARGAINING SETTLEMENTS, 1979 & FIRST SIX MONTHS 1980
(MEAN ADJUSTMENTS)

Item	1979	First 6 months 1980	
	Average adjustments	Average adjustments	Number of workers (in thousands)
Wage rates alone (1,000 workers or more):			
First-year changes in -			
All industries	7.4	8.5	1,349
Contracts with escalator clauses	6.2	6.6	778
Contracts without escalator clauses	9.1	11.1	571
Manufacturing	6.9	6.8	804
Contracts with escalator clauses	5.6	5.6	612
Contracts without escalator clauses	9.4	10.7	192
Nonmanufacturing	8.0	11.0	545
Contracts with escalator clauses	7.0	10.5	166
Contracts without escalator clauses	8.8	11.3	379
Construction	8.8	12.4	253
All industries excluding construction	7.2	7.6	1,096
Nonmanufacturing excluding construction	7.6	9.8	292
Annual rate of change over life of contract in - ¹			
All industries	6.0	6.7	1,349
Contracts with escalator clauses	4.6	4.5	778
Contracts without escalator clauses	8.0	9.7	571
Manufacturing	5.4	5.2	804
Contracts with escalator clauses	4.0	3.9	612
Contracts without escalator clauses	8.1	9.4	192
Nonmanufacturing	6.8	8.9	545
Contracts with escalator clauses	5.5	6.9	166
Contracts without escalator clauses	8.0	9.8	379
Construction	8.3	10.1	253
All industries excluding construction	5.7	5.9	1,096
Nonmanufacturing excluding construction	6.2	7.9	292
Wages & benefits combined (5,000 workers or more):			
First-year changes in -			
All industries	9.0	9.6	943
Contracts with escalator clauses	8.5	9.1	682
Contracts without escalator clauses	10.0	11.2	262
Manufacturing	9.2	9.2	635
Nonmanufacturing	8.7	10.6	308
Annual rate of change over life of contract in - ¹			
All industries	6.6	6.8	943
Contracts with escalator clauses	5.9	5.7	682
Contracts without escalator clauses	8.0	9.6	262
Manufacturing	6.5	5.9	635
Nonmanufacturing	6.8	8.6	308

¹ Total increase over contract term expressed at an average annual (compound) rate.

NOTE: Data for 1979 are final. Because of rounding, sums of individual items may not equal totals.

(Continued from page 2)

which the employee lacked skills or training, the arbitrator says.

The arbitrator notes that the employee's work abilities were "limited solely to manual labor of various types" and that he had "little training, apparently, in any type of technical work."

The union argued that the grievant was disabled because he was not mentally able or trained to do the "light work" for which he was physically qualified.

The company contended that if the grievant was physically able to do the work of a chemical analyst or electronic instrument technician, then he was not disabled, regardless of his lack of qualifications.

Although Cohen finds unfair the company's argument that a "disability pension does not turn upon the claimant's job skills, but rests solely upon his physical ability to do the job," he "reluctantly" agrees with the company. The definition of disability in the agreement, he points out, "does not make any allowance for qualification."

Cohen states that this omission is "particularly noticeable" when contrasted with other sections of the contract where "qualifications" and "training" are "considerations for a particular position."

Barred from modifying the agreement, Cohen denies the grievance. (74 LA 1049)

Successorship Clause Legality

A successorship clause intended to bind the purchaser of a facility to the terms and conditions of a collective bargaining agreement is legal under the Taft-Hartley Act, the U.S. Court of Appeals for the Tenth Circuit rules. In addition, the court holds, a union may insist to impasse and strike for inclusion of the clause in a contract.

Finding that a provision requiring automatic application of a contract to any new facility an employer may acquire is not a mandatory subject for bargaining, the court decides that a strike to secure inclusion of such a clause in a contract is an unfair labor practice.

A divided National Labor Relations Board had determined that both successorship and application-of-contract clauses were mandatory subjects for bargaining.

Lone Star Steel Company, a Texas manufacturer of steel, uses coal acquired from outside suppliers and company-owned coal fields. At issue is the company's January 1972 acquisition of the Starlight mine near McCurtain, Okla.

Starlight mine initially was operated by the River Corporation (under contract with Lone Star) signatory to the United Mine Workers' 1971 National Bituminous Coal Wage Agreement. In 1973 Lone Star began operating the mine and agreed to comply with the national agreement.

In mid-November 1974 Starlight workers joined in the union's nationwide economic strike. UMW settled December 5, 1974, on a new national agreement containing both a successorship and an application-of-contract clause. The company refused to accept either of the provisions and miners at Starlight remained on strike.

NLRB dismissed a complaint against the union based on unfair labor practice charges filed by the employer. The court upholds NLRB's finding that a successorship clause affects the terms and conditions of employment and is therefore a mandatory subject for bargaining.

Reasoning that the application-of-contract clause does not vitally affect the terms and conditions of employment or the job security of unit workers because its principal effect will be on nonunit workers, the court remands that aspect of the case to NLRB. (104 LRRM 3144)

Bargaining Briefs

American Airlines and the Transport Workers Union, after more than six months of talks and three months of National Mediation Board assistance, have reached agreement on new contracts covering some 12,000 ground service employees. Details of the agreements were not disclosed pending ratification.

Maritime contracts now are exempt from the Federal Maritime Commission's review, if they provide for funding of benefit obligations on a man-hour basis. Legislation curbing FMC's jurisdiction over collective bargaining agreements in the industry was signed into law by President Carter on August 8. Agreements providing for funding of benefits on a basis other than man-hours will be filed with FMC, but can be disapproved, cancelled, or modified only after notice and hearing on the complaint of an aggrieved party.

A cost-of-living adjustment of 26 cents per hour took effect August 1 for some 300,000 Steelworkers in the basic steel industry. The quarterly adjustment was the first due under 1980 contracts.

Uncontrollable increases in compensation and benefit costs under General Electric Company's labor contracts are cited by the Council on Wage and Price Stability in allowing GE to increase prices of its products more than normally would be permitted under the voluntary price guideline. The "uncontrollable" costs stem from three-year agreements negotiated in July 1979 with the International Union of Electrical Workers and the Independent United Electrical Workers.

The contract terms fell within CWPS's 7 percent wage guideline, but the provision for one cent an hour for each 0.2 percent CPI rise boosted pay increases beyond expectations. The exception, the first of its kind, was granted by CWPS in lieu of applying the profit-limitation standard.

("LA" references are to BNA's Weekly Labor Arbitration Reports)

0190-5244/80/\$00.50

Page 3



Plant-Closure Legislation

PROPOSED LEGISLATION to regulate plant closings "seeks to establish by law some special benefits" that have been gained through collective bargaining, Audrey Freedman, a labor economist for the Conference Board, observes.

Bills now in Congress would require businesses to give employees and communities advance notice of planned closings; provide workers with some degree of job and income security (such as transfer rights and severance pay similar to Supplemental Unemployment Benefits); and indemnify local communities for tax losses.

The bills pull "together a package of individual job income protections, each one expressed at the most liberal formulation known to bargainiers, and rarely, if ever, found all together in one contract," Freedman states, adding:

"So, a compounded best-package remedy, devised over two decades of pragmatic union negotiations in changing industry settings, would be given to non-unionized employees whose circumstances meet the plant-closing definition."

In the U.S., "management decisions to open and close production facilities, as well as to alter the scale of operations" traditionally have been considered "a prerogative of capital."

But, as Freedman points out, "the current retrenchment of the auto and related (steel, rubber, tire) industries may provide a tide of community unemployment to float new legislation through Congress."

Three bills introduced in 1979 and 1980 (S 1609, S 2400, and S 1608/HR 5040) are under consideration by the Senate Committee on Labor and Human Resources, Freedman notes. Field hearings were held early this year in Camden, N.J., Cleveland, Ohio, and Los Angeles, Calif. Hearings are scheduled this month in Missoula, Mont., and Eugene, Ore.

The concentration of widescale layoffs and plant closings in industrial towns is creating "political constituencies" for regulation, Freedman observes. When enough communities in an area are affected by job losses, she says, the "likelihood of 'punitive' state regulation increases."

For example, legislation to regulate plant shut-downs has been introduced in Ohio, Pennsylvania,

Michigan, Illinois, Indiana, New York, Massachusetts, and Rhode Island—states with "concentrations of heavy industry."

Wisconsin passed a law in 1975 requiring a 60-day notice of merger or plant closure. A Maine law requires that employees receive severance pay when a plant is closed or relocated more than 100 miles away, she notes.

"The movement has a flavor of protectionism, particularly when other states, offering better tax and regulatory terms to business, are viewed as competitors or pirates," Freedman asserts. "Ultimately a state law restraining plant closure and relocation acts as a restraint (or tax) on the interstate mobility of capital."

Manufacturing unions make up "the other potential constituency for regulation of plant closings," Freedman says. "Their concern is, first, loss of membership, as unionized plants shut down; and second, loss to individual workers of high-paying jobs and seniority accrued benefits such as paid vacations and pension rights."

Unions view their "concern as nationwide, and therefore seek to lobby for Federal bills." The United Auto Workers has pushed for plant closing legislation for several years.

"Public interest advocates" see plant closing legislation as "an opportunity for breaking up corporate concentration," Freedman declares. She notes a study conducted by the Progressive Alliance focused on "employee and community 'buy-out' legislation" as an integral part of a "progressive program for developing local economies" affected by plant shut-downs.

Backers of legislation "seem to be drawn from different particularistic bases," Freedman observes. Unions are concerned with unemployment and loss of membership. Other backers may be the city and county governments of old industrial towns and the state governments of the Midwest, she adds.

All of these supporters, Freedman asserts, "may succeed in putting together an eight-course meal that satisfies every palate within the grouping." But it seems likely, she adds, that this very fullness will weaken the chance of passing omnibus plant-closing laws.

Besides working against business's ability to respond flexibly to changing market situations the proposals would hinder the "mobility of labor" by "subsidizing and 'stabilizing' employees in one place, one technology, one industry, and one occupation for life," Freedman says, concluding:

"It seems unlikely that public opinion will support measures to ossify present industrial structures, subsidize the less efficient, and allocate jobs." (*Across the Board*, August 1980, The Conference Board, Inc., 845 Third Ave., New York, N.Y. 10022)

what's new in...

COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

August 7, 1980

Route to . . .

23 year
Hoffman

Trucking Reopener?

The International Brotherhood of Teamsters and Trucking Management, Inc., will meet in early August to consider reopening the National Master Freight Agreement for discussion of the impact of deregulation on the trucking industry.

The master agreement permits a reopener in the event of "any Congressional or Federal agency action which has a significantly adverse effect on the financial structure of the trucking industry. . . ."

TMI President J. Curtis Counts said it is too early to assess the impact of deregulation on the industry. He added, however, that if the parties do reopen talks the industry is likely to seek concessions in economics and working conditions.

Counts emphasized that the August meeting will be informal and that the industry has not served the 60-day notice required for reopening.

TMI is the main bargaining representative for the industry and its member carriers employ about 300,000 workers. The agreement between the Teamsters and TMI was negotiated in April 1979 after an 11-day strike/lockout and expires in March 1982. Wage gains under the pact included an initial increase of 80 cents an hour, followed by 35-cent increases in April 1980 and April 1981, and semiannual cost-of-living adjustments.

Strike Activity

Some 714 work stoppages in progress in June idled 201,000 workers, the largest stoppages occurring in construction, according to the Bureau of Labor Statistics.

These figures were the lowest reported for any June in the past 11 years, BLS said.

Telephones: Rejection And Strike Vote

National bargaining committees for unions representing 700,000 telephone industry employees have rejected American Telephone and Telegraph Company's first wage offer.

The Communications Workers of America, the International Brotherhood of Electrical Workers, and the independent Telecommunications International Union all are authorized by their memberships to call strikes when current contracts expire at midnight August 9.

AT&T's offer of July 30 proposes initial pay increases of up to 7.5 percent with a minimum \$5 an hour and second- and third-year increases of up to 2 percent. The company would continue the current cost-of-living formula providing annual adjustments of 50 cents per week plus 0.6 percent of basic rates for each 1 percent CPI rise, but proposed to cap the adjustments at 6 percent per year.

CWA, representing 525,000 AT&T employees, termed the offer "totally inadequate because it would not meet the needs of our members," while a company spokesman called the proposal "more than competitive with other industries right now." CWA demands include 100 percent recovery of CPI increases and job security provisions to protect its members from increased industry competition.

Coal: Early Negotiations Opener

United Mine Workers President Sam Church has expressed hope that the next round of contract talks with the coal industry will be concluded without a strike. Church, who will head the union's bargaining for the first time since taking over the UMW presidency last November, said, however, that he expects negotiations to be "tough," and "we'll strike if we have to."

UMW's Bargaining Council met July 29 in Washington to discuss starting negotiations in early September for a new National Bituminous Wage Agreement. The current contract with the Bituminous Coal Operators Association, representing the largest segment of the industry, covers some 160,000 workers and expires March 27, 1981.

There is a "possibility," Church said, that the union might abandon its policy of "no contract, no work" in light of the present slump in demand for coal, rising stock piles, and unemployment in the industry. Such a decision would depend on how close the parties were to agreement at contract expiration. Some 20,000 miners are out of work and stockpiles amount to some 200 million tons.

Wildcat strikes have been cut by 90 percent since the record-breaking 111-day contract strike in 1977-78 and the union's health-welfare and retirement funds presently are in "good shape." Three of the four UMW health-welfare funds were broke at the end of the last strike, according to the union leader.

A strike would be "a step backward" for both the union and the industry, which is hoping to benefit greatly as the country shifts its reliance from imported oil to coal, Church observed.

Textiles: Historic Breakthrough

A nine-year dispute between the Amalgamated Clothing and Textile Workers and Wellman Industries, Inc., ends with agreement on a first contract and settlement on a consent decree and cash payments of \$500,000 for employees at the firm's Johnsonville, S.C., textile mill.

The parties agreed on a three-year contract covering 1,000 employees. In addition, settlement was reached on several outstanding unfair labor practice cases pending before the National Labor Relations Board and a class action suit filed by the union in federal court, charging Wellman with discriminating against black employees.

A total \$425,000 will be distributed to workers "who lost earnings as a result of layoffs and reduction in pay." Another \$40,000 will be proportionately divided between two workers improperly discharged for union activity.

The company agreed to a wide-ranging series of affirmative action steps to upgrade pay and promotion opportunities for black workers, and to establish a \$100,000 Affirmative Action Trust.



Reinstatement

K-P Manufacturing Company, Minneapolis, Minn., is required to provide bargaining unit work to employees injured on the job, Arbitrator Robert F. Grabb decides.

The lubrication systems manufacturer's contract with the United Electrical Workers states that if an employee is handicapped by occupational injury "the Company will attempt to provide the employee with such suitable employment as is available within the bargaining unit."

The company denied reinstatement to a spindle operator who in 1974 was injured in an industrial accident. The grievant's right hand was severed from her wrist and was reattached to her arm in an "intricate and revolutionary operation," Grabb says.

The grievant was retained on the company's seniority roster from the time of the accident to June 18, 1979, when she sought reinstatement.

In denying her reemployment, the company argued that the grievant could not safely perform any plant job and that her return would pose a threat to herself and to other plant employees.

The company relied on a doctor's report that the grievant suffered a 75 percent impairment of her right arm and hand and recommendation that she be given only a job that could be performed almost entirely with one hand. The doctor said that the grievant's return to work "will be good therapy for her," but that the injury "would affect her productivity."

Management also argued that the grievant was not entitled to reemployment, because she had violated safety rules by wearing a rag around her wrist. The accident occurred because the rag became caught in the spindle machine, the company's insurer testified.

Relying on the contract, the union maintained that the employer was

(Continued on page 3)

	2-week period		year to date		year to date 1979	
All industries	72.0¢	9.5%	71.7¢	9.7%	54.3¢	8.3%
All nonconstruction	68.5¢	9.0%	63.0¢	9.5%	50.0¢	8.3%
Manufacturing	65.0¢	9.3%	60.0¢	9.5%	53.0¢	8.5%
Nonmfg. exc. constr.	75.0¢	9.2%	67.9¢	9.2%	48.5¢	8.0%
Construction	156.7¢	12.1%	124.0¢	10.8%	85.0¢	8.5%

Other Current Settlements

The United Food and Commercial Workers Union and major Seattle, Wash., area supermarkets have negotiated three-year contracts covering some 12,000 employees.

Journeyman meat cutters' wage rates rise 85 cents an hour in the first year and 70 cents in the second and third. Hourly rates for journeyman clerks go up 75 cents in the first year and 55 cents in the second and third years. Second- and third-year c-o-l adjustments for both groups have a 20-cent floor and a 30-cent cap. Employer contributions to industry pension funds are increased.

Climax Molybdenum Company has agreed with the Oil Workers on a three-year contract providing some 2,300 Climax, Colo., employees with wage increases of 11.25 percent in the first year, 9.5 percent in the second, and 4 percent in the third.

A c-o-l provision calling for quarterly adjustments of one cent for each 0.4 CPI rise with 25-cent annual maximums will be revised on October 15, 1982 to provide one cent for each 0.36 CPI rise with no maximum. A holiday is added, lifetime major medical is increased to \$1 million, and monthly pension benefits per year's service rise from \$15 to \$19.50 over term.

The Brooklyn [N.Y.] Union Gas Company and the Transport Workers Union of America have settled on a new three-year contract providing annual 9 percent pay increases for 2,350 employees. Most employees receive additional pay increases ranging from 10 to 25 cents per hour as part of a job reevaluation.

Monthly pension benefits are increased by 12 percent for employees who retired before May 1973, while monthly benefit improvements for those who retired between May 1973 and July 1978 vary according to the retiree's present benefit level and retirement date. The employer's contribution to health and welfare insurance is increased from \$27.76 to \$34.76 per month for employees and from \$88.90 to \$100.90 for family coverage.

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FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 918

August 8, 1980

SAFETY AND HEALTH PROVISIONS IN MAJOR CONTRACTS

Provisions for workers' safety are found in 925 (57 percent) of 1,536 contracts, each covering 1,000 or more workers, analyzed by the Bureau of Labor Statistics.

The study, *Characteristics of Major Collective Bargaining Agreements, January 1, 1978*, provides statistical data on the frequency of more than 100 contract provisions. BLS analyzed 1,536 agreements, in effect on or after January 1, 1978, covering 7 million workers. These contracts represent about four fifths of all agreements covering 1,000 or more workers on file with BLS.

Environmental provisions — those designed to safeguard workers and the workplace environment — are found in 161 of the agreements. Worker protection clauses — those which protect workers from hostile environments or criminal hazards — are found in 72 contracts (see Table 1).

The most common provisions, in order of frequency, are joint pledges of cooperation in safety programs, the right to refuse unsafe work, the right to discipline employees for violating safety rules, the right to grieve unsafe work, the right of inspection by a joint or union safety committee, regulation of crew size, and posting of safety rules (see Table 2).

Safety provisions are found in all mining-crude petroleum-natural gas contracts and appear in more than three fourths of agreements in petroleum refining, primary metals, rubbers and plastics, transportation, and utilities.

Less than one third of agreements in apparel, hotels and restaurants, retail, and services include safety provisions.

TABLE 1. ENVIRONMENTAL AND WORKER PROTECTION PROVISIONS BY INDUSTRY
(IN AGREEMENTS COVERING 1,000 OR MORE WORKERS, JANUARY 1, 1978)

Industry	All agreements		Environmental provisions ¹		Worker protection provisions ²	
	Agreements	Workers	Agreements	Workers	Agreements	Workers
All industries.....	1,536	7,054,550	161	1,465,150	72	607,850
Manufacturing.....	770	3,377,150	116	1,304,250	12	24,350
Food, kindred products.....	84	234,550	—	—	9	18,600
Tobacco manufacturing.....	9	23,850	1	2,400	—	—
Textile mill products.....	13	28,900	—	—	—	—
Apparel.....	44	371,550	—	—	—	—
Lumber, wood products.....	11	18,900	1	1,450	—	—
Furniture, fixtures.....	12	20,050	—	—	—	—
Paper, allied products.....	49	86,600	3	3,850	1	1,350
Printing and publishing.....	23	48,400	1	4,000	—	—
Chemicals.....	41	78,400	6	9,700	—	—
Petroleum refining.....	16	30,150	8	13,100	—	—
Rubber and plastics.....	19	95,750	7	72,500	1	1,000
Leather products.....	12	25,050	—	—	—	—
Stone, clay, and glass.....	31	92,600	8	26,050	—	—
Primary metals.....	74	421,550	32	334,800	1	3,400
Fabricated metals.....	43	99,850	9	23,700	—	—
Machinery.....	80	251,500	11	33,800	—	—
Electrical machinery.....	77	361,300	6	38,500	—	—
Transportation equipment.....	107	1,034,700	22	738,950	—	—
Instruments.....	13	30,700	1	1,450	—	—
Miscellaneous manufacturing.....	12	22,800	—	—	—	—
Nonmanufacturing.....	766	3,677,400	45	160,900	60	583,500
Mining, crude petroleum, and natural gas.....	15	167,000	4	11,100	—	—
Transportation ³	76	665,600	9	47,900	42	506,300
Communications.....	69	600,900	1	3,800	8	43,000
Utilities, electric, and gas.....	73	212,350	3	4,850	4	8,000
Wholesale trade.....	16	28,250	—	—	1	1,000
Retail trade.....	123	429,750	2	5,300	2	3,200
Hotels and restaurants.....	37	172,400	—	—	1	15,000
Services.....	71	392,550	2	7,650	1	5,000
Construction.....	286	1,008,600	24	80,300	1	2,000
Miscellaneous nonmanufacturing.....	—	—	—	—	—	—

¹An environmental provision is designed to safeguard workers and the in-plant environment from health and safety hazards. Included are provisions directed to analyzing and/or correcting pollution of air or water.

²Worker protection provisions protect employees from hostile environments or criminal hazards to which they might be exposed

because of the nature of the work, the areas in which they work, or the time they leave work.

³Excludes railroads and airlines.

NOTE: Nonadditive.

TABLE 2. SELECTED SAFETY PROVISIONS BY INDUSTRY
(IN AGREEMENTS COVERING 1,000 OR MORE WORKERS, JANUARY 1, 1978)

Industry	All agreements		Total with selected safety provisions		Right to refuse unsafe work		Right to grieve unsafe work		Right to discipline employees for violating safety rules		Regulation of crew size		Posting of safety rules		Right of inspection by joint or union safety committee		Union/employer pledge of cooperation in safety programs		No reference to selected safety provisions	
	Agreements	Workers	Agreements	Workers	Agreements	Workers	Agreements	Workers	Agreements	Workers	Agreements	Workers	Agreements	Workers	Agreements	Workers	Agreements	Workers	Agreements	Workers
All industries	1,536	7,054,550	925	4,600,050	336	2,111,650	268	2,145,000	276	1,270,350	190	847,900	57	331,600	238	1,842,550	453	2,588,950	611	2,454,500
Manufacturing	770	3,377,150	494	2,344,750	133	810,450	187	1,356,100	155	744,200	47	125,000	36	102,750	199	1,552,400	282	1,597,100	276	1,032,400
Food, kindred products.....	84	234,550	40	90,050	3	6,300	4	13,150	11	24,950	7	13,350	1	1,800	8	14,150	20	43,350	44	144,500
Tobacco manufacturing.....	9	23,850	4	7,500	—	—	—	—	1	1,200	2	3,900	2	3,600	—	—	—	—	5	16,350
Textile mill products.....	13	28,900	10	24,900	—	—	—	—	1	1,200	2	3,700	—	—	—	—	9	23,700	3	4,000
Apparel	44	371,550	13	129,650	1	1,700	—	—	—	—	—	—	—	—	6	112,250	6	15,700	31	241,900
Lumber, wood products.....	11	18,900	6	8,350	4	6,150	2	2,450	2	2,200	1	1,200	—	—	2	2,600	4	4,850	5	10,550
Furniture, fixtures.....	12	20,050	6	9,050	4	6,700	2	2,650	1	2,200	—	—	—	—	1	1,000	3	4,300	6	11,000
Paper, allied products.....	49	86,600	41	75,850	5	8,900	3	4,450	28	54,550	2	9,700	9	21,200	7	11,500	23	43,850	8	10,750
Printing and publishing.....	23	48,400	9	24,750	2	6,800	4	13,950	—	—	4	12,750	—	—	1	1,200	4	5,850	14	23,650
Chemicals	41	78,400	26	47,150	3	3,550	7	12,350	5	11,950	1	1,300	1	1,150	8	11,800	22	40,250	15	31,250
Petroleum refining.....	16	30,150	14	26,500	5	7,250	8	14,900	3	6,500	—	—	—	—	11	19,100	8	13,850	2	3,650
Rubber and plastics.....	19	95,750	16	85,750	2	25,250	6	56,600	5	6,600	—	—	1	1,350	15	84,750	10	76,100	3	10,000
Leather products.....	12	25,050	6	11,650	—	—	1	1,600	—	—	—	—	1	1,100	1	1,600	4	8,950	6	13,400
Stone, clay, and glass.....	31	92,600	21	61,000	10	35,250	10	38,350	6	14,200	1	1,300	1	1,100	8	29,600	12	23,900	10	31,600
Primary metals.....	74	421,550	63	400,900	37	330,700	47	371,250	29	259,750	5	10,350	1	1,150	27	252,900	43	291,450	11	20,650
Fabricated metals.....	43	99,850	34	83,750	15	45,550	18	51,900	11	21,250	7	32,550	3	5,750	15	41,600	17	34,150	9	16,100
Machinery.....	80	251,500	61	179,300	13	59,700	32	118,850	14	56,450	6	15,400	5	11,750	38	126,000	35	99,350	19	72,200
Electrical machinery.....	77	361,300	32	104,850	7	40,950	11	56,650	11	54,750	—	—	3	35,150	15	59,500	19	76,500	45	256,450
Transportation equipment.....	107	1,034,700	78	937,750	20	216,200	29	587,900	23	221,100	9	19,500	6	15,050	31	771,650	36	780,500	29	96,950
Instruments	13	30,700	8	22,350	1	8,000	—	—	3	4,050	—	—	2	2,600	2	6,800	4	6,100	5	8,350
Miscellaneous manufacturing.....	12	22,800	6	13,700	1	1,500	3	9,100	1	1,300	—	—	—	—	3	4,400	3	4,400	6	9,100
Nonmanufacturing	766	3,677,400	431	2,255,300	203	1,301,200	81	788,900	121	526,150	143	722,900	21	228,850	39	290,150	171	991,850	335	1,422,100
Mining, crude petroleum, and natural gas.....	15	167,000	15	167,000	13	163,700	10	156,400	3	7,200	4	128,800	4	128,900	11	158,500	11	157,600	—	—
Transportation ¹	76	665,600	64	617,250	55	581,700	28	323,550	11	158,200	12	87,050	6	72,500	4	11,600	11	94,200	12	48,350
Communications.....	69	600,900	33	299,450	4	6,850	7	139,000	—	—	4	34,500	—	—	1	1,400	23	130,250	36	301,450
Utilities, electric, and gas.....	73	212,350	56	149,800	16	38,900	8	20,150	14	36,700	31	96,950	4	13,150	9	37,350	30	87,400	17	62,550
Wholesale trade.....	16	28,250	7	10,950	2	2,800	3	4,450	3	6,100	1	1,300	—	—	—	—	3	5,500	9	17,300
Retail trade.....	123	429,750	29	104,950	4	11,900	4	12,200	11	37,900	—	—	1	1,400	2	7,300	15	61,050	94	324,800
Hotels and restaurants.....	37	172,400	3	13,500	1	2,300	—	—	2	11,200	1	10,000	—	—	—	—	1	10,000	34	158,900
Services	71	392,550	14	67,400	6	31,700	1	21,000	4	25,350	2	2,850	—	—	1	15,000	7	39,500	57	325,150
Construction	286	1,008,600	210	825,000	102	461,350	20	112,150	73	243,500	88	361,450	6	12,900	11	59,000	70	406,350	76	183,600
Miscellaneous nonmanufacturing.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

¹Excludes railroads and airlines.

NOTE: Nonadditive.

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(Continued from page 2)

obligated to find bargaining unit work for the grievant and noted that the grievant did not seek reinstatement to her former job or to return on a full time basis.

A rehabilitation counselor testified that the grievant had "much more effective use of her right arm and hand" than the company contended and that there were at least eight bargaining unit jobs that the injured employee could perform with little or no assistance.

Grabb finds that the parties' contract provision "is not a standard 'boiler plate' clause found in all labor-management agreements," but one that places "an obligation on the company to find suitable employment for employees injured and disabled in industrial accidents."

The employee may "not be denied her right as a member of the class covered by [the contract] by virtue of certain acts of unsafe practice alleged by the company," he continues.

Ruling that the company violated the "specific and unique provisions" of the contract, Grabb orders that the grievant be "assigned duties within the range of her capabilities to amount to no less than 80 percent of the normal workweek."

Grabb is "convinced," however, that the company "acted in good faith in denying the grievant's" re-employment, and he declines to award her back pay. (74 LA 1046)

Multi-Employer Pension Plans In Jeopardy

As a result of Congress's failure to pass legislation revising the 1974 Employee Retirement Income Security Act, multi-employer pension plan termination provisions under the Act took effect August 1.

Mandatory coverage of multi-employer plans under ERISA's Pension Benefit Guaranty Corporation has been delayed four times since the original January 1, 1978, deadline. The House passed an amendment (HR 3904) more than a month before the third deadline of July 1, 1980, and agreed in June to delay coverage a fourth time because of the Senate's failure to move the proposed legislation.

With only 48 hours to go before the August 1 deadline, the Senate passed a revised version of the bill that included a variety of nongermane riders on such issues as the Occupational Safety and Health Act, the Mine Safety and Health Act, and affirmative action requirements. The Senate measure did not reach the House floor for action.

Secretary of Labor Ray Marshall vowed that the Administration would fight the amendments. "This is a serious situation and as Secretary of Labor, I am committed to doing everything in my power to assure that the rights of the American worker are preserved," he said, adding:

"This Administration will not sit idly by and permit the anti-worker forces in this country to weaken workplace standards which we deem essential for the protection of American Workers."

Industry sources speculate that some of the weaker plans will take this opportunity to terminate and avoid employer liabilities that would have been imposed had a bill been passed. Liability for termination under PBGC's current provisions is limited to 30 percent of the employer's net worth. Under proposed legislation, an employer would be required to continue its fair share of the plan's liability.

Failure to amend the Act before the deadline, PBGC Executive Director Robert Nagle asserted, would create uncertainties for multi-employer plan participants and unsettle the collective bargaining process. Mandatory coverage under the current law will hasten the failure of many multi-employer plans and "impose extremely high costs" on the termination insurance system, he predicted.

Bargaining Briefs

Five percent increases for some 3,250 employees have been agreed to under c-o-l reopeners in contracts between the Seattle Department Store Association and the United Food and Commercial Workers, Service Employees, and Teamsters. The contracts, expiring in June 1981, also provided a 7 percent deferred wage increase on May 15.

A pay reduction plan that will cut Uniroyal, Inc.'s labor costs by 12.9 percent over the next 17 months has been ratified by United Rubber Workers' members. Effective August 1, the plan reduces wages by an average 58 cents an hour and suspends c-o-l adjustments until January 1, 1981 for some 8,500 workers. Employees forgo pension service credits from August through December 1980 and pension benefits for retirees are reduced for five months.

First-year increases in wages and benefits provided by 308 construction agreements negotiated so far this year averaged \$1.43 an hour, or 10.5 percent, compared to \$1.25 or 9.9 percent for the same period of 1979, according to the Construction Labor Research Council. A first-year wage-only median increase of \$1.12 or 10 percent in the industry was reported by CBNC in the first half of 1980.

The Railway Carmen withdrew August 1 from the AFL-CIO Railway Employees Department, cutting RED's membership by more than 50 percent. Remaining in RED are the International Brotherhoods of Electrical Workers, Firemen and Oilers, and Boilermakers and Blacksmiths.

Citing "irreconcilable differences," Railway Carmen President O.W. Jacobson said his union—which remains in AFL-CIO—would not consider rejoining RED. The Carmen, with about 40,000 members, was supporting more than half the Department's budget.

("LA" references are to BNA's Weekly Labor Arbitration Reports)

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Page 3



Perspective

Work Sharing

COMBATING JOBLESSNESS by providing partial unemployment compensation for worktime lost by employees participating in work-sharing programs is explored in an article appearing in the Bureau of Labor Statistics' *Monthly Labor Review*.

Written by Policy Analyst Fred Best and Deputy Director James Mattesich of the California Employment Development Department, the article reviews the operation of a "short-time" compensation system in California.

Established in mid-1978 as an 18-month experiment, California's "Work Sharing Unemployment Insurance" program, was extended in 1979 for an additional two years.

Legislation that created the program, allows employees facing a drop in business to elect, instead of layoffs, to reduce hours and wages of all or a specific part of the work force and spread the remaining work among the affected employees.

The reduction must cover at least 10 percent of "the employer's regular permanent work force in the affected work unit or units." In addition, wages and hours of employees included in the program must be reduced 10 percent or more. Affected workers are eligible to receive weekly unemployment benefits "proportional to the percentage reduction in wages and hours," the report says.

The California law permits payment of worksharing benefits for up to 20 weeks during a 52-week period starting with the first week benefits are paid. Employees who are laid off after receiving 20 payments, are eligible for regular unemployment benefits "with the duration reduced slightly to reflect the dollar costs of the worksharing benefits already received."

The program, according to the authors, was "designed to interfere as little as possible with existing labor-management relationships." If participating employees are covered by a collective bargaining agreement, the employer must have the consent of the union before entering the program.

Worksharing benefits are not taxable under California law "but are taxable, to the same extent regular unemployment insurance benefits are, under Federal law."

Participation in the program began slowly, with

only 67 companies certified between July 1978 and February 1979. However, the report adds, "participation has accelerated with the total number of certified firms increasing to 701 by April 1980."

The common assumption is that "lack of early use and subsequent increases in participation can largely be attributed to gradual growth of awareness of the program," the authors say, adding:

"Nonetheless, when one considers that there are over 500,000 firms and 10 million workers in California, it is apparent that the program has thus far been used by a very small number of employers."

The 312 companies "using the program through September of last year employed 14,273 workers, but only 7,603 employees were included in the program. In this group, unionized firms had 4,587 employees, but only 1,294 were certified to use the program."

Of workers claiming short-time benefits up to September 1, 1979, 25.8 percent were unionized compared to 16.5 percent of regular benefit claimants, the authors note. "While this issue requires more detailed assessment, it would appear that unionization has not deterred participation," they add.

Interviews were held in December 1979 with 30 companies that had participated in the program. Of these, 25 "favored the program because it helped them retain valued employees, was generally appreciated by workers," and easy and flexible to manage, according to the report.

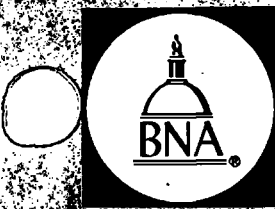
Fourteen of 20 union locals participating in the program prior to December 1979 were in favor of it, the report states. "Major reasons for approval were that use of the program was fairer than layoffs, and workers were generally better off financially because only a portion of earnings were lost and most fringe benefits maintained."

"Despite the potentials of short-time compensation, there are many reservations about its widespread application," the authors point out.

Some unions fear that short-time compensation might lead to a disruption of "hard-won seniority provisions and established union procedures" and might "stimulate conflicts among workers, leading to a reduction of union solidarity and bargaining power," the report states.

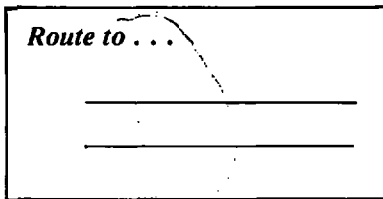
Fear that the "program would ultimately be imposed on firms" and "encourage unions to push for shorter workweeks" was expressed by some members of the business community.

"While these reservations are not unanimously expressed by all sectors and levels of labor and business, they do represent important issues which must be dealt with prior to widespread acceptance of short-time compensation as a major social policy, the authors conclude. ("Short-time Compensation Systems in California and Europe," *Monthly Labor Review*, July 1980)



what's new in... COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

July 24, 1980



June CPI Rise

The Consumer Price Index for All Urban Consumers (CPI-U) rose 1.1 percent in June to 247.6 percent of the 1967 base, while the Index for Urban Wage Earners and Clerical Workers (CPI-W) also rose 1.1 percent to 247.8 percent of the base. Seasonally adjusted, CPI-U increased 1.0 percent and CPI-W increased 0.9 percent.

Over the past year, CPI-U has risen 14.3 percent and CPI-W has gone up 14.2 percent. June Indexes for surveyed cities follow:

	CPI-U	CPI-W
Atlanta	242.2	244.7
Buffalo	235.4	234.6
Chicago	248.2	248.0
Cleveland	250.1	250.5
Dallas	256.4	254.5
Detroit	256.7	255.8
Honolulu	227.5	228.0
Houston	266.5	262.8
Kansas City	247.8	246.3
Los Angeles	250.1	253.4
Minneapolis	246.4	248.4
New York	237.2	236.7
Philadelphia	242.5	243.8
Pittsburgh	246.1	246.8
San Francisco	248.0	247.7

Pay Panel On Pensions

The Pay Advisory Committee has proposed that the Council on Wage and Price Stability liberalize its treatment of pensions under the voluntary wage guideline by eliminating inequities in the evaluation of wage-related and nonwage-related benefit plans.

In recommendations submitted to CWPS Chairman Alfred Kahn, the panel proposed that increases in nonwage-related benefit levels that are required to maintain a traditional relationship between pensions and wages be permitted, even if they exceed the 7.5-to-9.5 percent standard.

UAW Aerospace Demands

Meeting in Toronto July 14-16, the United Auto Workers adopted bargaining goals—similar to those set in the auto industry last year—for its 72,000 members in the aerospace industry.

The bargaining program adopted at UAW's 20th Aerospace Conference calls for a "substantial" first-year pay increase with improvements in the second and third years; elimination of wage inequities between jobs; an improved cost-of-living formula; increases in pensions; reduced worktime; better layoff protection; improved dental, vision, and prescription drug coverage; more holidays and better vacations; and increased shift differentials.

Among pension improvements sought by the union are increases in basic benefits for both current employees and retirees, early retirement, portability provisions, early vesting of benefits, and increased survivor benefits. To achieve reduced worktime, UAW will consider both the paid personal holiday provisions in effect in the auto industry and the attendance bonus hours plans found in farm equipment contracts, a spokesman said. Neither provision currently is included in aerospace agreements.

Negotiations will begin August 18 at McDonnell Douglas Corporation where the union represents some 14,000 workers under a contract expiring October 12. An agreement covering 2,500 employees at Boeing Vertol expires one week earlier. Contracts expire later at Fairchild Republic Company, LTV Aerospace Corporation, Bell Helicopter Textron, North American Rockwell, and Pratt & Whitney.

Escalating Wages In Construction Industry

Construction agreements negotiated to date in California far surpass the Administration's second-year 7.5-to-9.5 percent wage guideline, according to industry sources.

Operating Engineers in San Diego settled on a \$6.37 an hour package that contractors say will raise wages and fringes by 37 percent over three years. Carpenters, Operating Engineers, and Cement Masons also accepted a \$6.37 package for more than 60,000 Los Angeles area construction workers.

While Los Angeles area Laborers—representing about 12,000 workers—accepted a package 12 cents below the pattern, an industry spokesman estimated the increase would amount to 15 percent annually, or 45 percent over term. "We never anticipated that we would settle so high as we did in these negotiations," he said. Contractors had hoped for increases falling within the guideline, or at the most, in the 10 percent range, he added.

Plumbers Local 393 in San Francisco settled on a three-year package of \$7.74 an hour including cost-of-living adjustments in the second and third years. An initial increase of \$2.50 an hour raised the skilled rate to \$19.99.

Carpenters, representing some 30,000 northern California workers, agreed to wage-fringe increases of \$2.30 an hour in the first year and reopeners in the second and third years. Under the previous agreement, skilled workers were paid \$13.33 an hour in wages and \$5.015 in fringes.

Council on Wage and Price Stability Chairman Alfred Kahn, meanwhile, asserts the construction industry apparently is "not taking the

guidelines very seriously." Of the 180 recent construction settlements reviewed by the Council, 70 with increases ranging from 10 to 25 percent seem to be out of compliance, he says.

UAW Job Protection At Chrysler

Chrysler Corporation and the United Auto Workers have responded to record level layoffs by expanding a contract provision for job opportunities of laid-off workers and establishing a committee to deal with problems of plant closings.

Marc Stepp, director of UAW's Chrysler Department, announced that the parties' contract has been changed to give laid-off workers in the Detroit and St. Louis areas "preferential hiring" rights at Chrysler's new "K" car assembly plant in Newark, N.J.

UAW says that workers accepting the jobs probably will be called to work in late July or early August, and that they will "in all probability" be eligible for federal relocation assistance.

Chrysler also has accepted UAW President Douglas A. Fraser's proposal to establish a special committee on plant closings at the corporate board level.

The five-member committee will examine ways to prevent plant closings, study approaches to protect workers and communities from the "devastation" of plant closings and relocations, and explore the possibility of reactivating already-closed Chrysler plants.

Meanwhile, negotiations for a new agreement between American Motors Corporation and UAW opened July 18 in Milwaukee, Wis. UAW's two-year contract covering 10,000 AMC workers expires September 15. Citing financial difficulties, company officials say they are not sure AMC will be able to meet pattern terms set last year at General Motors Corporation. About 5,300 AMC workers currently are on indefinite layoff.

On With The Show?

The Screen Actors Guild and the American Federation of Television and Radio Artists, together representing some 70,000 performers, have called a strike after failing to reach agreement with major motion picture and television producers on new pacts to replace contracts that expired June 30. A key issue in the talks—which began last May—is the unions' demand for a share in the profits from the sale of films to pay television and video cassette companies.

Meanwhile, members of the American Federation of Musicians have ratified a 25-month Television Videotape Agreement covering 5,000 performers. Wages rise by 9 percent and employer contributions to health-welfare and pension funds are increased.

Following are median first-year wage increases in settlements reported in the two-week period ending July 21 and year-to-date median increases for this year and last (see 19:8015):

	2-week period		year to date		year to date 1979	
All industries	92.5¢	9.9%	71.0¢	9.7%	54.3¢	8.4%
All nonconstruction	76.0¢	9.0%	62.5¢	9.5%	50.0¢	8.4%
Manufacturing	41.9¢	8.0%	60.0¢	9.5%	53.3¢	8.5%
Nonmfg. exc. constr.	88.4¢	11.9%	66.0¢	9.5%	46.0¢	8.0%
Construction	127.5¢	11.7%	120.0¢	10.4%	86.2¢	8.5%



Benefit Parity

Under a clause providing Teamster-represented employees with health insurance benefits "equivalent to or better than" those provided for non-union workers, Arbitrator Timothy J. Heinsz rules that Riback Supply Company is obligated to maintain the parity when nonunion employees' benefits are improved during the contract term.

Under prior agreements the employer provided the same health benefits as accorded under the Teamsters' Central States plan through its own insurance company at lower cost. No changes in benefits were made during the contract term.

The revised health and welfare benefits clause was negotiated in 1979. Union bargainers accepted the company-proposed language after being convinced that nonunion employees had better coverage.

On February 1, 1980, health benefits for nonunion employees were improved, but the employer did not extend the improved coverage to union workers. It contended that it was following the past practice of freezing union employees' benefits at the level negotiated in the last round of bargaining.

The arbitrator rejects the employer's argument, noting that the 1979 agreement "addresses itself to the prior custom."

Heinsz finds that under the new language "coverage is not tied to a specific insurance policy that would change only at given intervals, but rather is more flexible in that the insurance care will be 'equivalent to or better than that provided for all non-union employees.'"

Upholding the grievance, he says that if management "intended to place a special meaning or limit on the [provision], the burden was on the company to clearly state such a limit since it proposed the new language." (74 LA 1030)

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FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 917

July 24, 1980

WAGE GUARANTEES, SEVERANCE PAY, AND SUB PLANS

Guarantees of work or pay are found in 195 (13 percent) of 1,536 contracts covering 1,000 or more workers analyzed by the Bureau of Labor Statistics, while severance pay provisions appear in 500 contracts (33 percent), and supplemental unemployment benefit plans are found in 220 contracts (14 percent).

The study, *Characteristics of Major Collective Bargaining Agreements, January 1, 1978*, provides statistical data on the frequency of more than 100 contract provisions. BLS analyzed 1,536 agreements, in

effect on or after January 1, 1978, covering 7 million workers. These contracts represent about four fifths of all agreements covering 1,000 or more workers on file with BLS.

Guarantees, which BLS defines as provisions assuring a minimum of work or pay for a week or more to all eligible employees, are more common in non-manufacturing industries, while severance pay and SUB plans appear more frequently in manufacturing agreements.

TABLE 1. WAGE-EMPLOYMENT GUARANTEES IN AGREEMENTS COVERING 1,000 OR MORE WORKERS BY INDUSTRY, JANUARY 1, 1978

Industry	All agreements		Wage-employment guarantees	
	Agreements	Workers	Agreements	Workers
ALL INDUSTRIES	1,536	7,054,550	195	1,332,950
MANUFACTURING	770	3,377,150	66	423,200
Food, kindred products	84	234,550	25	53,200
Tobacco manufacturing	9	23,850	—	—
Textile mill products	13	28,900	1	6,600
Apparel	44	371,550	3	13,000
Lumber, wood products	11	18,900	—	—
Furniture, fixtures	12	20,050	—	—
Paper, allied products	49	86,600	1	1,050
Printing & publishing	23	48,400	—	—
Chemicals	41	78,400	2	3,700
Petroleum refining	16	30,150	—	—
Rubber & plastics	19	95,750	—	—
Leather products	12	25,050	—	—
Stone, clay & glass	31	92,600	—	—
Primary metals	74	421,550	26	311,950
Fabricated metals	43	99,850	6	29,400
Machinery	80	251,500	2	4,300
Electrical machinery	77	361,300	—	—
Transportation equipment	107	1,034,700	—	—
Instruments	13	30,700	—	—
Miscellaneous manufacturing	12	22,800	—	—
NONMANUFACTURING	766	3,677,400	129	909,750
Mining, crude petroleum & natural gas ..	15	167,000	3	10,100
Transportation ¹	76	665,600	45	532,900
Communications	69	600,900	—	—
Utilities, electric & gas	73	212,350	8	14,350
Wholesale trade	16	28,250	7	12,950
Retail trade	123	429,750	27	124,200
Hotels & restaurants	37	172,400	2	18,800
Services	71	392,550	16	112,500
Construction	286	1,008,600	21	83,950
Miscellaneous nonmanufacturing	—	—	—	—

¹Excludes railroads and airlines.

**TABLE 2. SEVERANCE PAY, SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLANS IN AGREEMENTS COVERING
1,000 OR MORE WORKERS BY INDUSTRY, JANUARY 1, 1978**

Industry	All agreements		Severance pay		Supplemental unemployment benefit plans	
	Agreements	Workers	Agreements	Workers	Agreements	Workers
ALL INDUSTRIES	1,536	7,054,550	500	2,640,700	220	1,947,400
MANUFACTURING	770	3,377,150	319	1,677,350	192	1,798,750
Food, kindred products	84	234,550	41	156,150	4	9,800
Tobacco manufacturing	9	23,850	8	22,650	2	4,700
Textile mill products	13	28,900	--	-----	2	2,700
Apparel	44	371,550	2	4,000	28	259,650
Lumber, wood products	11	18,900	1	1,200	1	3,000
Furniture, fixtures	12	20,050	1	1,300	2	3,800
Paper, allied products	49	86,600	22	45,400	--	-----
Printing & publishing	23	48,400	13	23,350	3	13,300
Chemicals	41	78,400	28	55,350	--	-----
Petroleum refining	16	30,150	12	23,400	--	-----
Rubber & plastics	19	95,750	7	63,100	13	81,900
Leather products	12	25,050	6	16,700	--	-----
Stone, clay & glass	31	92,600	18	68,150	4	5,900
Primary metals	74	421,550	46	358,200	54	387,250
Fabricated metals	43	99,850	16	40,400	11	35,800
Machinery	80	251,500	24	73,400	22	139,050
Electrical machinery	77	361,300	36	216,400	7	58,650
Transportation equipment	107	1,034,700	27	484,200	39	793,250
Instruments	13	30,700	6	11,200	--	-----
Miscellaneous manufacturing	12	22,800	5	12,800	--	-----
NONMANUFACTURING	766	3,677,400	181	963,350	28	148,650
Mining, crude petroleum & natural gas	15	167,000	4	11,300	4	11,100
Transportation ¹	76	665,600	7	45,250	--	-----
Communications	69	600,900	60	471,300	1	10,600
Utilities, electric & gas	73	212,350	27	83,700	1	14,000
Wholesale trade	16	28,250	4	6,650	1	1,300
Retail trade	123	429,750	49	144,950	3	60,750
Hotels & restaurants	37	172,400	2	25,000	--	-----
Services	71	392,550	27	174,200	--	-----
Construction	286	1,008,600	1	1,000	18	50,900
Miscellaneous manufacturing	--	-----	--	-----	--	-----

¹ Excludes railroads and airlines.

NOTE: Nonadditive.

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Union Business Leave

Sloan Valve Company violated its contract with the Steelworkers when it suspended an employee who missed three days of work because of time spent on union business, Arbitrator James R. Cox decides.

The contract provided that "any employee . . . who may be called upon to transact union business shall, upon proper application . . . be allowed reasonable amounts of time without pay to transact such business or attend such meetings as may be necessary."

The employer denied the grievant's request for time off for union business because of production requirements. The grievant left work as planned and received a three-day suspension upon his return.

The arbitrator finds that the contract "contains no qualifications and is unconditional insofar as granting any employee the right to leave for union business upon proper application."

The one day of notice given by the grievant before taking such leave was not the problem, Cox says, adding that in the past employees had given notices ranging from one day to three weeks.

The real problem, he concludes, was the lack of any adequate replacement for the grievant "and a longer notice would not have improved [the] situation." (74 LA 916)

Rulings On Doctors, Nurses

Recent legal decisions have denied bargaining rights to hospital interns and residents and found bargaining units consisting solely of registered nurses not always *per se* appropriate.

The U.S. Court of Appeals for the District of Columbia Circuit affirms a lower court ruling that NLRB did not exceed its delegated powers when it ruled that housestaff doctors are students and not employees subject to protection under NLRA. The court, ruling five-to-four that it is not empowered to review the Board's decision absent a showing that NLRB acted without statutory authority, also finds that Congress did not intend to classify housestaff as employees when it enacted the 1974 health care amendments to the NLRA.

Dissenting judges argue that Congress approved the amendments with the "clear assumption" that housestaff doctors are employees. Refusal to review the Board's decision, the dissenters conclude, could eventually lead to a situation where NLRB is "free to decide that construction workers, plumbers, or carpenters, although 'they possess certain employee characteristics,' are 'primarily' artisans and therefore not employees within the meaning of the Act." (*Physicians National Housestaff Association v. Fanning*, USCA DC, 78-1209, July 11, 1980)

Meanwhile, NLRB has found no "irrebuttable presumption" in favor of the appropriateness of registered nurse bargaining units. The Board holds that in determining the appropriateness of a unit in the health care industry, the employees' community of interests must be measured against the need to avoid an unwarranted fragmentation of bargaining units, as mandated by the 1974 health care amendments.

The Board says it was "mindful and guided by" considerations raised by a 1979 decision of the U.S. Court of Appeals at San Francisco which branded as "arbitrary and capricious" NLRB's presumption that separate RN units are always appropriate. The Board concludes that this presumption "in all cases, without regard to particular circumstances, should be disavowed" as it is inconsistent with its responsibility to decide "in each case" whether the requested unit is appropriate. (*Newton-Wellesley Hospital and Massachusetts Nurses Association*, 104 LRRM 1384)

Bargaining Briefs

Overwhelming approval of a two-year contract with the League of Voluntary Hospitals and Homes of New York is voted by District 1199, National Union of Hospital and Health Care Employees, RWDSU. The agreement, covering some 40,000 employees at 61 League institutions, provides wage increases of 8 percent in each year and sets the pattern for an additional 10,000 workers at 60 non-League institutions.

Increases ranging from 5 to 6 percent for some 8,500 New York City area employees have been agreed to under cost-of-living reopeners in contracts between the Ladies' Garment Workers' Union and intimate apparel manufacturers. Employees receiving a 5 percent raise also got a 6 percent deferred June increase (those receiving 6 percent got a 7 percent deferred increase last January). Both groups will forgo 3 percent raises that were due next January.

A regulation requiring employers to compensate workers for time spent accompanying Occupational Safety and Health officials during inspections of the workplace is set aside by a federal appeals court.

The ruling holds that OSHA failed to comply with Administrative Procedure Act requirements to post notice in the *Federal Register* and permit public comment prior to adoption of a regulation. "Only after the full notice-and-comment procedures have run their course will we have a record enabling us to judge" whether the regulation "is statutorily authorized . . ." the court says.

Teachers' strikes during the 1979-80 school year totaled 242, compared to a previous record of 203 in 1975-76, according to the National Education Association. Strikes by elementary, high school, and college teachers this year were spread throughout 23 states. NEA reported 3 strikes still in progress.

("LA" references are to BNA's Weekly Labor Arbitration Reports)

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Page 3



Pension Fund Investments

PARTICIPATION in the investment of pension funds is a major goal of both U.S. and foreign labor unions, Jocelyn F. Gutches, a member of Rutenberg, Friedman, Kilgallon, Gutches & Associates, reports in *The American Federationist*.

Unions on both sides of the Atlantic have a natural interest in protecting pension benefits and promoting the general welfare of workers through pension fund investments, Gutches says in her report based on a study of retirement systems in seven foreign countries.

Protection of workers' retirement income is indubitably labor's first concern, "but the question is whether other objectives can also be pursued once the required protection of retirement income is adequately safeguarded," Gutches says. On the assumption that they can, she cites the following "priority objectives:"

- "The employment objective—the use of pension funds to create new jobs and/or to maintain existing jobs.
- "The social objective—the use of pension funds to provide direct benefits of a social welfare character to workers; in projects such as housing, health care facilities, day-care centers, etc.
- "Influencing corporate policy through positive approaches; the exercise of shareholder rights or placement of investment to encourage socially responsible corporate behavior.
- "Influencing corporate behavior through negative approaches; avoidance of investments that support companies or activities that contravene the objectives and principles of the labor movement."

In the United States unions are considering all four objectives, but in other countries they are not given equal priority. For example, most unions in European countries and Israel are not concerned with the negative objective, she says, adding:

"[I]nvestment of pension funds in companies that are flagrantly anti-union . . . is simply not an issue abroad. This is because for the most part, European employers long ago accepted unionization as a way of life, and no longer fight against organization."

In addition, she says, most European unions rely on government policies to meet social needs and develop socially conscious corporate behavior.

Investing pension funds to create new jobs, according to Gutches, is far more prevalent in Europe than the United States.

Gutches cites the British Postal Workers' pension fund under which a small portion (1 to 2 percent) of incremental additions to the fund are set aside for investment in small business. "The rationale for this policy is that small business is the primary source of new technology, and hence of productivity improvements. It is also an important source of new job creation," she says.

"Perhaps the most interesting development" in Britain is a proposed regulation that would establish a separate fund, made up of mandatory contributions of 5 percent of assets of existing funds. The fund would be managed by a tripartite—labor, management, government board. A limited government guarantee of investment would protect plan participants' retirement income.

The proposed fund, she says, is designed to provide capital to develop new industries, thereby increasing productivity and creating new jobs.

"The basic thesis underlying this proposal was voiced repeatedly by trade unionists in almost every country—as well as by representatives of industry and government," according to Gutches.

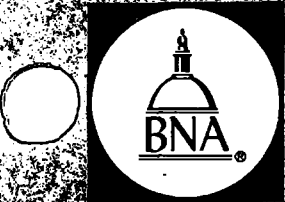
European unions feel that capital markets have failed to allocate resources in a sound manner to achieve technological advancement and create new jobs. "They look to their pension funds as a way of correcting this failure," she says.

The pension system in Sweden is centrally managed, but with four separate funds. Each of three funds cover specific segments of the workforce—white collar workers, blue collar workers, and government workers. "These funds," Gutches says, "are strictly constrained as to investment and cannot operate in the equity market."

The fourth fund is financed by contributions from the other three plus a government contribution "and is designed to operate only in the equity market for the expressed purpose of increasing the supply of capital, thereby stimulating new industry."

Professional investment advisers manage the fund, but a tripartite board composed of union, management and government representatives sets general policy.

Seven individual pension funds, covering almost all Israeli workers outside the civil service, long ago were established and currently are administered by Histadrut, according to Gutches. The funds "have always provided an important source of capital for the development of the economy of Israel, and related to this, an important source for the creation of jobs. . . ." ("Pension Investment: The European Model," *The AFL-CIO American Federationist*, June 1980)



what's new in...

COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

July 10, 1980

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URW Pay Cuts

The United Rubber Workers have reached tentative agreement with Uniroyal, Inc., to reduce wages and fringes for some 8,500 employees.

If accepted by a majority of URW's 11 Uniroyal locals, "compensation costs" would be cut by 12 to 13 percent on August 1.

About half of the cut would be restored in January 1981. Total compensation would rise to the level called for under the contract on January 1, 1982.

The reductions, the company says, take into account pay and benefit increases scheduled to go into effect next April, the second anniversary of the current agreement.

In a joint statement, the parties said the sacrifices were necessitated by the company's "unique financial difficulties which have been exacerbated by the current recession and the sharp decline in domestic automotive production."

Voting on the cut is expected to take several weeks. Neither side would comment on steps the company would take if the cut is rejected.

The same reduction took effect for Uniroyal's salaried and non-URW workers on July 1.

Shrinking SUB Fund

Supplemental Unemployment Benefits for United Auto Workers members with less than 10 years of service at Ford Motor Company were discontinued last week.

Ford said the SUB fund had dwindled to \$6.9 million, down from \$63.3 million in mid-May. About 60,000 Ford workers on layoff had been receiving SUB; only about 6,000 senior employees will continue to be paid benefits.

Strike In The Copper Industry

Some 40,000 copper industry employees, members of 26 unions, struck major producers on July 1-2. Talks between the coalition of unions and the industry broke off June 29, one day before contracts expired.

A Steelworkers spokesman said union negotiators would communicate with employers on a daily basis to request resumption of negotiations, but he predicted that talks would not resume for four weeks and that the strike would last four to six weeks.

In addition, the spokesman said that the companies welcomed the strike as an opportunity to rebuild smelters, to avoid summer shutdowns and layoffs, and to wait for copper prices to rise.

Cost-of-living adjustments are a major stumbling block in the negotiations. The unions have rejected the companies' proposal that employees give up one c-o-l increase to pay for benefit improvements. The companies, in turn, have resisted the unions' demand for a c-o-l formula providing adjustments of one cent for each 0.26 instead of 0.3 rise in the Consumer Price Index. Management also has proposed withholding c-o-l adjustments from new hires until the payments are rolled into base rates, according to the unions.

Struck copper firms are Kennecott, Phelps Dodge, ASARCO, Anaconda, Inspiration Consolidated, Cities Service, and U.S. Metals.

Con Ed Work Schedule Experiment

Consolidated Edison Company's new three-year contract with the Utility Workers Union of America establishes an "experimental compressed work schedule" plan for the utility's 16,860 employees in New York City and Westchester County, N.Y.

The new plan calls for longer workdays and shorter workweeks to provide employees with more consecutive days off. Specific schedules are to be drawn up by department heads and require approval by the company and a majority of a department's employees. Employees who approve the new schedules will not receive overtime payments for work in excess of eight hours in one day, but overtime will be paid after 40 hours worked in one week.

It was agreed that the new schedules will not cause a loss of pay for any employee or result in increased labor costs. Possible new schedules include four ten-hour work days or a schedule of four 12-hour days in one week followed by three 12-hour days in a second week. A company spokesman said that it would be possible for an employee to work seven consecutive 12-hour days and then have seven days off.

The new contract, ratified on June 30, also provides annual 9 percent pay increases. Benefit improvements include an employee savings plan, increased major medical coverage, and pension supplements.

New York Hospitals Settlement

Negotiators for the League of Voluntary Hospitals and Homes of New York and District 1199, National Union of Hospital and Health Care Employees, RWDSU, have agreed on a tentative two-year contract averting a strike threatened for July 8.

The agreement, covering some 40,000 service, clerical, technical, and professional employees at 61 League institutions, would set the pattern for an additional 10,000 employees at 60 non-League institutions. Fol-

lowing the pattern of the recent settlement between New York City and its municipal unions, the agreement will provide wage increases of 8 percent each year.

Pensions will be increased by 10 percent and retirees will receive prescription drug and optical coverage. Other contract changes include a guarantee of at least one of every four weekends off, establishment of a pool to provide bonuses to employees who work more than 26 weekends a year, and an increase in the number of available arbitrators.



Other Current Settlements

Safeway Stores, Inc., and the Teamsters have settled on a three-year agreement covering some 3,000 distribution center workers in Texas, Arkansas, Oklahoma, and New Mexico. Wages are increased 8.25 percent retroactive to June 7, 2 percent in December 1980, 6.5 percent in June 1981, 2 percent in December 1981, 6.5 percent in June 1982, and 2 percent in December 1982. Average rate under the previous contract was \$9.35 an hour.

The Tennessee Valley Authority and five unions have agreed under an open-ended contract on salary increases averaging 8.22 percent for some 14,600 employees at TVA facilities in several states. Monthly employer contributions toward family health insurance increase from \$82.00 to \$95.50, while employees' contributions rise from \$3.00 to \$4.50. Eight unresolved nonwage proposals advanced by TVA will be handled under the contract's mediation procedure.

The United Auto Workers and J.I. Case Company have agreed on a new three-year contract providing annual 3 percent pay increases for 7,700 employees in Wisconsin, Indiana, Illinois, and Iowa. Quarterly cost-of-living adjustments of one cent for each 0.3 CPI increase will change to one cent for each 0.26 percent rise in 1983. Bonuses for perfect attendance are increased; pension and insurance improvements track UAW agreements with other farm equipment companies.

Under wage reopeners in three-year contracts, the Textile Workers and Erwin Mills, Inc., have agreed on 10 percent wage increases effective June 16 for some 3,000 Durham and Erwin, N.C., employees. The parties also agreed on four weeks vacation after 25 years of service.

Following are median first-year wage increases in settlements reported in the two-week period ending July 7 and year-to-date median increases for this year and last (see 19:8014):

	2-week period	year to date	year to date 1979
All industries	80.3¢ 10.0%	69.7¢ 9.7%	54.8¢ 8.3%
All nonconstruction	68.0¢ 9.0%	62.0¢ 9.5%	51.0¢ 8.3%
Manufacturing	71.7¢ 10.0%	60.0¢ 9.5%	54.0¢ 8.7%
Nonmfg. exc. constr.	68.0¢ 8.2%	65.0¢ 9.5%	48.5¢ 8.0%
Construction	137.5¢ 12.3%	120.0¢ 10.0%	84.5¢ 8.1%

Southwest Telephone Ratification

Communications Workers of America members have ratified a new three-year contract with General Telephone Company of the Southwest providing an initial 7.9 percent pay increase for 8,000 employees in Texas, Oklahoma, Arkansas, and New Mexico.

CWA struck the company on May 16 in an attempt to achieve parity in pay levels with Bell System telephone employees. Although pay levels remain below Bell's, the company and union reached tentative agree-

Lack of Proof

Jim Walter Corporation, Briggs Manufacturing Division, violated its contract with the Sheet Metal Workers when it disciplined 245 workers for participating in an unlawful strike without establishing by name any of the employees who led or took part in the strike, Arbitrator Henry B. Welch rules.

The contract prohibited strikes and recognized the employer's right to discipline or discharge workers violating the strike ban.

On Thursday, November 8, 1979, employees gathered outside the company's Knoxville, Tenn., plant and refused to report for the morning shift despite the admonitions of the plant manager.

All employees returned to work Monday, November 12. According to the employer, production lost on November 8 and 9 cost the company \$250,000. Management later discharged 22 employees who also had been involved in a similar incident in October 1977 and issued written warnings to another 223.

The union argued that management failed to identify which employees actually took part in the strike, noting that some grievants told the employer that they did not report for work because they were afraid to cross the picket line.

The employer maintained that all employees were given due process and that disciplinary action was taken "only after a thorough evaluation of the facts."

Management explained that it had been guided by the 1977 arbitration case upholding most of the discipline imposed upon 34 employees who briefly walked off the job.

The arbitrator agrees with the employer that an unlawful strike occurred and that all employees were absent from work without permission for two days.

Noting that the employer's warn-
(Continued on page 3)

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FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 916

WAGES AND FRINGES: FIRST-HALF 1980

July 10, 1980

The median first-year wage increase negotiated in the first six months of 1980 was 68.7 cents an hour, 14.4 cents higher than in the corresponding period of 1979, according to a survey of 621 contract settlements providing exact wage data reported in CBNC's Table of Current Contract Settlements. The figures do not include possible cost-of-living adjustments.

Over-term median wage increases provided by agreements in the first half of 1980 averaged 8.2 percent a year in all industries, 8 percent in all industries-excluding-construction, 7.4 percent in manufacturing, 8.6 percent in nonmanufacturing-excluding-construction, and 9.6 percent in construction.

Listed below is a comparison of first-year median wage gains negotiated in the first half of 1979 and 1980 in cents per hour and percentage:

	1st Half 1979		1st Half 1980	
All industries	54.3¢	8.3%	68.7¢	9.5%
All industries excluding construction	51.3¢	8.3%	60.3¢	9.5%
Manufacturing	54.0¢	8.5%	59.5¢	9.5%
Nonmanufacturing excluding construction	48.5¢	7.9%	64.6¢	9.5%
Construction	84.5¢	8.2%	112.5¢	10.0%

Cost-of-living provisions were contained in 179 or 26 percent of all contracts negotiated in the first six months of 1980. The adjustment period differed significantly from the same period last year with thirty-eight percent of the clauses providing for quarterly adjustments (20 percent one year ago) and 24 percent for annual adjustments (29 percent). Semiannual adjustments were provided for in 8 percent (13 percent) of clauses so far this year. The remainder did not specify an adjustment period.

Deferred increases were negotiated in 605 or 88 percent of the total 688 contracts reported in the first half of 1980. Manufacturing contracts accounted for 52 percent of the deferred increases, nonmanufacturing-excluding-construction for 30 percent, and construction for 18 percent. Deferred increases are those taking effect ten months or more after the settlement.

The following table shows median deferred increases due in 1981 and 1982 provided by settlements reported to date in 1980. Second- and third-year median increases in the construction industry are based primarily on wage-fringe packages.

	1981		1982	
All industries	59.3¢	8.3%	50.0¢	6.7%
All industries excluding construction	50.0¢	8.0%	45.0¢	6.4%
Manufacturing	50.0¢	7.3%	34.6¢	5.4%
Nonmanufacturing excluding construction	56.1¢	8.4%	50.0¢	8.0%
Construction	130.0¢	10.2%	120.0¢	8.6%

Contract duration changed most significantly in the construction industry in the first six months of 1980. One-year agreements were negotiated in 19 percent (up from 6 percent one year ago), two-year contracts in 51 percent (up from 38 percent), and three-year contracts in 30 percent (down from 54 percent).

In manufacturing contracts, three-year terms were contained in 68 percent; two-year terms in 27 percent; and one-year terms in 3 percent.

In nonmanufacturing-excluding-construction contracts, 57 percent of first-half 1980 contracts provided three-year terms, 38 percent two-year terms, and 4 percent one-year terms.

Fringe benefits were negotiated or revised in 83 percent of agreements in the first half of 1980, compared to 78 percent one year ago. Insurance provisions, the most frequently negotiated or renegotiated benefit, were contained in 66 percent of all new contracts. Dental insurance, the most frequently negotiated insurance benefit, was contained in 22 percent of all contracts compared to 9 percent one year ago.

Pension plans were changed in 53 percent of all first-half 1980 contracts. Those contracts specifying new benefit amounts provided monthly benefits averaging \$12.14 in manufacturing and \$14.31 in nonmanufacturing-excluding-construction.

Changes in vacations were negotiated in 31 percent of contracts renewed in the first six months of 1980. Income maintenance plans were found in 4 percent of new contracts so far this year.

MEDIAN FIRST-YEAR WAGE SETTLEMENTS, JANUARY-JUNE 1980

	1st Quarter		2nd Quarter		1st Half	
	Wage	%	Wage	%	Wage	%
All industries	59.0¢	9.0%	75.0¢	10.2%	68.7¢	9.5%
All industries, excluding construction	59.0¢	9.0%	65.0¢	10.2%	60.3¢	9.5%
Manufacturing	56.4¢	9.4%	60.0¢	10.2%	59.5¢	9.5%
Nonmanufacturing, excluding construction	60.3¢	8.8%	68.9¢	10.4%	64.6¢	9.5%
Construction	(*)	(*)	112.5¢	10.0%	112.5¢	10.0%

* Insufficient data.

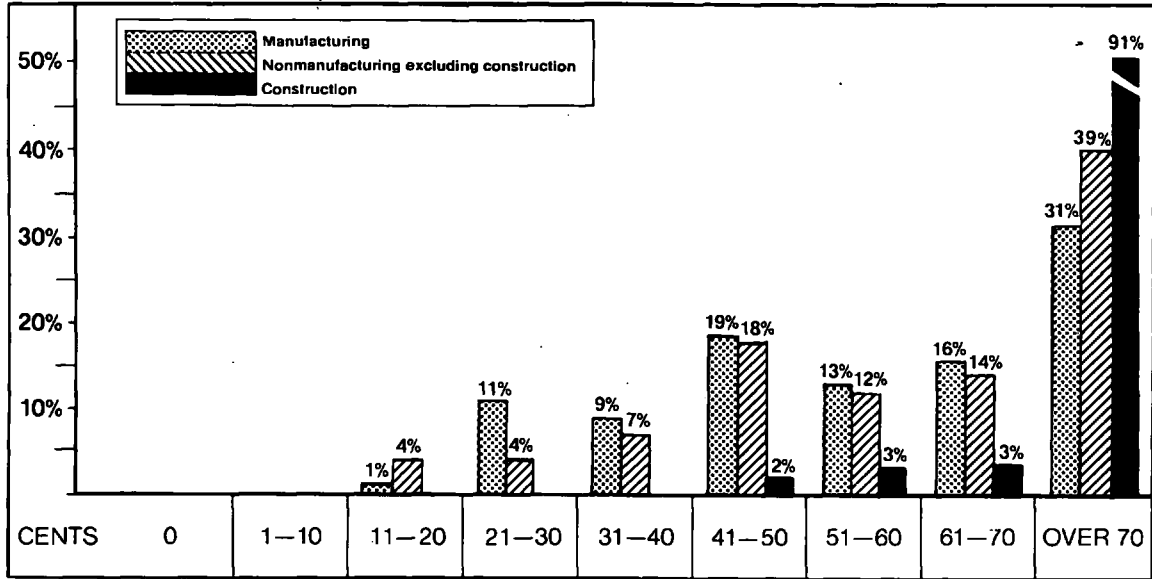
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**MEDIAN WAGE INCREASES AND NUMBER OF REVISED FRINGE PROVISIONS
BY INDUSTRY, FIRST HALF 1980**

	Total Settlements ¹	Median Settlement (cents per hour)	Median Settlement (percentage)	Deferred Increases	Cost-of-living clauses	Vacations	Holidays	Pension plan	Income maintenance	Insurance	Life insurance	Accidental death & dismemberment	Sickness & accident	Disability insurance	Hospital insurance	Surgical insurance	Major medical	Maternity benefits	Drug plan	Dental plan	Optical plan
MANUFACTURING																					
Apparel & other finished textiles	7	--	--	6	--	4	5	2	--	4	--	--	--	--	1	1	2	--	--	1	1
Chemicals & allied prod- ucts	42	71.2	10.2	35	12	17	23	13	--	24	7	1	8	1	5	3	9	1	1	9	--
Electrical machinery & equipment	21	63.0	9.3	20	8	10	5	17	--	19	8	5	9	2	5	3	8	1	1	9	--
Fabricated metals	9	--	--	8	2	--	2	5	--	7	--	2	--	1	--	2	--	--	--	--	--
Foods & beverages	29	62.5	10.4	27	7	9	11	13	--	18	4	--	3	2	3	--	2	--	1	4	2
Furniture	10	--	--	10	2	4	6	5	--	8	1	--	2	--	--	--	1	--	--	--	--
Leather & leather products	1	--	--	1	--	--	--	1	--	1	1	--	1	--	--	--	--	--	--	--	--
Lumber & wood products ..	7	--	--	6	--	2	3	3	--	4	1	--	1	--	1	1	1	--	--	--	1
Machinery (except electri- cal)	36	52.5	7.0	36	22	9	20	27	4	31	13	6	10	1	4	2	6	--	1	15	7
Miscellaneous manufactur- ing	11	--	--	11	1	3	7	7	--	8	3	1	3	2	2	--	2	--	1	5	--
Ordnance	1	--	--	1	1	--	--	--	--	1	1	--	1	--	--	--	--	--	--	--	--
Paper & allied products ..	15	68.9	10.0	13	1	8	6	10	--	13	6	3	8	--	3	3	6	--	--	--	--
Petroleum & allied prod- ucts	45	100.0	10.5	25	--	31	--	5	--	45	--	--	--	--	1	--	--	--	--	44	--
Primary metals	28	25.0	2.7	28	23	19	4	24	13	26	15	1	23	--	--	1	9	--	--	13	1
Printing & publishing	8	--	--	7	2	2	2	2	--	5	1	--	--	--	--	--	1	--	--	--	--
Professional, scientific & controlling instruments .	6	--	--	6	3	1	3	2	--	5	2	--	1	--	1	--	1	--	--	1	--
Rubber products	11	--	--	11	3	6	5	3	--	8	6	1	4	--	5	--	5	--	--	--	2
Stone, clay & glass	25	68.0	10.0	22	13	11	16	19	--	18	12	7	9	1	5	1	7	--	--	6	2
Textile mill products	12	--	--	12	2	5	6	7	--	10	6	1	7	1	4	--	2	--	--	1	1
Tobacco	6	48.0	7.2	6	6	6	6	4	--	5	--	--	5	--	--	--	2	--	--	--	2
Transportation equipment .	28	48.0	5.8	27	24	2	20	21	14	26	19	2	18	16	--	--	4	1	2	16	18
Total manufacturing ...	358	59.5	9.5	318	132	149	150	190	31	286	106	28	115	26	41	15	70	3	7	124	49
NONMANUFACTURING (Excluding Construction)																					
Agriculture	4	95.0	23.0	4	2	1	2	2	--	4	--	--	--	--	--	--	--	--	--	2	--
Communications	1	--	--	1	1	1	1	1	--	--	--	--	--	--	--	--	--	--	--	--	--
Insurance	10	--	--	9	3	1	2	5	--	8	1	--	1	1	2	1	3	--	--	1	--
Mining	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Services																					
Except health care	23	49.5	9.7	21	3	7	6	12	--	14	2	1	--	--	2	1	2	--	--	3	2
Health care	46	48.8	8.3	40	4	8	12	11	--	18	1	--	1	2	--	1	--	1	--	4	2
Shipping & longshoring ..	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Transportation (combined)	18	103.7	9.2	18	11	11	5	10	--	10	6	1	1	--	1	--	3	1	1	5	5
Airline	9	--	--	9	4	7	2	8	--	5	3	1	--	--	1	--	3	--	1	2	3
Railroad	2	--	--	2	1	--	--	--	--	1	--	--	--	--	--	--	--	--	--	1	1
Streetcar, bus & taxi ..	7	--	--	7	6	4	3	2	--	4	3	--	1	--	--	--	--	--	--	2	1
Water & other	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Trucking & warehousing .	3	--	--	3	1	--	1	1	--	1	--	--	--	--	--	--	--	--	--	--	--
Utilities (light, power, gas & water)	27	70.7	8.8	23	4	11	4	10	--	16	4	1	--	--	3	--	8	--	--	7	--
Wholesale & retail trade .	61	70.0	11.0	60	17	24	10	53	--	34	10	1	11	1	--	1	2	--	5	6	8
Total nonmanufacturing- excluding-construction	193	64.6	9.5	179	46	64	43	105	--	105	24	4	14	4	8	4	18	1	6	28	17
Total all-industries ex- cluding construction .	551	60.3	9.5	497	178	213	193	295	31	391	130	32	129	30	49	19	88	4	13	152	66
CONSTRUCTION																					
Total all-industries....	688	68.7	9.5	605	179	214	193	364	31	454	130	32	129	30	49	19	88	4	13	152	66

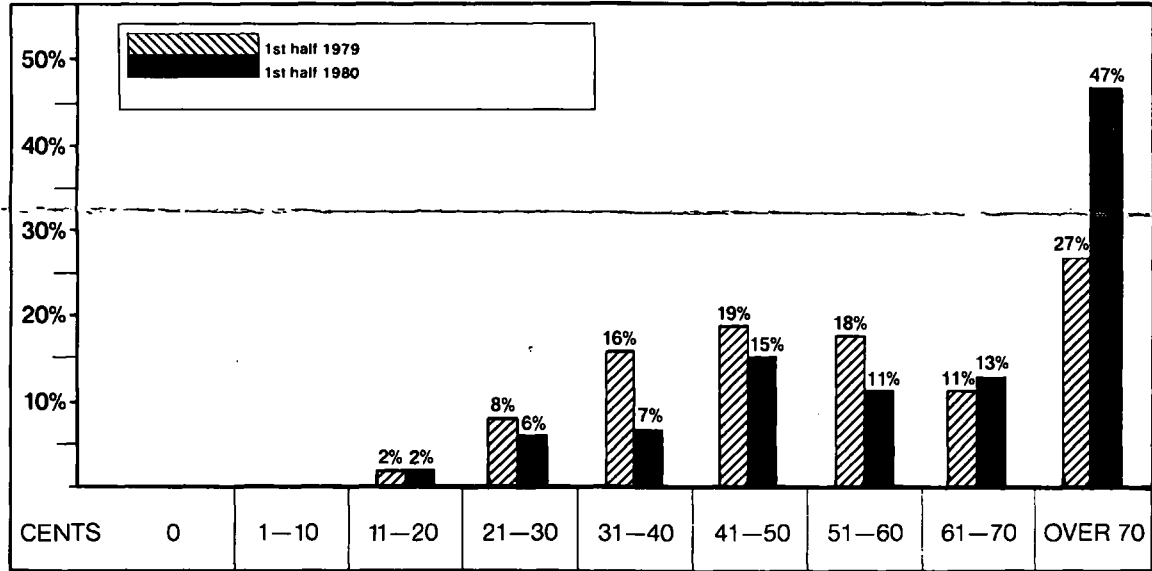
¹Includes some settlements carrying wage increases of unspecified amounts; not included in tabulations of medians.

DISTRIBUTION OF WAGE INCREASES BY INDUSTRY SECTOR—1st HALF 1980*



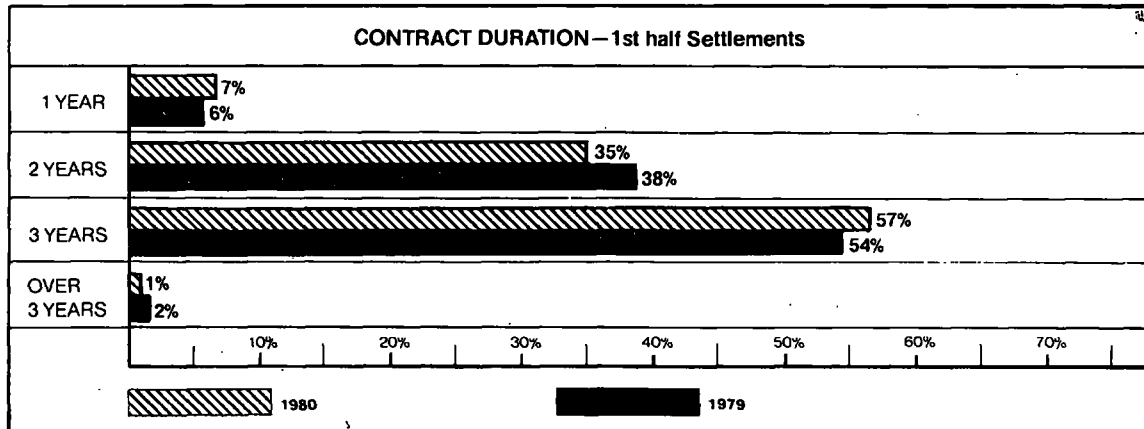
* Based on 306 settlements in manufacturing, 178 in nonmanufacturing excluding construction, and 137 in construction (figures do not include settlements where amount of increase is not specified).

DISTRIBUTION OF WAGE SETTLEMENTS BY RANGED AMOUNTS
(Based on 621* settlements in 1st half 1980 & 505* in first half 1979).



* The figures do not include settlements where amount of increase is not specified.

CONTRACT DURATION—1st half Settlements



**DISTRIBUTION OF PERCENT INCREASES BY INDUSTRY SECTOR -
FIRST HALF 1979 & 1980**

	All industries		All industries excluding construction		Manufacturing		Nonmanufacturing excluding construction		Construction	
	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980
Total Settlements	500	625	421	488	292	308	129	180	79	137
0%	3	--	1	--	1	--	--	--	2	--
1%	1	2	1	2	1	2	--	--	--	--
2%	2	16	2	16	2	15	--	1	--	--
3%	5	17	4	17	3	13	1	4	1	--
4%	10	18	9	14	5	13	4	1	1	4
5%	21	36	18	34	12	27	6	7	3	2
6%	69	25	47	19	30	10	17	9	22	6
7%	92	51	84	40	45	23	39	17	8	11
8%	131	79	121	55	99	25	22	30	10	24
9%	52	81	36	62	26	30	10	32	16	19
10%	56	119	50	102	39	83	11	19	6	17
11%	12	59	10	43	8	30	2	13	2	16
12%	16	36	11	20	6	14	5	6	5	16
13%	9	27	6	21	4	10	2	11	3	6
14%	9	14	9	13	6	2	3	11	--	1
Over 14%	12	45	12	30	5	11	7	19	--	15

(Continued from page 2)

ing letter states that the employees "took part in a strike," he says: "This is plain English and means that the employee either planned the strike, caused the strike, . . . or by words or deeds aided and abetted in the strike."

Welch concludes that management "has utterly and completely failed to prove its case," since the employer never named a single employee as being among the group of workers assembled outside the plant during the strike.

Neither did management submit any photographic evidence or descriptions of employee-owned cars parked outside the plant at the time of the strike, he adds.

Welch contrasts the 1979 strike with the October 1977 incident when the employer had the names of all 34 employees who walked off the job. "In this case the company does not know who led, instigated, caused, or were active participants in this illegal strike."

The arbitrator emphasizes that his decision does not condone the unlawful strike, but simply recognizes that the employer failed to prove that any of the disciplined employees took part in the strike. He orders the employer to remove and destroy the warning letters and to reinstate the discharged workers without loss of seniority and with back pay. (74 LA 877)

ment on June 9. CWA's Executive Board on June 11, authorized ending the strike after being advised by CWA vice president that the union had negotiated the best terms it could. Employees began returning to work on June 15 and ratification was completed on June 27.

Pay increases of 2 percent are due in November 1980, 1981, and 1982, plus cost-of-living adjustments in May 1981 and 1982 of 0.7 percent for each 1 percent increase in the CPI. Each adjustment will be capped at 6.5 percent. Other improvements include liberalized job transfer requirements, increased pension benefits, and a fifth week of vacation after 25 years of service.

Employee Takeover At Rath

An employee ownership plan has been established by the financially ailing Rath Packing Company and United Food and Commercial Workers Local 46 at a slaughtering plant in Waterloo, Iowa. Designed to keep Rath from bankruptcy, the plan will give controlling interest in the company to some 2,500 employees.

Ten union-nominated directors were added to the board in mid-June, giving employees control of the 16-member body. Effective July 7, employees will receive \$20 of their weekly wages in company stock at \$2 a share. After two years workers will hold 1.8 million shares, or 60 percent, of the stock outstanding after distribution. Voting as a bloc, employees could then control the company, Rath says.

Extension of a low-interest government loan and approval of another were contingent upon adoption of the plan.

The union agreed last April to divert portions of a deferred wage increase and sick leave and vacation pay to an escrow account. Funds from the \$5 million account will be used to meet the matching funds qualification for a \$4.5 million Federal grant to renovate the aging Waterloo plant.

Local union officials who instigated the plan say that employee input into the day-to-day operations of the plant can save the company from financial ruin. Joint union-management committees have been established to assess production problems and explore new product lines.

Bargaining Briefs

Mandatory coverage of multi-employer plans by the Pension Benefit Guaranty Corporation's termination insurance program has been postponed for the fourth time. Congress approved extending the effective date from July 1 to August 1 of PBGC coverage of multi-employer pension plans.

A quality control program will be launched by the United Auto Workers and Chrysler Corporation at two plants where new "K cars" (compact, fuel-efficient, front-wheel drive cars) will go into production later this summer. The program is designed to give workers more input in the manufacturing process.

Joint union-management teams will be established to work specifically on identifying and correcting any defects in the cars.

Job protection benefits for Rock Island Railroad employees who lose their jobs as the bankrupt line is liquidated have been held up by legal action. Public Law 96-254 authorized a federal advance of up to \$75 million in aid to former workers, to be reimbursed from the Rock Island estate.

Judge McGarr of the U.S. District Court for Northern Illinois blocked the payments June 9 at the request of the trustee who argued that the law unconstitutionally takes private property for public use. The Supreme Court has since denied a request of the Railway Labor Executives' Association for a stay of the lower court order.

Three-year agreements covering 33,000 employees of ten major Pacific Northwest lumber companies have been ratified by the International Woodworkers and the Carpenters' Western Council of Lumber, Production and Industrial Workers. Wages will be increased \$2.25 an hour over term and benefits will be improved.



Perspective

Bargaining Safety And Health

TO REINFORCE safety and health laws and regulations, the bargaining process "should be used to the hilt," according to International Union of Operating Engineers President J. C. Turner.

Speaking at a two-day conference last month in New York City sponsored by the New York State School of Industrial Relations, Cornell University, Turner asserted that unions must bargain for protection already provided by Occupational Safety and Health Administration standards. OSHA "cannot possibly inspect and police the five million work locations under its jurisdiction," he explained.

"Black lung disease, brown lung disease, asbestos, kepone, and lead poisoning and the lethal effects of dioxin don't strike those in management suites and board rooms," Turner said, adding that labor should assure that management meet its legal obligation to conform with safety and health regulations.

Because of an increasing volume of safety and health lawsuits against unions, they must be "armed with knowledge" and "exercise caution" as they approach the bargaining table, Turner warned.

Lawsuits in part the result of OSHA and labor's efforts to educate workers in safety and health matters, Turner said. Increased worker sophistication "has caused a rising level of expectation as well as deep dissatisfaction when those expectations are not met," and the dissatisfaction is vented through litigation, he added.

Lawsuits filed against unions include allegations of failure to ensure a safe work site, to warn employees of a hazardous substance, and to negotiate safety and health protection, Turner said.

Unions have become "an attractive target," partly because "outmoded workers' compensation statutes immunize employers from damage claims stemming from employee negligence, but provide unions no similar protection."

Turner cited a case before the Idaho Supreme Court, *Dunbar v. United Steelworkers*, in which survivors of miners who died in a 1972 accident sued the union for damages because of a contract clause stating that the union "shall inspect" the mine.

Although a lower court found that federal law obligated unions only to fairly represent employees,

the Idaho Supreme Court reversed the decision and ordered the lower court to determine if the union did have a contractual duty to inspect the mine, according to Turner.

This case and others like it show that OSHA and collective bargaining are "hand in glove," Turner declared. "Our challenge is to make the union-contract glove fit the true needs of the workers without placing their unions in jeopardy."

Occupational accidents resulted in at least 245 million lost workdays, \$4.1 billion in lost wages, and more than \$8 billion in workers' compensation costs in 1977, Turner said, adding that days lost to work stoppages were only one-thirteenth the number of days lost to accidents.

"It seems to me that a primary challenge for the trade union movement as well as employers in the 1980s is to create a climate in which effective safety and health practices can become an accepted part of the job," Turner said.

"I'm convinced that we can best meet that challenge by negotiating safety and health provisions that reinforce the laws and regulations we have struggled for," he concluded.

Health and safety was not a mandatory subject for bargaining until the 1960s, Paul Chown, labor coordinator at the Labor Occupational Health Program at the University of California at Berkeley, told the conferees.

Today, the "single most important" safety and health clause is a "general duty clause" under which an employer agrees to provide a safe and healthful workplace, according to Chown.

A general duty clause, patterned after Section 5(a)(1) of OSHA, is more protective than a provision merely requiring an employer to abide by all federal, state, and local laws, he said.

Chown pointed to the following examples of "innovative" safety and health provisions negotiated by labor and management:

- Employer payment of full-time wages to health and safety enforcement or training personnel.
- Rate retention and workers' compensation to protect an injured or ill employee's earnings, medical insurance, or pension.
- An employee's right to refuse to perform hazardous work.
- Instant arbitration of safety and health disputes by experts, rather than traditional arbiters.
- Extra vacation time for employees on particularly hazardous or unhealthful jobs.

Christine Oliver, a physician with the Oil, Chemical and Atomic Workers International Union stated that unions have found it difficult to write contractual language dealing with safety and health. Only three of 20 locals in her area have been able to agree on rate retention language, she noted.



what's new in... COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

June 26, 1980

Route to...
Texas
Info. office
Bylaws for filing
May Prices Moderate

The Consumer Price Index for All Urban Consumers (CPI-U) rose 1.0 percent in May to 244.9 percent of the 1967 base, the Bureau of Labor Statistics announced. The Index for Urban Wage Earners and Clerical Workers (CPI-W) also rose 1.0 percent to 245.1 percent of the base. Seasonally adjusted, both measures rose 0.9 percent.

Over the past year, CPI-U and CPI-W have risen 14.4 percent.

May indexes for surveyed cities follow:

	CPI-U	CPI-W
Anchorage	226.5	223.1
Baltimore	249.1	247.8
Boston	236.9	236.8
Chicago	243.1	243.0
Cincinnati	251.6	252.9
Denver	258.0	262.4
Detroit	248.4	248.9
Los Angeles	249.1	252.6
Miami	129.7	130.9
Milwaukee	250.3	255.2
New York	234.5	234.1
Philadelphia	239.4	239.9
Portland, Ore.	257.3	255.9
St. Louis	241.8	242.6
San Diego	269.7	264.8
Seranton	232.5	235.8
Seattle	249.6	246.8
Washington, D.C.	241.2	242.0

Front-Loading

The Council on Wage and Price Stability has amended the Administration's pay guideline to allow for front-loading of labor agreements up to 1 percentage point above the 7.5-9.5 percent annual range.

The amendment permits an annual pay increase as high as 10.5 percent in any year of a multi-year agreement, provided the compounded annual rate of increase over the contract term complies with the standard.

Communications Workers' Strike Vote

The Communications Workers of America have authorized a strike vote by the union's Bell Telephone System membership to be completed on July 25 as the expiration date of CWA's national contract with American Telephone and Telegraph Company approaches.

CWA President Glenn E. Watts announced the union executive board's approval of the vote at the union's 42nd annual convention last week in Los Angeles. Negotiations began June 4 and, Watts told the delegates, "it's settle or strike come August 9." Ballots and instructions were to go to all Bell locals after the convention.

The talks with AT&T, recessed for the convention, were to resume in Washington, D.C., June 25. CWA is bargaining for some 525,000 employees at Bell System companies, Western Electric, Bell Laboratories, and the long lines division, while the International Brotherhood of Electrical Workers is bargaining for another 116,000 AT&T employees, and the Telecommunications International Union for 60,000.

Watts, elected to another three-year term as president, told the convention that "in view of economic conditions, any negotiations this year will be tough." He commented that 7,000 CWA members are just ending a strike at General Telephone of the Southwest, that the union conducted "a long and difficult strike in United Telephone last fall," and that a number of other strikes are under way or about to get under way. (CWA's executive board terminated the strike against General Telephone of the Southwest on June 11, two days after the parties reached tentative agreement on a new contract. Mail balloting on the proposed agreement is expected to be completed on June 27.)

Major goals in negotiations with AT&T are substantial wage increases and a cost-of-living provision that will recover 100 percent of the inflation rate, increased pensions, and improved job security.

Docks: Supreme Court Ruling And Settlement

The Supreme Court has directed the National Labor Relations Board to reconsider whether work rules negotiated by the International Longshoremen's Association and shipping industry employers are designed to preserve traditional ILA work.

A five-Justice majority ruled that NLRB erred in its analysis of work rules restricting handling of containers by Teamsters and other nonlongshore workers at inland trucking facilities.

Justice Marshall commented that NLRB's reassessment of the work rules must reflect "an awareness of the congressional preference for collective bargaining as the method for resolving disputes over dislocations caused by the introduction of technological innovations in the work place."

The result of the re-evaluation, the Court said, will depend on how closely the parties tailored their agreement to the objective of preserving the essence of traditional work patterns. "[T]he question," it concluded, "is not whether the rules represent the most rational or efficient response to innovation, but whether they are a legally permissible effort to preserve jobs."

The ruling represents a major victory for the union. The 20-year history of containerization has led to a sharp decline in longshore jobs and chronic dockside labor problems.

At issue are contract provisions that the shippers pay the union \$1,000 per container whenever employees of a consolidator or trucking company strip a full shipper's load at an off-pier terminal located within 50 miles of a port.

In 1969 ILA and the New York Shipping Association agreed, after a lengthy strike, that Longshoremen would strip and restuff less-than-container-load cargo consisting of miscellaneous small shipments, even if the containers had been stuffed at off-pier consolidation companies.

NLRB subsequently found that the rules and their enforcement by the union constituted an illegal secondary boycott. It reasoned that the work at issue was not the loading and unloading of ships, but the off-pier stripping and stuffing of containers. The purpose of the work rules it held, was to acquire work performed by employees of the consolidation companies, not to preserve traditional ILA work.

The U.S. Court of Appeals for the District of Columbia held in September 1979 that the work rules were a responsible attempt to deal through collective bargaining with "an extremely thorny industrial issue: technological innovation versus job security."

The Supreme Court endorsed the appeals court's observation that under NLRB's approach the "work preservation doctrine is sapped of all life." By focusing on work patterns existing after the innovation took place, NLRB "foreclosed—by definition—any possibility that the longshoremen could negotiate an agreement to permit them to continue to play any part in the loading or unloading of containerized cargo," Justice Marshall asserted. (104 LRRM 2552)

ILA and the New York Shipping Association have reached agreement, meanwhile, on a three-year contract—the first local settlement negotiated following early agreement last month on a master contract covering some 50,000 Atlantic and Gulf Coast dock workers.

The tentative agreement, covering some 10,000 longshoremen at major ports in New York and New Jersey, would raise monthly pension benefits from \$550 to \$750, add ILA President Thomas W. Gleason's birthday as a sixteenth holiday, and establish a driver training program for handling marine terminal equipment.

Under the master agreement, base pay rises by \$1.20 an hour in each year and employer contributions to health-welfare and pension funds are increased. Talks continue at ports from Maine to Texas.

Spiraling Construction Wages

The Associated General Contractors has reached agreement with four basic trades on new three-year contracts providing some 8,000 building tradesmen in eastern Washington and northern Idaho with first-year increases in the 15 percent range. Second- and third-year increases will be \$1.25 an hour or a cost-of-living adjustment, whichever is greater. The c-o-l formula is six cents an hour for each 0.1 rise in CPI.

About 35,000 building tradesmen on heavy-highway work throughout Ohio will be covered by new agreements between the Ohio Contractors Association and five basic trades. The Carpenters, the only craft to negotiate a two-year contract, will receive hourly increases ranging from \$1.10 to \$1.25 in the first year and from \$1.20 to \$1.50 in the second. Other crafts will receive first-year increases ranging from \$1.10 to \$1.50, second-year from \$1 to \$1.50, and third-year from \$1.05 to \$1.35.

Associated General Contractors, meanwhile, has negotiated three-year agreements with five crafts to provide annual wage-fringe increases totaling 10, 9.75, and 9.5 percent for approximately 5,000 construction workers in southern Idaho.



Saturday Overtime Relief

Under a provision that employees will be excused from mandatory Saturday overtime at least one Saturday per month, Arbitrator David B. Johnson rules that the employer improperly scheduled a Saturday off during a two-week plantwide vacation shutdown.

Babcock & Wilcox Company, Tubular Products Division, and the Boilermakers agreed that Saturday overtime is mandatory and that employees frequently are required to work Saturdays, especially during the summer months.

Seeking some relief from this obligation, the union successfully negotiated a memorandum of understanding in which the employer agreed to excuse workers from Saturday work at least once each month.

In 1979 the employer scheduled a two-week vacation shutdown from July 1-14. It also scheduled July 7 as a Saturday off.

The union argued that the employer's scheduling of the July Saturday off during the vacation shutdown was improper. It contended that the employer may schedule a Saturday off only "on a day when employees would otherwise be required to work."

The employer maintained that the agreement does not require it to schedule a Saturday off on any particular Saturday. It observed that if it had chosen a Saturday other than the one during the shutdown, the company would have lost production on three Saturdays in July. Such an arrangement was "unacceptable" to management because July is one of the company's busiest months, the employer added.

Management argued further that the union's position is inconsistent because preplanned Saturdays off inevitably occur during other vacation periods of longer-service employees.

(Continued on page 3)

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FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 915

June 26, 1980

HOLIDAY AND VACATION PROVISIONS IN MAJOR CONTRACTS

Ten to eleven paid holidays per year and a maximum of five to five and one-half weeks of paid vacation are the most common holiday and vacation provisions found in contracts covering 1,000 or more workers analyzed by the Bureau of Labor Statistics.

The study, *Characteristics of Major Collective Bargaining Agreements, January 1, 1978*, provides statistical data on the frequency of more than 100 contract provisions. BLS analyzed 1,536 agreements, in effect on or after January 1, 1978, covering 7.1 million employees. These contracts represent more than four fifths of all agreements covering 1,000 or more workers on file with BLS.

BLS notes that this report is the eighth in a series of studies "presenting a wide array of data on major collective bargaining agreements, classified by identifying characteristics and substantive provisions, in all manufacturing and nonmanufacturing industries exclusive of airlines, railroads, and government."

Paid holidays are provided in 1,291 of the contracts. Fewer than six holidays are found in 25 agreements, while 15 or more holidays are found in 31 contracts. Of 1,259 agreements specifying wage rates paid for

holiday work, 43 percent grant double time and one-half, while 33 percent provide triple time (see Table 1).

Vacation plans are included in 1,394 (91 percent) of the 1,536 contracts studied. Of these, 1,115 agreements provide vacations based on the employee's length of service, 212 establish company-paid vacation funds, 50 base vacations on the number of hours worked each year, and 6 provide the same amount of vacation to all employees.

Maximum amounts of vacation are specified in 1,118 contracts. Only 18 agreements call for maximums of less than three weeks, while 218 contracts provide maximums of six weeks or more. Table 2 shows a breakdown by industry of vacation maximums and plan types.

Frequency of paid vacation amounts at specified lengths of service is shown in Table 3. One-week vacations are most common after one year of service, two weeks after two to three years, three weeks after 10 to 12 years, four weeks after 15 to 20 years, five weeks after 25 to 30 years, and six weeks after 30

TABLE 1. NUMBER OF PAID HOLIDAYS & PAY FOR TIME WORKED IN AGREEMENTS COVERING 1,000 OR MORE WORKERS, JANUARY 1, 1978

Holiday provisions	Agreements	Workers	Holiday provisions	Agreements	Workers
Number of holidays			Pay for time worked on holidays		
All agreements	1,536	7,054,550	All agreements	1,536	7,054,550
Total with paid holidays¹	1,291	5,977,150	Total with work rates on paid holidays ..	1,259	5,779,300
Fewer than 6 days	25	72,450	Straight time	1	1,000
6 days	20	66,900	Time and one-fourth	1	1,700
7 days	45	155,900	Time and one-half	31	107,750
8 days	91	398,200	Time and three-fourths	-	-
9 days	195	761,000	Double time	131	479,550
10 days	359	1,622,700	Double time and one-fourth	3	12,200
11 days	275	1,023,300	Double time and one-half	545	2,748,750
12 days	97	315,150	Double time and three-fourths	1	1,650
13 days	42	120,650	Triple time	413	1,858,100
14 days	34	519,100	Triple time and one-fourth	1	2,000
15 days	18	365,450	Triple time and one-half	1	1,000
16 days	6	16,550	Triple time and three-fourths	-	-
17 days	-	-	Quadruple time	-	-
18 days	2	18,000	Equal time off on another day or pay ³ ..	10	31,100
19 days	1	1,350	Funded holidays	57	277,100
20 days	4	11,250	Varies with holiday	40	143,550
Funded holidays	57	281,100	Varies according to specified		
Other ²	20	228,100	criteria	6	48,000
No reference to paid holidays	245	1,077,400	Other ⁴	18	65,850
			No reference to rates for holidays		
			worked	32	197,850
			No reference to paid holidays	245	1,077,400

¹ For purposes of this table half-day holidays have been ignored.

² Includes agreements that vary the number of holidays by location; that refer holiday to local negotiations; and that refer to paid holidays, but give no further details.

³ Agreements provide premium for time worked and compensatory time off at the option of the employer or the employee.

⁴ Includes agreements that pay a flat sum premium or make other arrangements not included above.

TABLE 2. MAXIMUM VACATION WEEKS ALLOWED BY INDUSTRY IN AGREEMENTS COVERING 1,000 OR MORE WORKERS, JANUARY 1, 1978

Industry	All agreements		Maximum amount of paid vacation time specified									
	Agreements	Workers	Total ¹		Under 3 weeks		3 and 3.5 weeks		4 and 4.5 weeks		5 and 5.5 weeks	
			Agreements	Workers	Agreements	Workers	Agreements	Workers	Agreements	Workers	Agreements	Workers
All industries	1,536	7,054,550	1,118	5,214,450	18	117,450	77	237,850	264	764,650	541	3,234,800
Manufacturing	770	3,377,150	690	2,935,850	13	109,100	43	82,850	168	465,250	300	1,734,050
Food, kindred products	84	234,550	79	222,850	-	-	3	4,800	24	98,400	31	60,350
Tobacco manufacturing	9	23,850	9	23,850	-	-	-	-	1	1,200	-	-
Textile mill products	13	28,900	13	28,900	2	3,000	9	21,900	2	4,000	-	-
Apparel	44	371,550	17	116,750	6	93,400	11	23,350	-	-	-	-
Lumber, wood products	11	18,900	10	16,500	-	-	2	4,500	7	10,350	1	1,650
Furniture, fixtures	12	20,050	12	20,050	1	2,200	3	4,500	7	12,050	1	1,300
Paper, allied products	49	86,600	49	86,600	-	-	-	-	5	7,050	1	1,000
Printing and publishing	23	48,400	11	21,900	-	-	-	-	4	12,100	7	9,800
Chemicals	41	78,400	33	58,450	-	-	-	-	5	10,950	14	24,700
Petroleum refining	16	30,150	15	28,950	-	-	-	-	-	-	15	28,950
Rubber and plastics	19	95,750	19	95,750	1	3,500	-	-	1	1,650	4	8,700
Leather products	12	25,050	10	21,050	-	-	2	2,100	7	17,350	-	-
Stone, clay, and glass	31	92,600	30	85,100	-	-	-	-	3	6,050	10	31,450
Primary metals	74	421,550	74	421,550	-	-	1	1,450	6	8,450	60	397,550
Fabricated metals	43	99,850	42	97,600	-	-	1	1,600	17	32,450	16	51,400
Machinery	80	251,500	76	238,500	1	1,500	2	3,400	25	68,100	36	136,350
Electrical machinery	77	361,300	73	347,000	1	2,000	2	2,750	13	29,550	45	167,250
Transportation equipment	107	1,034,700	93	951,000	1	3,500	5	7,700	33	128,350	46	788,150
Instruments	13	30,700	13	30,700	-	-	1	2,200	3	5,000	7	17,450
Miscellaneous manufacturing	12	22,800	12	22,800	-	-	1	2,600	5	12,200	6	8,000
Nonmanufacturing	766	3,677,400	428	2,278,600	5	8,350	34	155,000	96	299,400	241	1,500,750
Mining, crude petroleum, and natural gas	15	167,000	15	167,000	1	2,000	1	5,000	2	2,600	8	16,300
Transportation ²	76	665,600	55	513,900	-	-	-	-	1	1,850	50	492,500
Communications	69	600,900	67	561,900	-	-	1	35,000	16	51,550	49	473,850
Utilities, electric, and gas	73	212,350	73	212,350	-	-	-	-	2	4,400	46	142,800
Wholesale trade	16	28,250	16	28,250	-	-	1	2,100	4	7,800	9	16,000
Retail trade	123	429,750	111	393,750	-	-	2	2,000	40	96,900	55	233,400
Hotels and restaurants	37	172,400	36	171,400	-	-	25	92,850	11	78,550	-	-
Services	71	392,550	52	216,350	3	5,150	3	7,050	19	54,250	24	125,900
Construction	286	1,008,600	3	13,700	1	1,200	1	11,000	1	1,500	-	-
Miscellaneous nonmanufacturing	-	-	-	-	-	-	-	-	-	-	-	-

See footnotes at end of table.

**TABLE 2. MAXIMUM VACATION WEEKS ALLOWED BY INDUSTRY IN AGREEMENTS
COVERING 1,000 OR MORE WORKERS, JANUARY 1, 1978—Contd.**

Industry	Maximum amount of paid vacation time specified		Ratio-to-work plans ³		Funded plans ⁴		Other ⁵		No reference to paid vacations	
	6 weeks or more		Agreements	Workers	Agreements	Workers	Agreements	Workers	Agreements	Workers
	Agreements	Workers								
All industries	218	859,700	50	210,050	212	953,750	14	120,200	142	556,100
Manufacturing	166	544,600	30	124,650	26	208,050	10	63,000	14	45,600
Food, kindred products	21	59,300	3	8,900	-	-	-	-	2	2,800
Tobacco manufacturing	8	22,650	-	-	-	-	-	-	-	-
Textile mill products	-	-	-	-	-	-	-	-	-	-
Apparel	-	-	3	13,200	17	191,000	1	25,000	6	25,600
Lumber, wood products	-	-	1	2,400	-	-	-	-	-	-
Furniture, fixtures	-	-	-	-	-	-	-	-	-	-
Paper, allied products	43	78,550	-	-	-	-	-	-	-	-
Printing and publishing	-	-	8	18,900	4	7,600	-	-	-	-
Chemicals	14	22,800	1	3,250	2	3,200	4	12,000	1	1,500
Petroleum refining	-	-	-	-	-	-	-	-	1	1,200
Rubber and plastics	13	81,900	-	-	-	-	-	-	-	-
Leather products	1	1,600	-	-	2	4,000	-	-	-	-
Stone, clay, and glass	17	47,600	-	-	-	-	1	7,500	-	-
Primary metals	7	14,100	-	-	-	-	-	-	-	-
Fabricated metals	8	12,150	-	-	1	2,250	-	-	-	-
Machinery	12	29,150	3	11,500	-	-	1	1,500	-	-
Electrical machinery	12	145,450	2	6,300	-	-	2	8,000	-	-
Transportation equipment	8	23,300	9	60,200	-	-	1	9,000	4	14,500
Instruments	2	6,050	-	-	-	-	-	-	-	-
Miscellaneous manufacturing	-	-	-	-	-	-	-	-	-	-
Nonmanufacturing	52	315,100	20	85,400	186	745,700	4	57,200	128	510,500
Mining, crude petroleum, and natural gas	3	141,100	-	-	-	-	-	-	-	-
Transportation ⁶	4	19,550	6	50,700	13	89,000	-	-	2	12,000
Communications	1	1,500	-	-	-	-	-	-	2	39,000
Utilities, electric, and gas	25	65,150	-	-	-	-	-	-	-	-
Wholesale trade	2	2,350	-	-	-	-	-	-	-	-
Retail trade	14	61,450	4	10,400	7	23,900	1	1,700	-	-
Hotels and restaurants	-	-	1	1,000	-	-	-	-	-	-
Services	3	24,000	5	14,400	2	3,000	3	55,500	9	103,300
Construction	-	-	4	8,900	164	629,800	-	-	115	356,200
Miscellaneous nonmanufacturing	-	-	-	-	-	-	-	-	-	-

¹ Includes all graduated and uniform vacation plans, except those that specify no maximum.

² Excludes railroads and airlines.

³ Ratio-to-work plans relate the length of vacation to the number of hours or days that an employee works during a given time period, usually the year preceding the allocation of vacation.

⁴ Funded plans require employers to contribute to a fund from which workers subsequently draw vacation pay. The jointly or

unilaterally administered plans are found most often in industries such as construction and apparel, where employees may work for more than 1 employer during the year.

⁵ Includes agreements that vary vacations by occupation or activity, that are subject to local negotiations; and that refer to vacations, but give no further details.

NOTE: Nonadditive.

TABLE 3. VACATION ALLOWANCES AT SPECIFIED LENGTHS OF SERVICE UNDER GRADUATED PLANS IN AGREEMENTS COVERING 1,000 OR MORE WORKERS, JANUARY 1, 1978

Length of service	Amount of paid vacation									
	One-half week		1 week		1.5 weeks		2 weeks		2.5 weeks	
	Agree-ments	Workers	Agree-ments	Workers	Agree-ments	Workers	Agree-ments	Workers	Agree-ments	Workers
6 months	52	123,550	137	791,900	4	11,000	4	11,750	-	-
1 year	1	2,000	764	2,780,400	28	189,650	293	1,934,150	5	16,700
2 years	-	-	359	1,165,900	31	54,950	676	3,547,600	12	151,450
3 years	-	-	33	79,850	33	85,300	947	3,812,400	41	891,200
5 years	-	-	3	9,400	-	-	754	3,154,900	75	247,900
10 years	-	-	-	-	-	-	47	174,400	18	67,000
12 years	-	-	-	-	-	-	34	152,000	17	54,750
15 years	-	-	-	-	-	-	14	108,550	-	-
20 years	-	-	-	-	-	-	13	107,100	-	-
25 years	-	-	-	-	-	-	13	107,100	-	-
30 years	-	-	-	-	-	-	13	107,100	-	-
	3 weeks		3.5 weeks		4 weeks		4.5 weeks		5 weeks	
	Agree-ments	Workers	Agree-ments	Workers	Agree-ments	Workers	Agree-ments	Workers	Agree-ments	Workers
6 months	1	1,100	-	-	-	-	-	-	-	-
1 year	18	227,000	1	14,000	-	-	-	-	-	-
2 years	33	270,300	1	14,000	1	4,800	-	-	-	-
3 years	51	264,200	3	16,800	5	53,750	-	-	-	-
5 years	248	1,652,050	8	43,700	24	94,450	-	-	1	1,100
10 years	867	3,498,950	50	922,200	110	333,000	4	130,800	15	74,600
12 years	825	3,364,000	54	929,800	157	472,950	7	149,650	17	77,800
15 years	371	1,404,500	70	179,450	598	3,101,250	10	20,200	45	258,400
20 years	86	252,100	9	21,450	620	2,447,350	29	89,200	331	2,095,150
25 years	73	232,200	5	7,150	291	836,900	16	102,700	610	3,383,050
30 years	73	232,200	5	7,150	254	727,950	12	35,600	536	3,205,250
	5.5 weeks		6 weeks		6.5 weeks		7 weeks		8 weeks	
	Agree-ments	Workers	Agree-ments	Workers	Agree-ments	Workers	Agree-ments	Workers	Agree-ments	Workers
6 months	-	-	-	-	-	-	-	-	-	-
1 year	-	-	-	-	-	-	-	-	-	-
2 years	-	-	-	-	-	-	-	-	-	-
3 years	-	-	-	-	-	-	-	-	-	-
5 years	-	-	-	-	-	-	-	-	-	-
10 years	-	-	2	2,550	-	-	-	-	-	-
12 years	-	-	2	2,550	-	-	-	-	-	-
15 years	1	125,000	3	4,800	-	-	1	1,350	-	-
20 years	10	29,350	10	146,150	1	6,700	3	7,600	1	1,350
25 years	23	75,000	74	435,300	2	9,350	4	9,650	1	1,350
30 years	18	48,400	186	639,250	4	13,800	10	135,450	1	1,350

NOTE: This table presents the prevalence of specific vacation allowances for employees with specific service. Agreements that provide identical vacation allowances for employees with different lengths of service are counted more than once.

(Continued from page 2)

In the past, the employer said, affected employees simply have lost the benefit of that particular Saturday off.

After reviewing the contract's vacation clause, the arbitrator says he must reject the employer's seemingly plausible argument.

The vacation provision states that the employer retains "the final right to allot vacation periods. . . ." Management also may schedule "a period of temporary shutdown in any and all departments for any reason between June 15 and October 1," designating the shutdown as vacation.

The clause further provides that "vacations will, so far as practical, be granted at times most desired by employees. . . ."

Johnson says that although contract language "makes it clear that employees are not free to take their vacations just any time, the intent to give them broad freedom of choice is also clear."

He finds that this "distinguishes the scheduling of these periods of vacation from the period of the plant shutdown in July, when employees eligible for vacation are given no freedom of choice about whether they will be at work."

The arbitrator upholds the grievance, stating that an additional Saturday off should be scheduled to replace the one improperly scheduled on July 7, 1979. (74 LA 723)

Following are median first-year wage increases in settlements reported in the two-week period ending June 23 and year-to-date median increases for this year and last (see 19:8013):

	2-week period	year to date	year to date 1979
All industries	80.0¢ 11.1%	68.8¢ 9.5%	54.3¢ 8.3%
All nonconstruction	67.9¢ 10.7%	60.6¢ 9.5%	51.3¢ 8.3%
Manufacturing	66.9¢ 10.1%	59.5¢ 9.5%	54.0¢ 8.5%
Nonmfg. exc. constr.	75.0¢ 11.9%	64.6¢ 9.5%	48.5¢ 7.9%
Construction	131.7¢ 11.3%	112.5¢ 10.0%	84.5¢ 8.2%

Other Current Settlements

A 36-week strike ends with agreement between General Dynamics Corporation, Electric Boat Division, and the Marine Draftmen's Association on a three-year contract covering some 2,000 employees in Groton, Conn.

Pay is increased 8 percent effective June 9, 1980, 7 percent in June 1981, and 6 percent in June 1982. Lifetime major medical coverage is increased from \$75,000 to \$100,000 and weekly sickness and accident benefits rise from \$150 to \$180. A major strike issue was resolved when the company agreed to offer all striking employees the chance to return to their jobs. As part of the agreement, the union agreed to drop its unfair labor practice charges against the company.

Niagara Mohawk Power Corporation and the International Brotherhood of Electrical Workers have reached agreement on a two-year contract covering 7,500 employees in upstate New York. An average hourly rate of \$9.46 is increased by 8.5 percent annually in the first and second years. Major medical coverage is increased to \$200,000 per incident for employees and dependents and the pension plan is improved. The service requirement for five weeks of vacation is reduced from 24 years to 23 years.

Gimbel Brothers, Inc., has agreed with Retail, Wholesale and Department Store Local 2 on a two-year contract providing some 5,000 employees with wage increases of \$15 a week in the first and second year. Company contributions to health-welfare go from 7 to 7.5 percent of payroll in September 1980 and to 8 percent in 1981.

Bargaining Briefs

A neutrality pledge is enforced by the U.S. District Court for Northern Ohio in a temporary restraining order preventing Dana Corporation and its subsidiary, Wix Corporation, from violating terms of a letter attached to Dana's collective bargaining contract with the United Auto Workers.

The union, meanwhile, has withdrawn from a representation election at Wix's Gastonia, N.C., plant, charging that "captive audience" speeches by the Wix president in violation of the court order prevented a fair election.

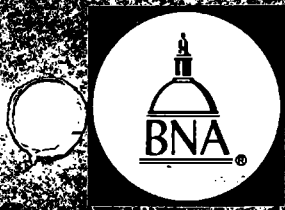
Steelworkers' contracts with major aluminum producers are within the 7.5-to-9.5 percent guideline for annual wage increases in compliance with the Administration's anti-inflation program, the Council on Wage and Price Stability has ruled. The three-year

contracts, patterned after the basic steel agreement, provide hourly wage increases of 25 cents in the first year, 20 cents in the second, and 15 cents in the third, augmented by adjustments of one cent for each 0.3 CPI rise in the first two years and for each 0.26 in the third. CWPS projects the CPI increase at 7.5 percent annually.

J.P. Stevens & Co., Inc., has engaged in bad faith bargaining with the Amalgamated Clothing and Textile Workers Union, the U.S. Court of Appeals for the Fourth Circuit finds in upholding an NLRB order. ACTWU was certified in 1974 as bargaining agent for 3,000 workers at seven Roanoke Rapids, N.C., plants, but has yet to obtain a contract.

The Board in 1978 found that the company engaged in violations that "go to the very heart of the National Labor Relations Act," and ordered Stevens to notify the union of any planned changes in employee benefits and to give the union a chance to negotiate these changes for Roanoke Rapids employees.

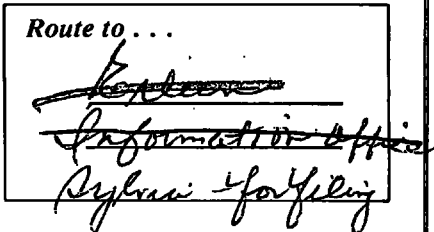
("LA" references are to BNA's Weekly Labor Arbitration Reports)



what's new in... COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

June 12, 1980

Route to . . .



Employment Costs Up

Employee compensation as measured by the expanded Employment Cost Index rose 2.7 percent in the first quarter of 1980, according to the Bureau of Labor Statistics.

The new compensation measure, as defined by BLS, includes changes in employer costs for employee benefits in addition to changes in straight-time average hourly earnings.

By occupational group, compensation increased 4.3 percent for service workers, 2.8 percent for white collar workers, and 2.4 percent for blue collar workers. In manufacturing, compensation increased 2.8 percent. Overall, compensation increased at a greater rate than wages and salaries.

Wage and salary rates alone rose 2.4 percent in first-quarter 1980 and 9.1 percent over the year.

Bell Bargaining

Contract negotiations between American Telephone and Telegraph Company and unions representing 700,000 AT&T employees opened on June 4 in Washington, D.C.

The Communications Workers of America is the lead union in the negotiations, representing 525,000 members at Bell telephone companies, Western Electric, Bell laboratories and the long lines division.

Separate negotiations are under way with the International Brotherhood of Electrical Workers, representing 116,000 AT&T employees, and the Telecommunications International Union, bargaining for 60,000 workers. Contracts with all three unions expire in August.

Improved pensions, job security, and substantial pay increases head the list of union demands.

Aluminum Industry Agreements

The United Steelworkers has reached agreement with three major aluminum companies on three-year contracts generally following the basic steel pattern, but providing for an improved cost-of-living formula and somewhat higher benefit increases.

The new contracts are with Kaiser Aluminum and Chemical Company, Aluminum Company of America, and Reynolds Metals Corporation. The union represents about 44,000 aluminum workers, including 30,000 at the big three companies.

Wages are increased 25 cents an hour in the first year, 20 cents in the second year, and 15 cents in the third year—the same as the steel settlement. Increments between job classifications rise one cent in the first and second years and one half cent in the third. Hourly wages averaged about \$9.50 under the previous contract, the union said.

A major union gain was a revision in the c-o-l formula in the third year to provide one cent for each 0.26 increase in the Consumer Price Index. The same change was negotiated last year in major rubber and auto industry contracts, but the Steelworkers were unable to obtain a revision in the c-o-l formula in the basic steel settlement. The current formula provides for quarterly adjustments of one cent for each 0.3 rise in CPI.

Two other major improvements cited by the union are an additional day of leave each year and increases ranging from 10 to 100 percent in pension benefits for retirees.

The union agreed to give up United Nations Day, which was added as an eleventh holiday in the last bargaining round, in exchange for two days per year of personal leave.

Monthly pension benefits are increased to a range of \$12.50 to \$19.50 per year of service for those who retired prior to May 1977 and to a range of \$15.75 to \$20.25 for those who retired during the last three years. Unlike the steel agreement, the aluminum settlement does not require employees to forgo a c-o-l increase to finance higher benefits for retirees.

Benefits for employees who retire in the future are increased \$2 per month for each year of service in January 1981 and 1982, raising monthly payments from a range of \$14.25 to \$18.25 to a range of \$18.25 to \$22.25 over the contract term.

Life insurance goes up from \$10,000 to \$15,000 in 1981 and to \$25,000 in 1982; weekly sickness and accident benefits rise in three steps from a range of \$168 to \$230 to a range of \$235 to \$303; and dental and insurance coverage is improved. Maximum weekly Supplemental Unemployment Benefits go up \$25 in each year, rising to \$260 a week.

The three companies, which bargained jointly for the first time, also agreed to standardize all pay grades and classifications by the end of the second contract year.

The Aluminum Workers International Union, representing about 20,000 members, also has agreed with the big three companies on similar three-year agreements.

Pacific Northwest Lumber Settlements

The International Woodworkers and the Carpenters' Western Council of Lumber, Production, and Industrial Workers have settled on three-

year contracts covering some 33,000 employees in ten major lumber companies in the Pacific Northwest. The pattern settlement is expected eventually to cover about 60,000 workers.

Subject to ratification, the agreements with the Western States Wood Products Employers Association would increase average hourly pay—now ranging from \$8.30 to \$8.50—by 80 cents in the first year, 75 cents in the second year, and 70 cents in the third year.

Employer contributions to health and welfare go up 7.5 cents an hour in both the first and second years and five cents in the third year. Monthly pension benefits would be increased from \$17 to \$19.50 per year of service and a third floating holiday would be added in 1981.

Companies accepting the agreements are Boise-Cascade Corporation, Champion International Company, Crown Zellerbach Corporation, Georgia Pacific Corporation, ITT Rayonier, Inc., International Paper Company, Louisiana Pacific Corporation, Publishers Paper Company, Simpson Timber Company, and Weyerhaeuser Company.



Surviving Spouse Rights

Letters Industries, Inc., Letts Drop Forge Div., is required to continue health insurance coverage for spouses of retirees who die, Arbitrator George T. Roumell, Jr., decides.

Company agreements with the Auto Workers had provided health insurance coverage for retirees and their spouses since 1971.

Under the 1977-1980 agreement, spouse qualifications (age 65 and participation in Medicare) for Blue Cross-Blue Shield were no longer required. In addition, prescription drug coverage was established for retirees and their spouses.

Evidence showed that since 1971 the company had dropped spouses of deceased retirees from insurance rolls. However, Roumell notes, "this fact did not become known to the union until November of 1978," when it was informed of the practice by a member of management.

The union contended that a retiree's death does not negate a spouse's right to medical insurance. It maintained that a retiree's spouse remained a spouse under the agreement even after the retiree's death.

The company further contended that there was an indisputable past practice of dropping medical insurance for a retiree's death, the term "surviving spouse" or "widow" would have been used. Upon the death of a retiree a spouse is no longer a spouse, but becomes a widow, it said.

The company further contended that there was an indisputable past practice of dropping medical insurance for expired retirees' spouses.

"While it is true that evidence of past practice is often of value in the interpretation of contractual language, the elements necessary to establish a past practice are not present here," Roumell says. "In order to have a past practice aid in the interpretation of a contract the practice must be mutually accepted by the parties," he adds.

(Continued on page 3)

Following are median first-year wage increases in settlements reported in the two-week period ending June 9 and year-to-date median increases for this year and last (see 19:8012):

	2-week period		year to date		year to date 1979	
All industries	77.6¢	9.5%	66.7¢	9.3%	54.3¢	8.2%
All nonconstruction	63.2¢	9.5%	58.9¢	9.3%	51.3¢	8.3%
Manufacturing	45.0¢	8.2%	55.9¢	9.4%	54.3¢	8.5%
Nonmfg. exc. constr.	75.0¢	9.6%	62.5¢	9.3%	48.1¢	7.8%
Construction	110.0¢	10.3%	110.0¢	9.6%	82.3¢	8.0%

Other Current Settlements

A 10-week strike ends with agreement between White Consolidated Industries and the International Union of Electrical Workers on a three-year national agreement covering some 5,000 workers.

Wages are increased by 61 cents in the first year, 20 cents in the second, and 16 cents in the third. A cost-of-living clause provides semi-annual adjustments of one cent for each 0.2 percent CPI rise. No adjustments will be paid for CPI rises between 13 and 15 percent in the first year and between 10 and 12 percent in the final six months, but further c-o-l adjustments would be made for CPI increases above these corridors.

Health Manpower Management, Inc. and the Minnesota Nurses Association have agreed to a two-year contract covering some 6,000 registered nurses at 21 Minneapolis-St. Paul hospitals.

Average wage increases of 9.7 percent in the first year and 8.1 percent in the second raise the monthly starting salary from \$1,200 to \$1,300 immediately and to \$1,400 in 1981. A dental plan is established and life insurance increases from \$12,000 to \$15,000 in the first year and to \$18,000 in the second.

Ten craft unions have settled with Detroit, Mich., area contractors on two-year agreements providing increases of 10.5 percent in the first year and 10 percent in the second for more than 30,000 workers. Distribution between wages and fringes has not yet been determined.

Gulf States Utilities Company and the International Brotherhood of Electrical Workers have reached agreement on a two-year contract covering 2,700 employees in Texas and Louisiana. An average hourly rate of \$7.33 is increased by 12.5 percent immediately, 8 percent in June 1981, and 2 percent in November 1981. The requirement for three weeks of vacation is reduced from nine to eight years of service, and company contributions to health and welfare insurance are increased.

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FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 914

June 12, 1980

PRODUCTIVITY AND COSTS: FIRST QUARTER 1980

Productivity in the private business sector declined 0.7 percent in the first quarter of 1980, reflecting a 0.8 percent increase in hours and no change in output, revised data published by the Bureau of Labor Statistics shows. From the first quarter of 1979 to the first quarter of 1980, productivity in private business dropped 1.2 percent. In each of the past five quarters private business productivity has been declining within a range of 0.7 to 3.0 percent.

In the nonfarm business sector, productivity fell 1.4 percent in first-quarter 1980, as output rose only 0.2 percent and hours advanced 1.6 percent. Last quarter nonfarm business productivity rose 0.7 percent. Over the year productivity in this sector has fallen 1.5 percent.

In manufacturing, productivity in first-quarter 1980

dropped 2.3 percent, with a 1.5 percent increase in hours outpacing a 0.9 percent drop in output. The 2.3 percent decline, when combined with a 9.8 percent increase in hourly compensation, pushed unit labor costs up 12.4 percent. In the twelve months ended in the first quarter of 1980, productivity in manufacturing rose a scant 0.1 percent.

Preliminary data for nonfinancial corporations shows productivity fell at a seasonally adjusted rate of 0.7 percent in first-quarter 1980. The first-quarter decline reflected advances of 0.6 percent in output and 1.3 percent in hours. Real hourly compensation — adjusted for changes in the Consumer Price Index for All Urban Consumers — dropped 5.6 percent in nonfinancial corporations and now stands at the same level as in third-quarter 1972, BLS says.

TABLE 1. PERCENT CHANGE AT ANNUAL RATES IN PRODUCTIVITY & COSTS
(Seasonally Adjusted)

	4th Quarter 1979 to 1st Quarter 1980	1st Quarter 1979 to 1st Quarter 1980
Private Business Sector (revised)		
Productivity	-0.7	-1.2
Hourly compensation	11.2	9.2
Unit labor costs	12.0	10.5
Real hourly compensation	-4.9	-4.4
Output	0.0	0.2
Hours	0.8	1.4
Nonfarm Business Sector (revised)		
Productivity	-1.4	-1.5
Hourly compensation	10.2	9.0
Unit labor costs	11.8	10.7
Real hourly compensation	-5.8	-4.5
Output	0.2	0.1
Hours	1.6	1.6
Manufacturing (revised)		
Productivity	-2.3	0.1
Hourly compensation	9.8	9.0
Unit labor costs	12.4	8.9
Real hourly compensation	-6.1	-4.5
Output	-0.9	-1.1
Hours	1.5	-1.3
Nonfinancial Corporations (preliminary)		
Productivity	-0.7	-1.1
Hourly compensation	10.4	8.8
Unit labor costs	11.1	10.0
Real hourly compensation	-5.6	-4.7
Output	0.6	0.1
Hours	1.3	1.2

TABLE 2. PRIVATE BUSINESS SECTOR, ALL PERSONS: PRODUCTIVITY, HOURLY COMPENSATION, UNIT LABOR COSTS, AND PRICES, SEASONALLY ADJUSTED

(Indexes 1967 = 100)

Year and Quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour ¹	Real compensation per hour ²	Unit labor costs	Unit nonlabor payments ³	Implicit price deflator ⁴
1979								
1st quarter	119.0	144.4	121.4	245.1	118.0	205.9	180.8	197.2
2nd quarter	118.4	143.4	121.2	250.6	117.1	211.7	183.6	202.0
3rd quarter	118.0	143.8	121.9	256.0	115.9	217.0	185.5	206.1
4th quarter	117.9	144.8	122.8	260.6	114.3	221.1	188.2	209.7
Annual average	118.3	144.1	121.8	253.2	116.4	214.0	184.4	203.8
1980								
1st quarter	117.6*	144.8*	123.1*	267.6*	112.9*	227.5*	189.8*	214.5*
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATES ⁵								
1979								
1st quarter	-3.0	-1.2	4.4	11.1	-0.1	14.6	-1.0	9.3
2nd quarter	-2.2	-2.9	-0.7	9.3	-3.1	11.8	6.6	10.1
3rd quarter	-1.4	1.1	2.5	8.8	-4.0	10.3	4.2	8.3
4th quarter	-0.3	2.8	3.2	7.4	-5.4	7.8	6.0*	7.2
Annual average	-0.9	2.4	3.3	9.3	-1.7	10.3	5.8	8.9
1980								
1st quarter	-0.7*	0.0*	0.8*	11.2*	-4.9*	12.0*	3.4*	9.3*
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR ⁶								
1979								
1st quarter	0.4	5.5	5.1	9.2	-0.6	8.7	9.7	9.0
2nd quarter	-0.6	2.2	2.8	9.5	-1.0	10.2	5.6	8.7
3rd quarter	-1.6	1.4	3.0	9.4	-2.0	11.2	4.8	9.1
4th quarter	-1.7	0.5	2.3	9.2	-3.2	11.1	3.9	8.7
Annual average	-0.9	2.4	3.3	9.3	-1.7	10.3	5.8	8.9
1980								
1st quarter	-1.2*	0.2*	1.4*	9.2*	-4.4*	10.5*	5.0*	8.7*

0190-5244/80/\$00.50

¹Wages and salaries of employees plus employers' contribution for social insurance and private benefit plans. Except for nonfinancial corporations, where there are no self-employed, data also include an estimate of wages, salaries, and supplemental payments for the self-employed.

²Compensation per hour adjusted for changes in the Consumer Price Index for All Urban Consumers.

³Nonlabor payments include profits, depreciation, interest, rental income, and indirect taxes.

⁴Current dollar gross product divided by constant dollar gross product.

⁵Percent change compounded at annual rate from original data rather than index numbers.

⁶Current quarter divided by comparable quarter a year ago.

*Revised.

(Continued from page 2)

In this case, Roumell asserts, the facts show that the union had no knowledge of the company's action.

The company would notify a surviving spouse that benefits were terminated. The spouse, unfamiliar with contract provisions, would accept the company's notification.

The arbitrator notes that because the "union's general concern is with activities inside the workplace affecting members," it would not be aware of the company practice.

"Since the necessary element of knowledge by the union is lacking here, the doctrine of past practice is not applicable," Roumell finds.

It is clear that the union bargained for "the benefits of retirees' spouses as part of a post-employment package." If the company wanted to "qualify the benefits, it should have bargained for qualifying language," the arbiter says.

"Absent such qualifying language or other convincing evidence that a qualification was intended, it would seem that it would be unreasonable or inequitable to place a qualification on the benefit accorded retirees' spouses. . . ."

Upholding the grievance, Roumell orders the company to provide benefits called for in 1971-1980 agreements to all surviving spouses whose health insurance coverage was terminated because of the death of their retiree spouses. (74 LA 569)

Depression In The Auto Industry

Faced with the largest number of layoffs in the history of the union, delegates to the United Auto Workers' 26th Constitutional Convention last week in Anaheim, Calif., focused their attention on lobbying the Federal Government to preserve jobs, rather than pushing for new benefits as in the past.

The current recession and influx of automobile imports—primarily Japanese—are causing "one of the most troublesome periods in the history of our union," UAW President Douglas A. Fraser told delegates. Layoffs by the four U.S. automakers now total about 235,000 and convention speakers stressed that relief will have to come in the form of legislation, rather than bargaining.

To ease problems caused by plant closings, the delegates resolved to support legislation that would require advance notice of plant shut-downs, assist businesses faced with closure, and protect employees. The resolution stated that "a major task facing our union and all working people during the 1980s is to implement an effective strategy for coping with economic dislocation."

Fraser, elected by the convention to a second term as UAW president, urged delegates to continue pressing for laws that would restrict automobile imports, require that some percentage of parts for popular imports be manufactured in the U.S., and provide additional funding for trade readjustment allowance benefits.

The convention marked major changes in UAW leadership, including the replacement of retiring secretary-treasurer Emil Mazey with Raymond E. Majerus, a former director of UAW's Milwaukee region.

Retiring veteran UAW vice presidents Ken Bannon, Irving Bluestone, and Pat Greathouse were replaced by Owen Bieber, Donald E. Ephlin, and Steven P. Yokich. Bieber was director of UAW's Grand Rapids district and Yokich was director of one of the union's Detroit regions. Ephlin was director of UAW's New England and eastern New York region and an assistant to former union president Leonard Woodcock.

Delegates reelected vice presidents Martin Gerber, Mark Stepp, and Odessa Komer.

Bargaining Briefs

Contract goals for aerospace workers represented by the United Auto Workers will be drawn up in a union conference in Toronto, Canada, next month. Retiring UAW Vice President Ken Bannon said aerospace workers have lost ground to auto industry employees in relation to contract benefits, and the union has "a lot of catch-up to do" in aerospace. UAW contracts covering 92,000 aerospace workers expire this fall and next spring.

First-year package increases in 129 construction agreements negotiated to date this year averaged \$1.24 per hour, or 9.9 percent, compared to \$1.01 per hour, or 8.4 percent, for the same period last year, according to a study by the Construction Labor Research Council. In multi-year contracts, the first-year increase was the highest and each succeeding deferred increase dropped about one percentage point.

A more active role should be taken by unions in the management of pension and welfare funds to better protect the interests of present and future beneficiaries, according to a report by the AFL-CIO Industrial Union Department. The study urges unions to seek joint administration of funds through collective bargaining, or failing that, to aim for employer commitments allowing the union to participate in important fund decisions, including selection of trustees and investment managers.

Dissatisfaction with 1980 bargaining is expressed by Oil, Chemical and Atomic Workers President Robert Goss. He accuses Chevron, the last company to settle with OCAW, of "chiseling" on the industry pattern and says that other companies forced striking locals to accept unfair back-to-work agreements. The union struck nationwide in January when the parties failed to agree under reopeners in two-year contracts. OCAW accepted Gulf's offer in March, extending the agreement for one year, and most companies accepted the pattern within a few weeks.



Yeshiva Aftermath

THE SUPREME COURT'S DECISION that faculty at Yeshiva University in New York are managerial employees excluded from coverage of the National Labor Relations Act may cause fallout in other industries, speakers at a symposium in New York City agreed.

Union officials and private university and college administrators met on May 27 to discuss the impact of the decision at the symposium sponsored by the National Center for the Study of Collective Bargaining in Higher Education and the Professions.

Joyce Barrett, New York City labor attorney, sees the *Yeshiva* decision as a part of a much larger problem—a serious attack on professionals' rights to bargain. She compared it to the 1976 NLRB decision that house doctors are students excluded from NLRA protection. That decision has caused much unrest, especially in New York City where there have been several threatened recognition strikes.

Arthur Eisenberg, NLRB Regional Director in Newark, N.J., said that depending on how the decision is finally interpreted, *Yeshiva* could apply to doctors, registered nurses, and other professionals who have substantial decision-making powers.

Eisenberg admitted that there will be much litigation before the real impact of the decision will be felt, but the Board "will tread warily" because of the public interest generated by the decision.

Because the *Supreme Court* recognized that the decision was a "starting point only" and didn't define much of what it said, other cases are required to clarify the exact meaning of the decision. Two such cases arise from the University of New Haven's refusal to bargain and Boston University's challenge of its department chairmen as managers.

Walter Jewell, the University of New Haven's Secretary, told the participants that the university refused to bargain with its faculty because bargaining on the campus had turned into "collective haggling." He said the parties had been negotiating on a second contract for six months when the *Yeshiva* decision was reached, and there had not been any constructive bargaining.

The case will be reviewed by NLRB via an unfair labor practice charge filed by the union.

Jewell advised universities with a working collective bargaining relationship to stick with it, because in some instances it can be very good.

Eisenberg noted that the case of BU, currently in the U.S. Court of Appeals at Boston on remand from the Supreme Court, could be the vehicle to redefine *Yeshiva*. The case arose when BU first argued that its department chairmen were managers and later argued that all its faculty were managers. During the litigation the university entered into an agreement with its faculty union that stated it would be subject to the Supreme Court's decision.

The Supreme Court's remand raises such questions as whether an employer can withdraw recognition during the life of a contract, whether the Board will permit a university which didn't question the status of the entire faculty to do so later, and in a case where the status was previously raised, how broadly should the Board reconsider it.

Eisenberg said the Board eventually will have to issue guidelines on faculty unionization but must first decide whether to seek enforcement of a bargaining order to a university that refused to bargain with a certified union. In the case of new organizing, the Board must decide whether the regional offices will hold hearings or send the case directly to Washington for determination.

Barrett told the group, nevertheless, that collective bargaining is here to stay and will continue lawfully or unlawfully. She emphasized it is in the employer's interest to continue bargaining because there is greater peace through bargaining with avenues such as a grievance procedure to turn to.

She urged unions to let universities know that unless they continue to bargain, the schools will continue to experience conflict. She said unions need to assert pressure in all forms—through the media, demonstrations, and strikes if necessary—to show they won't accept a decision not to bargain.

Litigation will be an important weapon in getting universities to bargain, Barrett said. Unions must begin creating a record on how faculty participate in the governance of the facility and how the administration can override faculty decisions.

She advised unions also to pressure for political change. A bill is being introduced in Congress that would bring faculty under NLRA but it could take a long time, she warned.

Aaron Levenstein, associate director of the sponsoring National Center, agreed that unions will stay around even if they lose the "weapon" that was available to them. He said unionization often arises from economic issues, and the shrinking economy will mandate its continuation.

Turning to congressional action, he said a parallel situation existed in 1974 when Congress brought private hospitals under the protection of the NLRA.



what's new in... COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

May 29, 1980

Route to ...

Editor ✓

~~Supervisor~~

Sylvia - for Yelling

Inflation Slowdown

The Consumer Price Index for All Urban Consumers (CPI-U) increased 1.1 percent in April to 242.5 percent of the 1967 base, the Bureau of Labor Statistics reported. The Index for Urban Wage Earners and Clerical Workers (CPI-W) also rose 1.1 percent to 242.6 of the base.

Seasonally adjusted, CPI-U rose 0.9 percent, compared to 1.4 percent in March, and CPI-W increased 1.0 percent.

Over the past twelve months, CPI-U has risen 14.7 percent and CPI-W has increased 14.5 percent.

Although the rate of inflation slowed in April, purchasing power of rank-and-file workers with families dropped 1.2 percent, seasonally adjusted, to \$83.46 per week. Over the past year, buying power has fallen 6.7 percent.

Citing moderate energy price hikes and declining mortgage interest rates, Council on Wage and Price Stability Chairman Alfred Kahn predicted that the inflation rate will be "down to the 10.0 percent range by the middle of 1980."

Labor in Education

Labor relations and equal opportunity in education will be the focus of a two-day conference sponsored by the Bureau of National Affairs, Inc., on June 16-17 at the Shoreham Americana Hotel in Washington, D.C. Topics will include collective bargaining and negotiations, strikes and contract settlements, legal developments in teacher labor relations, and sex discrimination.

For more information, contact Education Conference Secretary, BNA Education Systems, Suite S-602, 1231 25th St. N.W., Washington, D.C. 20037. Telephone (202) 452-4420 or toll-free (800) 424-8039.

Early Longshore Settlement

More than four months before the expiration of current contracts, the International Longshoremen's Association and five shipping associations have settled on a new three-year master contract covering 50,000 Atlantic and Gulf Coast dock workers. Although local bargaining lies ahead, the settlement virtually assures a strike-free bargaining round for only the second time since World War II.

The settlement raises the current hourly rate of \$10.40 by \$1.20 in each contract year. Employer contributions toward pensions are increased by 25 cents per hour each year, raising the hourly contribution from \$2.25 to \$3.00 over term. Health and welfare contributions rise by 17 cents an hour in each of the first two years and 16 cents per hour in the third, increasing the hourly total from \$1.50 to \$2.00 over term.

Increases under the new contract equal more than 11 percent in the first year and more than 34 percent over term—well above the Administration's voluntary pay guideline of 7.5 to 9.5 percent. An employer spokesman said that the shipping associations' initial offer had mentioned the wage standard and called for increases within the guideline, but he added, "obviously, to get a contract we had to go above that."

Negotiations were accelerated to avoid a loss of business from shippers fearing a strike. The parties had aimed for a settlement by July 1—three months before the expiration of existing contracts—but they beat that deadline by five weeks. North Atlantic, South Atlantic, and Gulf Coast employer associations bargained jointly for the first time. The New Orleans Steamship Association was the only major employer that did not participate in the talks.

No changes were made in containerization provisions, but the parties agreed on the right to terminate the contract with 60 days' notice after December 1, 1980, if the Supreme Court overturns the legality of present provisions.

Pension benefits, insurance coverage, and guaranteed annual income provisions will be negotiated at individual ports. Settlements are expected within two months. The master contract does not require ratification; members will vote on local agreements, however.

Current Settlements

Associated General Contractors and three employer associations in St. Louis, Mo., have negotiated three-year contracts with six building trades unions. Covering more than 9,000 workers, the contracts provide first-year wage increases ranging from \$1.02 to \$1.40 an hour. Wage-fringe package increases will range from \$1.25 to \$1.45 in the second year and from \$1.20 to \$1.50 in the third year.

The United Furniture Workers end a 10-week strike at Memphis [Tenn.] Furniture Manufacturing Company, unanimously ratifying a contract retaining key features first negotiated for 1,200 employees two years ago. Union dues checkoff, insurance and pension coverage, and the right to strike over unresolved grievances are continued. In addition, incentive bonus disputes now will go to arbitration.

Other gains include pay increases totalling 90 cents for skilled workers and 80 cents for unskilled in four steps over the next 18 months, a 10th holiday, bereavement leave, Christmas bonuses, higher overtime pay, and additional holiday and vacation pay.

A 20-day strike ends with agreement between United Technologies Corporation's American Bosch subsidiary and the International Union of Electrical Workers on a three-year contract covering some 1,200 employees in Springfield, Mass.

Under the agreement wages are increased by 50 cents in the first year and 45 cents in the second and third years. A first cost-of-living clause provides semiannual adjustments of one cent for each 0.3 percent CPI rise with portions of each increase diverted to pay the increased costs of fringe benefits. A dental plan is instituted in the second year and major medical insurance increases from \$25,000 to \$50,000 maximum.

The United Auto Workers and the Bendix Corporation have agreed on a three-year master agreement covering 6,500 employees in five states and generally following the industry pattern established last fall at General Motors Corporation. Pay is increased 3 percent in May of each year and quarterly cost-of-living adjustments of one cent for each 0.3 CPI rise will change to one cent for each 0.26 rise in 1982.



Layoff Dispute

Stanley Works, Stanley Tool Division, violated its contract with the United Electrical Workers by permanently transferring all employees from one department to another during an in-plant relocation of operations, Arbitrator David P. Twomey rules.

The contract states that "in the case of a permanent reduction of work in a department, the least senior employees affected will be scheduled for layoff."

The union contended that the grievants should have been scheduled for layoff instead of being permanently transferred. It explained that under the agreement employees scheduled for layoff may choose to be laid off, fill an open position, or exercise their bumping rights.

The employer argued that there "was no reduction in the work force requiring the company to implement the layoff language" found in the contract.

The arbitrator declares that the facts that no employee was laid off "in the sense of being put out in the street" and that no lack of work occurred in the plant as a result of the relocation of work are "not relevant considerations under the explicit language" of the agreement.

Twomey observes that the language "is not written in terms of 'in the case of a layoff of employees,' but rather 'in the case of a permanent reduction of work in a department,' and it is this language which must control in the instant case."

The arbitrator observes further that the language "does not require that the individuals must be actually laid off, but that they 'will be scheduled for layoff.'"

Upholding the grievance, he finds that the employer denied the grievants options that would have been available if they properly had been scheduled for layoff. (74 LA 522)

Following are median first-year wage increases in settlements reported in the two-week period ending May 26 and year-to-date median increases for this year and last (see 19:8011):

	2-week period		year to date		year to date 1979	
All industries	83.3¢	9.0%	62.0¢	9.2%	54.7¢	8.2%
All nonconstruction	58.4¢	9.7%	58.1¢	9.3%	51.4¢	8.0%
Manufacturing	60.0¢	10.5%	56.0¢	9.5%	54.7¢	8.7%
Nonmfg. exc. constr.	(*)	(*)	61.5¢	9.0%	45.5¢	7.5%
Construction	112.0¢	9.6%	107.5¢	9.8%	90.0¢	8.7%

(*) Insufficient data

Multi-Employer Pension Plan Insurance

The House on May 22 unanimously approved an amendment (HR 3904) to the 1974 Employee Retirement Income Security Act to shore up financially troubled multi-employer pension plans.

The measure results from a study by the Pension Benefit Guaranty Corporation showing that as many as 160 collectively bargained plans—in the construction, performing arts, and anthracite mining industries and elsewhere—are likely to collapse over the next 10 years, if the law's current provision for mandatory termination insurance goes into effect on July 1, as scheduled.

Insurance coverage under the bill would be provided only for insolvent plans, not those merely terminating. In addition, trustees would be permitted to reorganize plans to avoid insolvency.

To encourage employers to join multi-employer plans, the measure includes "a free look" clause that would give them six years after joining a plan before incurring withdrawal liability. An exemption would be made for construction and entertainment industry plans.

Plans would be required to amortize new past service increases over 30 instead of 40 years and experience losses over 15 instead of 20 years.

Any employer leaving a multi-employer plan would be required to continue its fair share of the plan's liability.

As one means to prevent insolvency, the bill provides for a reduction in benefit guarantees to below the 100 percent level of single-employer

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To Joe Russell

FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 913

May 29, 1980

CONSTRUCTION WAGES: FIRST QUARTER 1980

Union wage rates for building trades workers rose an average 7.1 percent, or 76.4 cents, to \$11.55 an hour, in the year ended April 1, 1980, according to the Bureau of Labor Statistics. The increase — 0.1 percentage point higher than the increase in the year ended January 2, 1980 — was the highest over-the-year increase since that recorded in first-quarter 1976.

From January 2, 1980 to April 1, 1980, average hourly wage rates for building tradesmen increased 0.6 percent, or 7.0 cents an hour, compared to a 0.4 percent increase in first-quarter 1979 and matching the 0.6 percent first-quarter gain of the past twelve years.

Paralleling the wage rate increase, combined wage and benefit payments rose 7.1 percent, or 93.2 cents,

TABLE 1. AVERAGE UNION HOURLY WAGE RATES IN BUILDING TRADES, APRIL 1, 1980 AND CHANGES BETWEEN JANUARY 1980-APRIL 1980 AND APRIL 1979-1980

Trade or occupation	Average union hourly wage rate	Changes between ¹			
		January 2, 1980 and April 1, 1980		April 1, 1979 and April 1, 1980	
		Cents	Percent	Cents	Percent
WAGES ONLY					
All trades	\$11.55	7.0	0.6	76.4	7.1
Bricklayers	11.93	5.5	0.5	80.8	7.3
Building laborers	9.20	6.9	0.8	60.9	7.1
Carpenters	11.72	5.0	0.4	74.8	6.8
Electricians	12.83	7.9	0.6	81.5	6.7
Painters	11.51	10.3	0.9	78.6	7.4
Plasterers	11.49	5.5	0.5	76.3	7.1
Plumbers	12.44	12.7	1.0	102.7	9.0
WAGES AND BENEFITS					
All trades	\$14.24	8.6	0.6	93.2	7.1
Bricklayers	14.32	7.3	0.5	95.4	7.1
Building laborers	11.52	10.5	0.9	77.5	7.3
Carpenters	14.42	6.1	0.4	91.4	6.8
Electricians	15.86	8.3	0.5	99.4	6.7
Painters	13.55	11.7	0.9	94.3	7.6
Plasterers	13.89	6.6	0.5	88.3	6.9
Plumbers	15.57	13.8	0.9	121.3	8.6

¹In computing changes in wage rates, increases in each trade were averaged among all workers in the trade, including those that did not receive wage rate increases.

to \$14.24 an hour, from April 1979 to April 1980 and 0.6 percent in the first quarter of 1980. BLS points out that "until recently, relatively large increases in payments toward benefits usually resulted in wage rates plus benefits outpacing wage rates by at least a full percentage point." Since third-quarter 1978, however, that spread has narrowed to "0.5 percentage points or less."

The rate of increase in union wages in the building trades has been climbing steadily — except for a slight dip in the third quarter of 1978 — since falling to a four-year low of 5.3 percent in the year ended first-quarter 1978. The highest annual increase in construction wages during the 1970s was 12.3 percent in the year ended April 1971.

The largest over-the-year increase among construction workers was registered by plumbers, whose

pay climbed 102.7 cents, or 9.0 percent, to \$12.44 an hour, BLS data for April 1980 show. The smallest annual percentage increase was registered by electricians, whose pay rose 81.5 cents, or 6.7 percent, to \$12.83 an hour. Plumbers received the highest hourly wage rate among the seven construction trades monitored by BLS, and laborers the lowest.

BLS collected wage rate and benefit information from 830 bargaining units with contracts in force on April 1, 1980. Data for these units include all negotiated or deferred changes put in effect between January 2, 1980 and April 1, 1980.

Wage and benefit data for building trades is provided quarterly for 121 cities with populations of 100,000 or more. Sixty-six of the surveyed cities are weighted to represent 153 cities of this size, BLS notes. (For wage rate listings by city, see 18:315.)

TABLE 2. ANNUAL PERCENTAGE INCREASES IN WAGE RATES AND WAGES AND BENEFITS OF BUILDING TRADES, 1970-1980

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
	WAGES ONLY										
1st quarter	9.1	12.3	10.4	5.8	4.5	9.2	8.0	5.8	5.3	6.0	7.1
2nd quarter	11.8	11.4	6.5	4.9	7.4	8.8	6.7	5.8	5.9	6.8	---
3rd quarter	11.6	11.2	7.1	4.9	7.6	8.3	6.1	5.6	5.8	6.9	---
4th quarter	11.9	10.2	7.1	4.4	9.0	8.0	5.9	5.5	5.9	7.0	---
	WAGES AND BENEFITS ¹										
1st quarter	10.2	13.5	11.8	7.0	5.6	9.9	8.8	7.0	6.4	6.4	7.1
2nd quarter	12.9	12.2	7.3	6.0	8.2	9.8	7.9	6.7	6.7	7.0	---
3rd quarter	12.9	12.7	8.2	6.2	8.2	9.6	7.4	6.6	6.3	7.0	---
4th quarter	13.0	11.6	8.2	5.5	9.6	9.1	7.1	6.6	6.2	7.0	---

¹ Starting with the 12-month increase ended July 1979, this measure includes employer payments for holidays, savings, and supplemental unemployment benefits. This expands the series' benefit coverage, limited previously to insurance, pensions, and vacations.

Reporting Pay

La Favorite Rubber Manufacturing Company, Hawthorne, N.J., is obligated to grant reporting pay for a two-hour period during which employees were required to stay at the plant while management tried to correct an electric power outage caused by a storm, Arbitrator Daniel F. Brent decides.

La Favorite's contract with the Rubber Workers called for payment of a maximum of four hours reporting pay if the employer did not provide work, except in the event of an Act of God or a major equipment breakdown.

The arbitrator finds that "by requiring the employees to remain for more than the period of time reasonably necessary to investigate the outage and to reach a decision about closing the plant, the company caused the employees to incur a detriment, and thereby undertook a risk of liability for the employees' time."

Brent rules that the extended period of indecision "clearly invalidated . . . the contractual exemption regarding Acts of God."

Denying the union's claim to four hours of reporting pay, however, Brent says that "it would be inequitable to compensate the employees as if the lack of work had been solely within the exclusive control of the company." (74 LA 513)

plans. The measure would provide a 100 percent guarantee of the first \$5 a month in benefits times years of service, plus 70 percent of the next \$15 a month times years of service under plans with funds meeting certain standards or 60 percent for plans not meeting funding standards.

Employer premiums to PBGC would rise over a nine-year period from 50 cents to \$2.60 per year for each participant (the current single-employer rate).

The bill is backed by representatives of both labor and management. Both sides assert that uncertainty over the termination insurance premium rate for multi-employer plans and the potential consequences of a sudden flood of terminations has disrupted contract negotiations in some industries and will continue to cause disruptions until the issue is resolved.

PBGC says that in 1978 about 8 million workers and retirees were covered under multi-employer plans. About 1.3 million participants are currently covered by plans that are experiencing financial difficulty and could terminate in the next 10 years. If these plans go under, PBGC says that the liability of the multi-employer termination insurance fund could shoot up to about \$4 billion. Only \$20 million was in the fund at the end of fiscal year 1978.

A slightly different bill is under consideration in the Senate.

The President's Commission on Pension Policy in an interim report, meanwhile, says that serious consideration should be given to establishment of a universal advance-funded pension system.

The system could be considered an advance-funded tier of social security that would permit contracting out to pension plans, or a universal employee retirement system with a central portability clearinghouse, the report says.

Public policy should emphasize increasing coverage to all rather than providing full inflation protection to some, the commission states. It adds, however, that inflation adjustments should be encouraged.

The report suggests that the normal retirement age for social security be raised in the future but says such a step should not be taken now because there is a social contract with working people who are approaching retirement age.

Bargaining Briefs

Severance pay for workers laid off as a result of a plant closing would be entitled to a special tax break under a bill introduced by Senator David Durenberger (R-Minn). Laid-off workers could spread their severance pay over a 10-year period, rather than receive large lump-sum payments that often place them in a higher tax bracket.

The Labor Department has issued a final standard permitting access by workers, collective bargaining agents, and the Occupational Safety and Health Administration to employer-maintained medical and toxic exposure records. Access must be provided within 15 days of request and at no cost to the employee. Access to bargaining agents requires the employee's written consent. OSHA may obtain access only after a careful determination of need

and with appropriate safeguards to protect individual privacy.

Merger of the 10,000-member International Jewelry Workers Union and the 635,000-member Service Employees International Union is expected to aid in organizing thousands of unrepresented workers in the jewelry industry, according to union spokesmen.

The Licensed Practical Nurses Association of Massachusetts, meanwhile, has approved an unusual affiliation agreement with SEIU in which the association will retain its functions in promoting the education and professional interests of the LPNs, while an SEIU local in Boston will take over the group's collective bargaining functions.

Rock Island Railroad employees who lose their jobs when other carriers buy segments of the defunct line would receive benefits totalling up to \$75 million under a bill just approved by Congress. The measure also calls for spending \$1.5 million to provide alternative job training.



Perspective

Ailing SUB Funds

LAYOFFS in the automobile and rubber industries once again are straining the capacity of negotiated income security provisions to protect employees against the effects of the severe recession.

In the auto industry layoffs already equal the total number of unemployed at the peak of the 1974-75 recession, and indications are that rubber industry layoffs will soon reach the 1974-75 level.

Supplemental Unemployment Benefits, the principal means of providing private assistance to cushion the impact of joblessness, are included in major auto and rubber industry agreements. First negotiated by the United Auto Workers in the mid 1950s, the funds are designed to supplement state unemployment compensation during layoffs.

"The U.S. auto industry is not in a recession, it is in a depression," UAW officials stressed in recent pleas for import relief. The number of layoffs at the Big Three illustrate that this claim is no exaggeration.

Almost one third of the workforce is on indefinite layoff—120,000 at General Motors Corporation, 54,800 at Ford Motor Company, and 46,000 at Chrysler Corporation. In mid-May some 44,200 Ford workers and 29,450 GM employees were on temporary layoff.

SUB plans in the auto industry call for payment of an amount, which, when combined with state unemployment benefits, equals 95 percent of take-home pay, minus \$12.50 per week for work-related expenses not incurred.

After one year of employment, workers become eligible for SUB by accruing "credit units." One half unit is credited for each workweek, to a maximum 52 credit units. Normally, one credit unit is canceled for each week of benefits received, but if the fund is low a greater number of units per benefit week is canceled.

Auto industry plans also call for 20 percent reductions in benefits if the fund falls below a certain level. In addition, the SUB payment is reduced by the amount of trade adjustment assistance paid.

Two backup funds to strengthen SUB financing were established in the 1976 negotiations—a Guaranteed Benefit Account to ensure benefits for employees with 10 years of service and an Advance

Credit Account to shore up the regular fund. GBA is financed by a onetime employer payment of \$400 per covered employee; ACA by \$100 per covered employee.

In 1979 GBA was further strengthened and employer contributions to the regular fund were increased to a range of 14 to 24 cents an hour.

Despite the improvements, funds at Ford and Chrysler are in imminent jeopardy. UAW President Douglas Fraser notes that the funds "were never designed to take care of catastrophes." A crucial factor in the survival of the SUB funds is whether Congress appropriates an additional \$1.1 billion needed to fund the trade adjustment assistance program.

About one fifth of employees at the four major tire manufacturers are laid off, and the total will nearly double when scheduled plant closings take effect this summer.

Layoffs now total 4,700 at Goodyear Tire and Rubber Company, 4,600 at Firestone Tire and Rubber Company, 1,200 at Uniroyal, Inc., and 600 at B.F. Goodrich Company. In addition, Uniroyal plans to shut down two plants employing 3,300 workers, and Firestone intends to close six plants employing 8,500 workers.

Rubber industry SUB plans pay 80 percent of straight-time pay, less unemployment compensation. Employees become eligible for benefits after one year of service by accruing one half credit for each workweek.

Employees with less than five years' service may accrue up to 52 credit units; those with 25 years up to 208. When the fund is high, one credit unit is canceled for each week a benefit is paid.

Under URW SUB plans benefits are not reduced when the fund is low, but the number of weeks for which benefits are paid is reduced.

Funds at three companies are in serious trouble. The Uniroyal fund ran dry last year and the Firestone and Goodyear funds were depleted earlier this year. All three funds have resumed payments, however, under a provision negotiated in 1979 requiring employers to establish a contingency fund. Contingency funds are financed by company contributions of \$122 per employee when the regular fund falls to a certain level.

The three companies established and exhausted contingency funds during the first contract year and reestablished them at the beginning of the second. Contingency funds—\$2.6 million at Goodyear, \$1.9 million at Firestone, and \$1 million at Uniroyal—are expected to run dry in less than two months.

Goodrich has not needed to establish a contingency fund but will have to soon if there is no pick-up in the auto industry, according to URW.



what's new in...

COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

April 17, 1980

Route to . . .

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Union Merger Talks

Officials of three unions—the Oil, Chemical and Atomic Workers; the United Paperworkers; and the United Rubber Workers—are contemplating a merger.

The 325,000-member Paperworkers union has had "open, free, and frank discussions" with OCAW, according to Bill Casamo, executive assistant to Paperworkers' President Wayne Glenn.

Robert Goss, president of the 175,000-member Oil Workers union, says he hopes "to have meaningful talks with the Paperworkers in the next 60 days."

URW President Peter Bommarito says he expects to discuss the merger with OCAW and the Paperworkers at the AFL-CIO executive council meeting in Washington, D.C., May 6. (A proposed URW-OCAW merger fell through in 1975.)

URW estimates that its ranks will drop from 187,000 members in 1977 to 152,000 by the end of this year because of plant closings. Firestone Tire and Rubber Company has announced it will close six plants employing more than 6,500 workers, while Uniroyal, Inc., says it will shut down two plants employing some 2,300 workers.

The three unions, according to Casamo, share common problems in dealing with the "most capital-intensive industries in the United States."

The Paperworkers expect to merge first with the Oil Workers. However, both mergers "could happen in the same year," Casamo says.

In The Binders

The General Electric Company and International Union of Electrical Workers contract, 23:1.

Basic Steel Settlement

The United Steelworkers have ratified a new three-year basic steel industry agreement covering 286,000 employees at nine major steel companies. Straight-time rates, currently averaging \$9.50 an hour, will be raised approximately 40 percent over term. The 500 local presidents constituting the Steelworkers' basic steel industry bargaining conference ratified the agreement April 15, setting the pattern for an additional 140,000 workers under contracts expiring August 1.

Hourly pay will go up by 25 cents May 1, 20 cents August 1, 1981, and 15 cents August 1, 1982. An increment of one cent per hour is added annually between job classifications, providing an additional average eight cents per year. Differentials are increased from 20 to 30 cents per hour for the afternoon shift and from 30 to 45 cents for the night shift. The existing cost-of-living formula providing quarterly adjustments of one cent for each 0.3 CPI rise will continue. The union agreed to forgo a 32-cent c-o-l adjustment due May 1 to finance pension improvements. C-o-l adjustments already in effect will be rolled into the base rates on May 1, 1980, and August 1 of each year.

Pensions for retirees will be raised between 10 and 70 percent in two equal steps August 1, 1980 and 1981. Increases will total between \$25 and \$250 per month, bringing the minimum monthly benefit to \$12 per year of service.

One issue unresolved at settlement is the future of the Experimental Negotiating Agreement barring nationwide strikes in exchange for a guaranteed 3 percent annual wage increase, continued cost-of-living adjustments, and a \$150 one-time bonus. If retained, ENA will be significantly revised, it was said.

New York Transit Pact

Ending an 11-day strike, the Transport Workers Union and the Amalgamated Transit Union, which together represent 33,000 New York City bus and subway workers, have agreed with the Metropolitan Transit Authority on a two-year contract.

The tentative agreements call for two general wage increases, 9 percent in the first year and 8 percent in the second, and a cost-of-living adjustment covering the last six months of the contract. The c-o-l formula provides one cent for each 0.4 rise in the Consumer Price Index, up to a maximum CPI rise of 6 percent. The parties also agreed to several contract changes aimed at improving workers' productivity and management's operation of the transit system. Among these are elimination of 20 minutes pay per day for work breaks, a new wage progression system for new hires, elimination of two paid hours off on Election Day, and a procedure to reduce sick leave abuses.

After a tie ratification vote on the proposed settlement, TWU's executive board voted to send the pact to the membership for approval and ordered workers back to their jobs. ATU also plans a membership vote. Dissension within TWU could lead to a rejection of the contract; results of the mail ballot vote are not expected for a couple of weeks.

Other Current Settlements

Amalgamated Clothing and Textile Workers Union Local 14-A has accepted a three-year agreement covering 4,500 Rochester, N.Y., employ-

ees and setting the pattern for an additional 4,500 employees at seventeen Xerox Corporation plants nationwide, according to the company.

An average hourly rate of \$7.16 is increased by 3 percent in each contract year and a cost-of-living provision calling for quarterly adjustments of one cent for each 0.3 CPI rise is continued. Life insurance is increased from \$40,000 to \$45,000 and a twelfth holiday will be added in the third year.

Brown & Williamson Tobacco Corporation and Bakery, Confectionery, and Tobacco Workers have agreed on a three-year contract providing 2,100 workers in Virginia with successive annual increases of 31, 28, and 20 cents and quarterly c-o-l adjustments of one cent for every 0.3 CPI rise with annual advances of 28, 36, and 36 cents. Other improvements are higher pensions, more health insurance, liberalized vacation eligibility, and Friday before Memorial Day as the twelfth holiday.

Service Employees Local 399 has accepted a two-year contract covering some 9,000 workers at seven Kaiser Foundation hospitals and 22 clinics in the Los Angeles, Calif., area. The contract provides wage increases of 9 percent in the first year and 8.5 percent in the second year. The employees will receive an additional 0.5 percent increase in the second year if the Los Angeles CPI rises by 9 percent. A bilingual differential for employees who can speak to patients in foreign languages is increased from \$10 to \$45 per month.

The Building Managers Association of Chicago and Service Employees Local 25 have agreed on a two-year contract providing building service workers with hourly pay raises of 56 cents initially and 50 cents the second year. A c-o-l adjustment of one cent for each 0.225 CPI increase will be paid in the second year if the formula generates an increase in excess of 50 cents. Employers raised their fringe payments and agreed to a tenth holiday. Similar terms will be negotiated with independent operators to cover a total of 13,000.

Following are median first-year wage increases in settlements reported in the two-week period ending April 14 and year-to-date median increases for this year and last (see 19:8008):

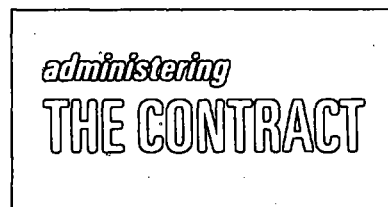
	2-week period		year to date		year to date 1979	
All industries	68.7¢	9.4%	59.5¢	9.0%	51.4¢	8.2%
All nonconstruction	68.7¢	9.4%	59.5¢	9.0%	51.4¢	8.2%
Manufacturing	85.0¢	10.5%	57.5¢	9.5%	55.0¢	8.7%
Nonmfg. exc. constr.	(*)	(*)	60.3¢	8.9%	43.9¢	7.3%
Construction	(*)	(*)	(*)	(*)	(*)	(*)

(*) Insufficient data

Appropriate Health Care Units

The Supreme Court has rejected an NLRB request that it clarify the criteria to be used by the agency in determining bargaining units in the health care industry. NLRB had asked the Court to decide whether the 1974 health care amendments to the Taft-Hartley Act permit application of traditional community of interest criteria in determining hospital bargaining units.

The U.S. Court of Appeals at New York in September 1979 refused to enforce a Board order requiring Mercy Hospital of Rockville Center, N.Y., to bargain with the Operating Engineers as the representative of a unit of maintenance and engineering employees. Finding the unit to be inappropriate, the appeals court remanded the case to NLRB to give



Emergency Work

NCR-Worldwide Service Parts Center violated its contract with the Teamsters by assigning a manager's secretary to a cathode ray terminal while three CRT operators were packing orders, Arbitrator Ferrin Y. Mathews decides.

The company argued that an emergency existed, the nonunit employee was needed for an unmanned CRT set, and deploying CRT operators to pack orders in rush periods was past practice. Moreover, no unit employee lost any pay.

The union argued that no emergency existed, since unit CRT operators were available and similar rush periods had occurred in the past. Thus, the company flagrantly violated the ban on nonunit employees doing bargaining unit work and should be advised against future violations and assessed a monetary penalty, the union contended.

The arbitrator finds that an emergency did exist at the parts center, but that emergency did not encompass the three CRT unit operators who were available to handle the sets. "The emergency situation, which would have justified use of a non-bargaining unit employee to perform the work regularly assigned to the bargaining unit CRT operators, did not exist," he says.

Furthermore, the agreement sanctions deploying CRT operators to pack orders only when there is no work for them to perform on the CRT sets, he finds. The absence of a pay loss does not justify the use of nonunit employees for bargaining unit work, he adds.

Although the violation, resulting from oversight or negligence, was not flagrant as the union argued, "it should not occur in the future," he concludes. The company must divide among the three CRT operators the rate due one unit employee for the 2½ hours the nonunit employee operated the CRT set. (74 LA 224)

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FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 910

WAGES AND FRINGES: FIRST QUARTER 1980

April 17, 1980

Settlements reached in the first quarter of 1980 provide generally higher overall median first-year increases than in any quarter of 1979. New agreements reported in CBNC's Table of Current Contract Settlements also contain more cost-of-living provisions and fringe benefit revisions than in previous quarters.

Based on 225 settlements specifying exact wage data, the all-industries median first-year wage increase was 59 cents — 7.6 cents higher than in the first quarter of 1979 and four cents higher than in all of 1979. In percentage terms, the median gain was 9 percent, compared to 8.2 percent in the first quarter of 1979 and 8.4 percent in all of 1979.

Manufacturing contracts in this year's first quarter provided median first-year wage gains of 56.4 cents an hour or 9.4 percent, compared to last year's first-quarter gain of 54.3 cents or 8.7 percent.

Nonmanufacturing-excluding-construction contracts provided first-year median wage gains of 60.3 cents an hour or 8.8 percent, compared to 43.2 cents or 7.2 percent in the same period of 1979. In all of 1979, the nonmanufacturing-excluding-construction median wage gain was 54.8 cents or 8.5 percent.

Deferred increases were negotiated in 234 or 87 percent of the total 270 contracts reported in the first quarter of 1980. Manufacturing contracts contained 59 percent of the deferred increases, down from 72 percent in the first quarter of 1979, and nonmanufacturing-excluding-construction accounted for 41 percent, up from 26 percent in the same period last year. Deferred increases are those taking effect ten months or more after the settlement.

Cost-of-living clauses were negotiated in 27 percent of the contracts reported in the first three months of 1980, compared to 19 percent in the same period of 1979. Eighteen percent of the c-o-l clauses were negotiated in manufacturing and 9 percent in nonmanufacturing-excluding-construction. Quarterly adjustments were most frequent in manufacturing contracts, while

in nonmanufacturing-excluding-construction agreements, annual adjustments were most common.

Fringe benefits were revised or introduced in 85 percent of first-quarter 1980 contracts, compared to 81 percent in the same period of 1979. Sixty-eight percent of first-quarter 1980 settlements revised insurance plans, compared to 60 percent in the first three months of 1979. Dental insurance — the most frequently initiated or improved insurance benefit — was provided for in 28 percent of all contracts.

Pension plans were changed in 51 percent of all first-quarter 1980 contracts, compared to 40 percent in the same period of 1979. Those contracts specifying new benefit amounts provided monthly benefits averaging \$11.59 per year of service in manufacturing contracts and \$16.44 per year of service in nonmanufacturing-excluding construction contracts.

New or revised holiday provisions were negotiated in 33 percent of all first-quarter settlements. Those contracts specifying the exact number provided an average of 11 holidays in both manufacturing and nonmanufacturing-excluding-construction.

Changes in vacation plans were negotiated in 25 percent of all new contracts during the first three months of 1980, compared to 29 percent in the same period of 1979.

Contract duration: Three-year terms were provided in 73 percent of new manufacturing contracts specifying duration, compared to 47 percent in the first quarter of 1979. Sixty-six percent of nonmanufacturing-excluding-construction contracts provided three-year terms, compared to 54 percent in the first quarter of 1979.

Two-year terms were provided in 23 percent of manufacturing contracts, compared to 44 percent in the first quarter of 1979. Twenty-eight percent of nonmanufacturing-excluding-construction contracts provided two-year terms compared to 31 percent in the first quarter of 1979.

MEDIAN WAGE INCREASES IN CONTRACT SETTLEMENTS, IN FIRST THREE MONTHS OF 1980 AND EARLIER JANUARY-MARCH PERIODS

(In Cents per Hour)

	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971
All industries	59.0	51.4	45.0	40.0	41.6	45.3	---	---	28.1	29.6
All industries, excluding construction	59.0	51.4	43.0	40.0	40.0	45.2	26.4	22.2	23.1	28.6
Manufacturing	56.4	54.3	45.0	40.0	40.0	45.5	25.3	22.1	23.3	25.5
Nonmanufacturing, excluding construction	60.3	43.2	37.5	45.6	44.9	44.8	28.2	22.5	22.7	34.7
Construction	(*)	(*)	50.0	40.0	59.8	(*)	44.6	35.7	69.8	82.2

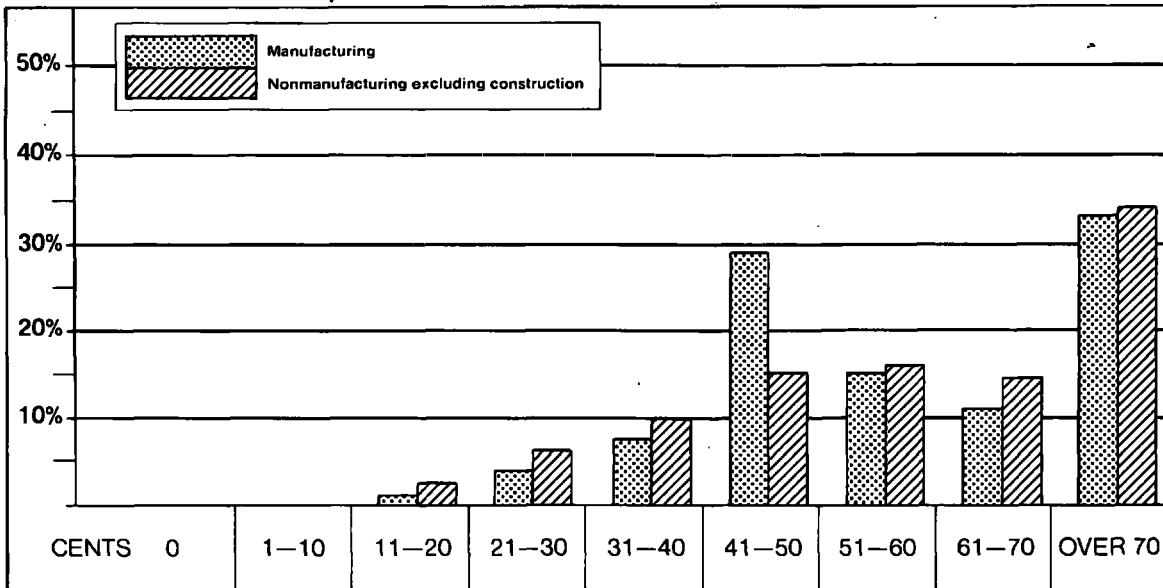
* Insufficient data.

**MEDIAN WAGE INCREASES AND NUMBER OF REVISED FRINGE PROVISIONS
BY INDUSTRY, FIRST QUARTER 1980**

	Total Settlements ¹	Median Settlement (cents per hour)	Median Settlement (percentage)	Deferred Increases	Cost-of-living clauses	Vacations	Holidays	Pension plan	Income maintenance Insurance	Life insurance	Accidental death & dismemberment	Sickness & accident	Disability insurance	Hospital insurance	Surgical insurance	Major medical	Maternity benefits	Drug plan	Dental plan	Optical plan
MANUFACTURING																				
Apparel & other finished textiles	2	--	--	2	--	--	2	1	--	2	--	--	--	--	--	1	--	--	1	--
Chemicals & allied products	20	73.7	10.2	16	5	9	9	8	--	13	3	1	2	1	1	5	--	--	6	--
Electrical machinery & equipment	14	--	--	14	4	6	3	10	--	12	5	3	6	1	3	2	5	--	1	5
Fabricated metals	4	--	--	3	1	--	1	2	--	2	--	--	--	--	--	--	--	--	--	--
Foods & beverages	11	--	--	9	2	2	3	6	--	6	1	--	2	--	--	--	--	--	1	1
Furniture	1	--	--	1	1	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Leather & leather products	1	--	--	1	--	--	--	1	--	1	1	--	1	--	--	--	--	--	--	--
Lumber & wood products	4	--	--	3	--	2	3	2	--	3	1	--	1	--	1	1	--	--	--	1
Machinery (except electrical)	22	50.0	9.0	22	10	4	11	14	3	17	9	5	7	1	2	--	2	--	1	9
Miscellaneous manufacturing	2	--	--	2	--	--	--	1	--	1	1	--	1	--	1	--	--	--	1	--
Ordnance	1	--	--	1	1	--	--	--	--	1	1	--	1	--	--	--	--	--	--	--
Paper & allied products	7	--	--	6	--	5	4	4	--	6	3	1	4	--	2	--	2	--	--	--
Petroleum & allied products	22	100.0	10.8	9	--	9	--	3	--	22	--	--	--	1	--	--	--	--	21	--
Primary metals	3	--	--	3	--	--	1	1	--	2	2	1	--	--	1	1	--	--	1	--
Printing & publishing	5	--	--	4	--	--	2	--	--	3	--	--	--	--	--	--	--	--	--	--
Professional, scientific & controlling instruments	4	--	--	4	3	1	2	2	--	3	--	--	1	--	--	--	--	--	--	--
Rubber products	4	--	--	4	1	2	2	1	--	2	2	1	2	--	--	--	--	--	--	1
Stone, clay & glass	11	50.0	9.3	9	3	4	6	8	--	8	6	6	4	--	5	1	3	--	3	--
Textile mill products	6	--	--	6	--	2	3	3	--	4	4	1	1	1	2	--	1	--	1	--
Tobacco	5	48.0	7.2	5	5	5	5	3	--	4	--	--	4	--	--	2	--	--	--	2
Transportation equipment	14	48.0	5.8	13	12	1	13	12	9	14	10	1	9	11	--	1	1	--	11	12
Total manufacturing	163	56.4	9.4	137	48	52	70	82	12	126	49	20	46	15	18	6	26	1	2	60
NONMANUFACTURING (Excluding Construction)																				
Agriculture	4	95.0	23.0	4	2	1	2	2	--	4	--	--	--	--	--	--	--	--	2	--
Communications	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Insurance	6	--	--	6	1	1	1	3	--	5	--	1	1	1	--	3	--	--	--	--
Mining	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Services																				
Except health care	14	--	--	13	--	3	3	5	--	8	1	1	--	1	1	2	--	--	2	1
Health care	30	49.2	8.0	25	2	4	5	7	--	12	--	--	1	2	--	--	1	--	2	2
Shipping & longshoring	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Transportation (combined)	5	--	--	5	4	1	2	3	--	2	1	--	--	--	--	--	--	--	2	2
Airline	2	--	--	2	1	--	1	2	--	--	--	--	--	--	--	--	--	--	--	--
Railroad	1	--	--	1	1	--	--	--	--	1	--	--	--	--	--	--	--	--	1	1
Streetcar, bus & taxi	2	--	--	2	2	1	1	1	--	1	1	--	--	--	--	--	--	--	1	1
Water & other	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Trucking & warehousing	1	--	--	1	1	--	--	1	--	1	--	--	--	--	--	--	--	--	--	--
Utilities (light, power, gas & water)	17	65.6	8.3	13	1	3	1	9	--	10	4	1	--	--	--	5	--	--	7	--
Wholesale & retail trade	30	64.6	9.0	30	13	3	4	25	--	15	4	--	3	1	--	--	--	5	1	3
Total nonmanufacturing-excluding-construction	107	60.3	8.8	97	24	16	18	55	--	57	10	2	5	4	2	2	10	1	5	16
Total all-industries excluding construction	270	59.0	9.0	234	72	68	88	137	12	183	59	22	51	19	20	8	36	2	7	76
CONSTRUCTION																				
Total all-industries	270	59.0	9.0	234	72	68	88	137	12	183	59	22	51	19	20	8	36	2	7	76

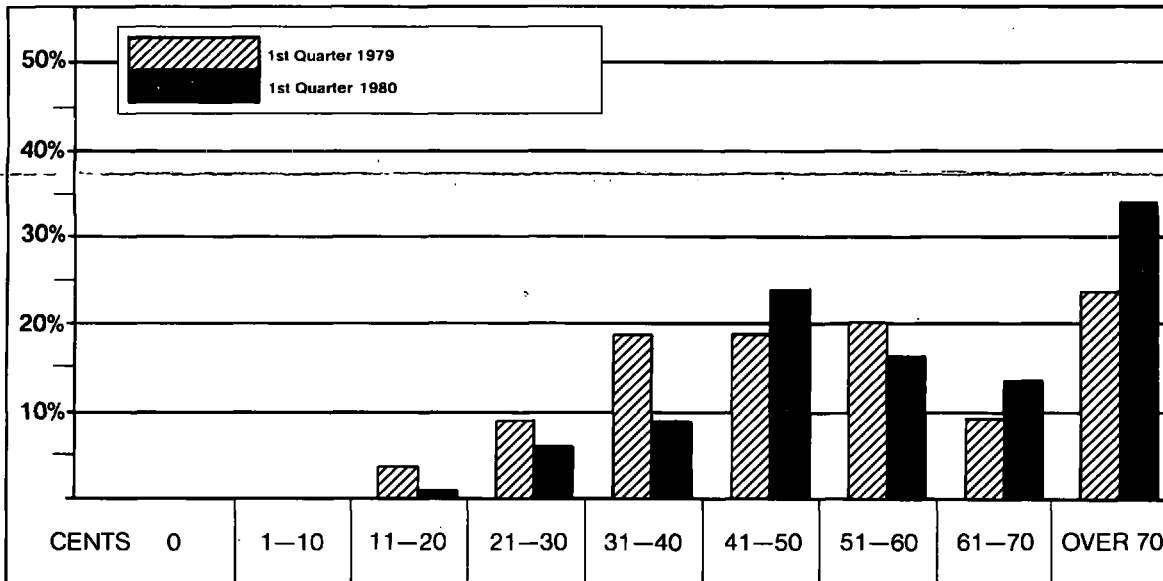
¹Includes some settlements carrying wage increases of unspecified amounts; not included in tabulations of medians.

DISTRIBUTION OF WAGE INCREASES BY INDUSTRY SECTOR—1ST QUARTER 1980*



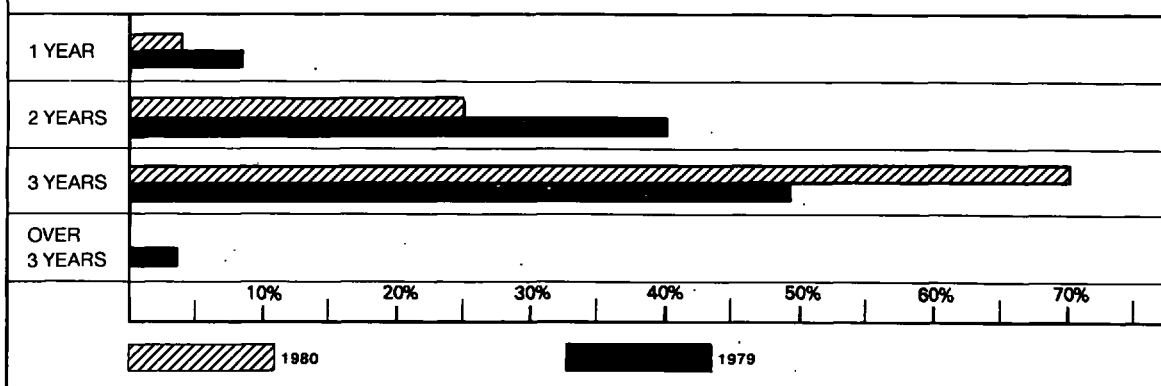
*Based on 129 settlements in manufacturing and 96 in nonmanufacturing excluding construction (figures do not include settlements where amount of increase is not specified).

DISTRIBUTION OF WAGE SETTLEMENTS BY RANGED AMOUNTS
(Based on 225* settlements in 1st quarter 1980 & 247* in 1st quarter 1979)



*The figures do not include settlements where amount of increase is not specified.

CONTRACT DURATION — 1st Quarter Settlements



Contracting Out

Chevron U.S.A., Inc., properly contracted-out emergency repair work at its El Segundo, Calif., refinery while machinists, represented by Oil, Chemical and Atomic Workers, were either serving as temporary foremen or uninterested in overtime, Arbitrator R. Wayne Estes decides.

The contract allows contracting out, the union acknowledged, but stipulates that management first offer the work to employees, on overtime if necessary. None of five available machinists were called upon, the union said. Those five machinists were not readily available, the company argued, adding that contracting out emergency repair work is common industry practice.

The arbitrator holds that the seriousness of the emergency justified management's acting quickly to call in a contractor for repairs, since machinists were not immediately available for duty and necessary overtime. Two were serving temporarily as foremen, two ordinarily declined overtime, and one was already on a critical assignment.

"A genuine emergency had developed at the refinery with critical situations . . . developing almost simultaneously in three parts of the operation. Swift, decisive action was indicated in the part of management in meeting its obligation of directing the operation." (74 LA 269)

"appropriate deference" to the congressional mandate to avoid proliferation of units in the health care industry.

The Court's refusal to review the case leaves the decision on appropriate units up to each of the 11 appeals courts. The ruling made by the appeals court at New York will remain intact as will rulings by appeals courts in Philadelphia and Chicago that separate maintenance units in the health care industry conflict with the congressional admonition.

Expanded Powers For Pay Committee

The Pay Advisory Committee has recommended new procedures to the Council on Wage and Price Stability that would give labor and management a role in determining whether settlements comply with the Administration's voluntary pay guideline.

The Committee's report says that CWPS's existing appeals procedure "should be revised to cover determinations of nonconformity and the denial of exceptions and should provide, if requested, a hearing before a hearing officer knowledgeable in industry wage-setting practices." The hearing officer would be selected from a panel recommended by Committee Chairman John Dunlop and would make recommendations to CWPS Director R. Robert Russell on the disposition of the case.

The appeals procedure—if adopted—also would be made available for pay guideline exception decisions, according to the report. Currently, companies may request reconsideration of exception denials from CWPS, but have no recourse if the request is denied.

The report also recommended that the Pay Advisory Committee, either on its own initiative or on referral by CWPS, review "policy issues that will influence the disposition of classes of cases" of exceptions and noncompliance rulings. A labor spokesman questioned about the Committee's recommendations could not explain exactly what the pay panel's policy-making role would be. "The panel's role in formulating policy—as it applies to exceptions and decisions of noncompliance—will be worked out down the road," he said.

If CWPS adopts the Committee's recommendations, the pay panel essentially will have final authority in policy formulation, determinations of noncompliance, and granting of exceptions to the wage standard.

Bargaining Briefs

J. P. Stevens & Co., Inc., is ordered to bargain with the Amalgamated Clothing and Textile Workers Union as agent for 126 employees at High Point, N.C. In issuing the order, the National Labor Relations Board affirms its regional director's dismissal of Stevens' charges that ACTWU engaged in unlawful tactics to win a Board election last October.

EEOC promises a "discretionary legal strategy" toward unions with good records in encouraging equal opportunity for minorities and women in its first statement addressed to collective bargaining. During the processes of investigation, conciliation, and enforcement, EEOC will consider the good faith efforts of unions and employers to eliminate discrimination "whether undertaken in cooperation with each other or unilaterally."

Threatening to close an unprofitable unionized plant to discourage employees at a profitable location from voting for union representation warrants enforcement of an NLRB bargaining order, the U.S. Court of Appeals for the Third Circuit rules. Accordingly, the court directs Midland-Ross Corporation's Electric Products Division to bargain with the Glass and Ceramics Workers because the NLRB order was a proper response to the employer's undermining the union's majority support.

A 100 percent increase in wages and fringes and improved job safety will be sought when bargaining with major copper companies begins next month, a union spokesman announced at the close of the National Nonferrous Industry Coordinated Bargaining Committee conference in Phoenix, Ariz. The committee wants hourly wage and fringe costs, now averaging \$16.50, to climb by \$17 over three years. A copper companies' negotiator said he had not seen the proposals, adding, "we would hope that they would be reasonable and realistic."



Perspective

Negotiated Fringe Benefits

NON-WAGE BARGAINING TRENDS of 1979 will continue in major industry negotiations this year, AFL-CIO Research Associate Joe Jaquay reports in *The American Federationist*.

Protection for employees affected by plant closings, union security, higher pension benefits for retirees, and additional health insurance coverage are among major contract gains won by unions in 1979, Jaquay notes.

Some 3.7 million workers in the private sector are covered by collective bargaining agreements that expire in 1980. Major contracts expire this year in the telephone, steel, aluminum, copper, longshore, aerospace, construction, lumber, retail, and services industries.

Protection against plant closings was provided in both rubber and electrical machinery last year. A 13-union coordinated bargaining committee agreed with General Electric Company and Westinghouse Corporation on provisions requiring that companies give as much advance notice as possible of plant closings or relocations.

In addition, employees terminated because of plant closings or relocations are eligible for early retirement at age 50 after 25 years of service. An additional 50 percent in severance pay is provided for employees not eligible for early retirement.

The United Rubber Workers' agreements with the big four rubber companies—B.F. Goodrich, Goodyear Tire and Rubber Company, Firestone Tire and Rubber Company, and Uniroyal, Inc.—require six months' notice of plant closings, the right to negotiate to save a plant, and the right to negotiate the manner in which a closure is carried out.

A neutrality clause was agreed to by Firestone, Goodrich, and Uniroyal. The provision contains a company pledge not to interfere with URW organizing efforts at unorganized tire plants.

The Auto Workers' agreement with General Motors Corporation strengthened a three-year old neutrality provision for organizing at new plants producing products similar to those manufactured at organized facilities.

Also at GM, the International Union of Electrical Workers won automatic recognition at any new Packard Electric Division plant manufacturing

products similar to those produced at the Packard plant in Warren, Ohio.

A pattern-setting agreement between the United Food and Commercial Workers International Union and John Morrell and Company, Jaquay says, contains a provision prohibiting the company from closing a plant and then purchasing products from another company reopening the same plant.

Pension benefits also were a major issue in the 1979 round of negotiations. While many companies agreed to raise payments for future retirees, increases for those already retired were difficult to obtain because matters pertaining to retirees are not subjects of mandatory bargaining, Jaquay notes.

Ten percent increases in pension benefits for retirees were won by Brewery Workers locals directly affiliated with AFL-CIO at Miller Brewing Company, Jos. Schlitz Brewing Company, and Pabst Brewing Company; and by the Teamsters at Schlitz, Miller, and Anheuser-Busch, Inc.

Under UAW settlements with GM and Ford, monthly pension benefits for retirees were increased in eight steps from a maximum \$11.50 to \$15.45 for each year of service. URW contracts call for an additional \$1 a month per year of service for retirees.

The Service Employees International Union settled in 1979 with seven East Bay Hospitals in San Francisco, Calif., on a 20 percent increase in pension benefits for current employees and retirees.

A prescription drug program for retirees was established in the Westinghouse and GE agreements. Hospital and major medical coverage was extended to retirees under the Telegraph Workers' agreement with Western Union Telegraph Company.

Contracts negotiated in 1979 also included significant improvements in health insurance. Dental plans were established at Westinghouse, GE, CBS, Inc., and Westvaco Corporation.

Collins Radio's agreements with the Electrical Workers (both IUE and IBEW) established a hearing aid program and eliminated a \$50 per year deductible for prescription drugs. New vision care programs were negotiated by the Machinists at the Allen Bradley Company and by IUE at Wagner Electric Company.

Other fringe benefits agreed to last year include the establishment of a legal services plan for members of the United Textile Workers at American Schiffler Embroiderers.

Tuition aid was increased to \$500 a semester in an IUE contract with Wagner Electric Company. A \$70 a year educational benefit for job-related graduate studies was provided for in a Machinists agreement with Bendix Corporation. ("Bargaining '80: Still Playing Catchup," *The AFL-CIO American Federationist*, March 1980)



what's new in...

COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

4/15
April 3, 1980

Route to

Shiff
Young
DMJ-Binder

Price Spiral

The Consumer Price Index for All Urban Consumers (CPI-U) increased 1.4 percent in February to 236.4 percent of the 1967 base, while the Index for Urban Wage Earners and Clerical Workers (CPI-W) rose 1.4 percent to 236.5 percent of the base. Both measures were unchanged after seasonal adjustment.

Over the past year, CPI-U has increased 14.1 percent and CPI-W has risen 14.2 percent.

Energy and housing cost-increases accounted for two thirds of the overall February CPI rise, the Bureau of Labor Statistics said. Transportation costs rose 2.8 percent, reflecting a 7.3 percent jump in gasoline prices. Sharply rising mortgage interest rates and higher home heating costs pushed the housing index up 1.4 percent.

Although food prices held steady in February and posted only a 0.1 percent increase in January, most analysts expect prices to climb again later this year.

Meanwhile, the Administration revised its inflation projection upward from 10.7 percent to 12.8 percent by fourth-quarter 1980.

Real Earnings Down

Purchasing power of rank-and-file workers with families dropped 1.4 percent in February and 7.3 percent over the past year, as wage hikes have lagged behind soaring prices.

Purchasing power is calculated by adjusting the average weekly pay of a worker with three dependents (minus applicable social security and Federal income tax deductions) for price changes from the 1967 base period.

In The Binders

The General Motors Corporation and Auto Workers supplemental unemployment benefits plan, 21:401.

Newport News Shipyard Contract Approved

Members of the United Steelworkers voted 4,939 to 1,646 March 26 and 27 in favor of a 43-month agreement with Newport News [Va.] Shipbuilding and Dry Dock Company, completing the union's two-year effort to negotiate a contract for some 16,500 production and maintenance workers. Initial hourly raises, retroactive to March 1, are \$1 for mechanics and specialists and 80 cents for handymen and helpers. Both groups are due 55 cents in August 1981 and 50 cents in October 1982 plus two 10-cent c-o-l adjustments. Hourly pay had ranged from \$3.64 to \$8.20 prior to ratification.

The company also agreed to raise the hourly shift differential from 42 to 47 cents, an automatic seven-step progression scale for handymen and helpers, a liberalized pension formula, a thirteenth holiday in 1982, insurance increases, expedited arbitration, and funeral leave.

The union first announced its intent to represent the unit in August 1977 and went on to defeat the incumbent Peninsula Shipbuilders Association in a January 1978 NLRB election. Certification was delayed by employer objections until October 1978. The union struck 13 weeks early in 1979 but did not gain recognition until the U.S. Court of Appeals at Richmond affirmed an NLRB bargaining order in October 1979. Negotiations began one month later, ending with a tentative settlement-March-13.

CWPS Under Attack

Criticizing the voluntary wage and price guidelines now being administered by the Council on Wage and Price Stability, the AFL-CIO urged Congress not to extend CWPS' authority beyond fiscal 1980.

"We believe, as did all the members of the Pay Advisory Committee, that there is an appropriate role for the wage-price guideline program in 1980, but that year was considered a transitional year. The operation of COWPS should now be allowed to expire at the end of this fiscal year," Ray Denison, AFL-CIO legislative director wrote Representative William Moorhead (D-Pa). Moorhead chairs the House Banking Subcommittee on Economic Stabilization, which has been holding hearings on CWPS reauthorization in fiscal 1981.

One of the major results of the AFL-CIO's "National Accord" with the Administration last fall was the participation of organized labor on the Pay Advisory Committee, which advises CWPS on the second-year wage standard. But after President Carter's March 14 announcement of an anti-inflation plan that includes a balanced budget and tighter credit, AFL-CIO officials have questioned the Administration's desire to continue consulting labor on economic policy-making.

Characterizing the current role of CWPS as "neither a full controls program nor reliance on free bargaining and free market policies," Denison said it "is not a long-term policy that can function without serious distortions upon a free economy."

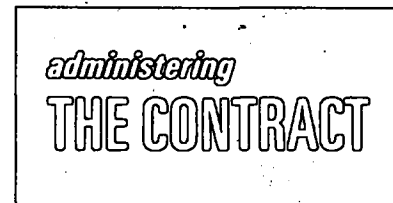
Denison reiterated AFL-CIO's position that it would be willing to participate in a mandatory controls program "if it were deemed necessary for the economy's well-being and if such a controls program was equitable and included every source of income—profits, dividends, rents, interest rates, executive compensation, professional fees, as well as wages and prices." Organized labor's call for mandatory controls to replace the voluntary guidelines had been muted since it began participation on the Pay Advisory Committee.

Strikes and Settlements In The Oil Industry

The Oil, Chemical and Atomic Workers has received acceptable contract offers from companies employing more than half of its 55,000 striking oil refinery members.

Among companies whose offers have been accepted by the union's oil bargaining policy committee are Amoco, Atlantic Richfield, Cities Service, Getty, Phillips, Shell, Sun, and Union Oil. The proposals are patterned after Gulf Oil's offer that was approved by the committee March 17. Gulf's pattern calls for an initial increase of 5 percent plus 52 cents an hour and a 10.5 percent increase in January 1981.

Despite the bargaining policy committee's approval of the offers, many employees remain on strike either because ratification votes have not been held or local unions have rejected contract proposals. At Gulf, three of the four refinery locals, including one with 2,300 workers at Port Arthur, Tex., have rejected proposals. The rejections mainly are attributable to dissatisfaction over terms of back-to-work provisions, OCAW says.



Efficiency Test

A Teamsters' contract with Nestle Company, Inc., did not require bumping three experienced machine operators during a projected ten-week lay-off to make room for three senior employees who would have needed at least four weeks of training to handle the machine operators' jobs, Arbitrator Charles B. Craver holds.

The union argued that the grievants should have been permitted to bump under the contract language stipulating that layoffs "shall be made in the reverse order of seniority if the employees having seniority are capable of performing the remaining jobs." Since the contract language on overtime and promotion specified "qualified" employees, the union argued, the reference to "capable" employees in the layoff provision indicated that a lower standard was intended. Moreover, the union asserted, had the company not wanted to train the three grievants, other trained senior employees were available to handle the machinery involved—a liquor processor and coffee extractor—and the grievants could have remained in other jobs.

The company insisted that retention of the grievants would have run counter to the basic objectives, as stated in the introduction of the agreement, to promote both "economy of cooperation" and "elimination of waste." Thus, the word "capable" should not be "construed to require merely a worker's availability to learn a particular job," the company said. "It would be more reasonable to interpret that provision as mandating the retention during layoffs of only those senior employees who are either currently qualified to perform the remaining jobs or able to learn the available jobs in a reasonably short period."

The arbitrator endorses the company's position that efficiency should be the primary concern. He agrees that

(Continued on page 3)

Following are median first-year wage increases in settlements reported in the two-week period ending March 31 and year-to-date median increases for this year and last (see 19:8007):

	2-week period		year to date		year to date 1979	
All industries	68.0¢	10.0%	59.0¢	9.0%	51.4¢	8.2%
All nonconstruction	68.0¢	10.0%	59.0¢	9.0%	51.4¢	8.2%
Manufacturing	69.7¢	10.5%	56.4¢	9.4%	54.3¢	8.7%
Nonmfg. exc. constr.	67.5¢	9.3%	60.3¢	8.8%	43.2¢	7.2%
Construction	(*)	(*)	(*)	(*)	(*)	(*)

(*) Insufficient data

Current Settlements

General Telephone Company of California and the Communications Workers of America await April 12 ratification of a tentative three-year agreement covering 20,000 workers. Hourly rates, currently averaging \$7.67, would be raised 7 percent, retroactive to March 4, 2.5 percent next October, 3 percent in March 1981, and 2.75 percent in March 1982. Maximum c-o-l adjustments would be 6 percent in October 1981 and 6.5 percent in October 1982. The pension formula would be liberalized and employees would have use of a company savings plan.

The New England Electric System has settled with the International Brotherhood of Electrical Workers and the Brotherhood of Utility Workers on separate two-year agreements covering a total of 3,300 employees. IBEW's first-year pay raise is 8.3 percent; BUW's is 8.4 percent. Second-year raises are 8.2 percent under both contracts. Clerks hired after March 7 will earn 12 to 20 percent less than their counterparts hired before then.

Associated General Contractors and the Laborers have settled six weeks early on a new three-year contract covering some 3,500 workers in St. Louis, Mo. The agreement raises an hourly wage rate of \$10.52 by \$1.30 on May 1, 1980. Additional increases of 65 cents are scheduled in May and November of 1981 and 1982. Distribution of the deferred increases between wages and fringes has not been determined.

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FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 909

April 3, 1980

WAGES AND SALARIES IN 10 AREAS

Average earnings for selected occupational groups in the ten metropolitan areas shown below are based on cross-industry surveys conducted from August through October 1979 by the Bureau of Labor Statistics. Average weekly or hourly rates are listed for selected office, professional and technical, and maintenance and custodial occupations.

Increases in the average hourly pay of unskilled plant workers over the previous year ranged from 6.2 percent in New Orleans, La., to 11.1 percent in Greensboro, N.C., while gains in the skilled main-

tenance trades ranged from 7.6 percent in Boston, Mass., to 10.7 percent in Indianapolis, Ind. Increases in office clerical employees' average pay ranged from 7.9 percent in Boston to 10.4 percent in New Orleans.

Among the highest paid workers were class A secretaries and class A order clerks in office occupations; class A computer systems analysts in professional and technical classifications; tool and die makers in skilled maintenance work; and tractor-trailer truckdrivers in material movement jobs.

TABLE I. AVERAGE WEEKLY EARNINGS FOR SELECTED OFFICE OCCUPATIONS IN 10 AREAS

Occupation and class	Albany, N. Y.	Anaheim, Calif.	Baltimore, Md.	Boston, Mass.	Cleveland, Ohio	Greensboro, N.C.	Indianapolis, Ind.	New Orleans, La.	Oklahoma City, Okla.	Trenton, N.J.
	Sept. '79	Oct. '79	Aug. '79	Aug. '79	Sept. '79	Aug. '79	Oct. '79	Oct. '79	Aug. '79	Sept. '79
Secretaries	\$260.00	\$261.00	\$241.00	\$229.00	\$240.50	\$225.50	\$249.50	\$230.00	\$225.00	\$234.00
Class A	289.00	304.50	278.50	287.50	305.00	275.00	304.00	274.50	270.50	-----
Class B	275.50	285.00	253.00	258.00	267.50	231.50	265.50	251.00	233.50	272.50
Class C	261.50	269.00	236.50	235.00	250.50	222.50	266.50	240.00	223.00	246.00
Class D	215.00	251.00	236.00	207.00	216.50	210.50	215.00	213.50	246.00	224.50
Class E	212.00	217.50	201.00	194.50	189.00	202.00	188.50	206.50	194.50	188.50
Stenographers	221.50	237.50	245.00	222.50	229.50	213.00	247.50	204.00	191.50	203.00
Senior	220.00	246.00	225.50	224.00	235.50	-----	275.00	205.00	205.50	200.50
General	227.50	222.50	253.50	222.00	225.50	202.50	202.50	203.50	179.50	204.00
Transcribing-machine typists	-----	-----	-----	177.50	170.50	163.50	173.50	167.50	155.50	-----
Typists	184.50	184.00	184.50	173.00	180.50	188.00	162.00	152.50	152.50	162.50
Class A	239.00	208.00	202.50	192.00	202.00	188.50	180.00	175.50	173.50	-----
Class B	153.50	174.50	164.50	162.00	168.50	187.00	153.00	146.50	144.00	159.50
File clerks	146.00	158.00	168.00	155.00	156.00	143.50	133.50	133.00	134.00	-----
Class A	-----	-----	-----	196.50	-----	-----	-----	-----	-----	-----
Class B	160.00	159.00	175.00	147.00	158.50	147.50	134.00	144.00	137.00	-----
Class C	138.50	153.00	143.50	135.50	140.00	134.00	127.00	128.50	127.00	-----
Messengers	178.50	170.00	168.50	138.00	167.50	154.00	170.00	142.50	132.50	146.50
Switchboard operators	191.00	196.50	189.00	179.50	173.00	168.50	173.00	150.50	177.00	180.50
Switchboard operator-receptionists	184.50	179.50	164.00	173.50	169.00	156.00	176.50	168.00	170.00	185.50
Order clerks	198.50	223.50	176.00	194.00	212.50	158.50	240.50	192.00	177.50	220.50
Class A	-----	248.00	190.00	222.00	240.50	-----	263.50	-----	208.50	-----
Class B	163.00	202.00	165.50	180.50	192.00	159.50	202.50	172.00	167.00	217.50
Accounting clerks	183.00	212.50	230.00	193.00	210.00	196.00	183.00	193.00	199.50	205.00
Class A	209.00	234.50	262.00	224.50	241.50	215.50	206.50	220.50	229.00	227.50
Class B	169.50	198.00	194.00	173.50	187.50	184.50	164.50	180.50	186.50	176.50
Bookkeeping-machine operators	-----	-----	171.00	-----	174.00	191.50	-----	-----	185.00	-----
Class A	-----	-----	192.00	-----	-----	-----	-----	-----	-----	-----
Class B	-----	-----	158.00	-----	169.00	-----	-----	-----	158.00	-----
Machine billers	-----	-----	-----	-----	198.50	188.50	-----	-----	155.50	-----
Billing-machine	-----	-----	-----	-----	-----	190.50	-----	-----	-----	-----
Bookkeeping-machine	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Payroll clerks	222.00	214.00	242.50	205.00	217.00	193.50	229.50	199.00	208.50	219.00
Key entry operators	208.50	208.00	201.50	188.50	201.00	194.00	196.50	172.50	186.00	176.00
Class A	232.00	216.00	219.00	203.50	221.50	247.50	212.00	204.50	206.00	198.00
Class B	180.50	200.50	189.00	172.00	185.00	176.00	180.00	164.50	176.00	165.00

TABLE 2. PERCENT INCREASE IN AVERAGE HOURLY EARNINGS FOR SELECTED OCCUPATIONAL GROUPS IN THE PREVIOUS YEAR

Occupational groups	Albany, N.Y.	Anaheim, Calif.	Baltimore, Md.	Boston, Mass.	Cleveland, Ohio	Greensboro, N.C.	Indianapolis, Ind.	New Orleans, La.	Oklahoma City, Okla.	Trenton, N.J.
	Sept.'78 to Sept.'79	Oct.'78 to Oct.'79	Aug.'78 to Aug.'79	Aug.'78 to Aug.'79	Sept.'78 to Sept.'79	Aug.'78 to Aug.'79	Oct.'78 to Oct.'79	Jan.'79 to Oct.'79	Aug.'78 to Aug.'79	Sept.'78 to Sept.'79
Office clerical	9.4	8.8	8.1	7.9	8.5	9.5	9.2	10.4	9.4	8.1
Electronic data processing	9.8	5.2	7.7	8.0	8.4	7.9	10.0	12.9	10.5	7.3
Industrial nurses	9.3	10.1	7.3	8.8	10.5	8.6	13.3	---	9.3	5.4
Skilled maintenance trades	9.5	9.5	9.7	7.6	10.8	10.4	10.7	10.1	9.3	9.8
Unskilled plant workers	9.6	8.7	9.0	8.0	10.1	11.1	10.2	6.2	10.0	9.1

TABLE 3. AVERAGE WEEKLY EARNINGS FOR SELECTED PROFESSIONAL & TECHNICAL OCCUPATIONS IN 10 AREAS

Occupation and class	Albany, N.Y.	Anaheim, Calif.	Baltimore, Md.	Boston, Mass.	Cleveland, Ohio	Greensboro, N.C.	Indianapolis, Ind.	New Orleans, La.	Oklahoma City, Okla.	Trenton, N.J.
	Sept.'79	Oct.'79	Aug.'79	Aug.'79	Sept.'79	Aug.'79	Oct.'79	Oct.'79	Aug.'79	Sept.'79
Computer systems analysts (business)	\$435.50	\$437.50	\$392.00	\$384.00	\$440.50	\$406.00	\$427.00	\$413.50	\$398.50	\$400.50
Class A	469.00	502.00	441.00	440.50	485.00	441.00	438.00	467.00	435.50	456.50
Class B	406.50	421.00	376.50	368.50	419.00	397.50	425.50	388.00	352.50	384.50
Class C	---	355.00	---	258.50	345.00	---	406.00	---	---	---
Computer programmers (business)	340.50	375.00	312.00	316.00	346.00	316.50	295.50	309.00	317.00	305.50
Class A	379.00	---	394.00	363.00	407.00	354.50	358.50	364.00	352.50	353.50
Class B	341.00	---	318.00	299.00	335.00	309.00	283.50	288.50	308.00	285.50
Class C	---	---	252.00	236.50	281.50	---	235.00	---	230.50	---
Computer operators	240.50	268.00	259.00	233.00	251.50	234.00	243.00	226.00	233.00	257.00
Class A	---	305.00	325.00	285.50	291.50	291.00	279.00	263.00	294.50	275.00
Class B	245.00	261.50	253.00	232.00	259.00	225.00	236.00	223.50	230.50	266.00
Class C	204.00	222.00	197.50	182.00	220.00	177.00	197.50	191.00	179.00	176.00
Peripheral equipment operators	---	---	---	201.00	---	---	289.50	---	---	---
Computer data librarians	---	---	---	189.00	---	---	---	---	---	---
Drafters	285.00	---	299.50	291.50	299.50	265.00	320.00	293.50	266.00	314.50
Class A	307.00	---	352.00	351.50	351.50	342.50	409.50	365.00	329.50	355.00
Class B	280.50	---	282.50	287.00	290.50	260.50	290.50	284.00	247.00	---
Class C	269.00	---	248.50	208.50	236.00	205.50	257.00	244.00	210.00	---
Drafters-tracers	---	---	155.00	169.00	---	---	211.50	---	---	---
Electronics technicians	337.00	304.50	317.50	314.00	298.00	337.00	328.00	343.00	---	366.50
Class A	---	354.00	371.50	384.00	321.50	---	375.50	368.50	---	---
Class B	350.50	288.50	315.00	275.50	304.50	318.50	313.00	337.50	---	348.50
Class C	---	251.00	224.50	229.50	240.00	234.00	---	---	---	---
Registered industrial nurses	308.00	310.50	319.00	291.00	331.00	286.50	360.50	---	---	289.00

TABLE 4. AVERAGE HOURLY EARNINGS FOR SELECTED PLANT OCCUPATIONS IN 10 AREAS

Occupation and class	Albany, N.Y.	Anaheim, Calif.	Baltimore, Md.	Boston, Mass.	Cleveland, Ohio	Greensboro, N.C.	Indianapolis, Ind.	New Orleans, La.	Oklahoma City, Okla.	Trenton, N.J.
	Sept.'79	Oct.'79	Aug.'79	Aug.'79	Sept.'79	Aug.'79	Oct.'79	Oct.'79	Aug.'79	Sept.'79
<i>Maintenance, toolroom, and powerplant</i>										
Carpenters	\$7.87	\$8.73	\$8.33	\$7.80	\$9.97	\$6.35	\$9.67	\$7.50	---	\$7.64
Electricians	8.23	9.14	8.88	8.38	9.98	7.99	9.92	8.81	\$6.95	9.08
Painters	7.49	7.69	7.08	7.46	9.80	6.31	9.11	6.70	---	7.96
Mechanists	8.28	9.13	9.46	7.92	8.76	---	9.16	9.42	---	7.81
Mechanics (machinery)	7.10	8.26	9.59	7.59	9.69	8.21	9.78	8.49	7.47	8.23
Mechanics (motor vehicles)	8.81	9.34	8.74	8.77	9.36	8.56	9.40	8.57	8.38	9.33
Pipefitters	8.12	---	8.75	8.21	10.06	8.85	10.11	8.88	---	---
Sheet-metal workers	8.46	---	9.16	8.15	9.88	---	10.35	---	---	---
Millwrights	8.53	---	9.39	6.96	10.31	---	10.35	---	---	---
Maintenance trades helpers	---	---	---	5.46	7.73	5.68	6.19	6.71	---	---
Machine-tool operators (toolroom)	---	9.08	8.77	7.05	9.51	---	10.45	---	---	---
Tool and die makers	---	9.36	9.52	8.70	9.87	---	10.09	---	8.86	---
Stationary engineers	7.67	8.79	8.14	8.09	9.33	8.83	7.82	7.65	7.54	8.56
Boiler tenders	6.52	---	---	6.75	8.12	5.80	7.27	---	---	6.19
<i>Material movement and custodial</i>										
Truckdrivers	8.65	8.36	7.79	8.27	8.38	6.53	8.53	6.78	7.24	7.97
Truckdrivers, light truck	---	4.81	7.04	4.33	6.36	---	7.09	3.79	4.01	5.83
Truckdrivers, medium truck	8.46	8.54	6.26	7.94	8.76	6.48	8.51	6.26	7.81	8.67
Truckdrivers, heavy truck	8.59	8.35	7.60	7.31	7.53	---	8.37	7.00	---	---
Truckdrivers, tractor-trailer	9.14	9.14	8.62	9.70	9.02	6.79	9.08	7.88	8.36	---
Shippers	6.57	6.06	6.66	6.09	6.71	5.27	6.70	6.51	5.04	4.94
Receivers	6.00	6.41	6.43	6.51	6.30	5.84	5.72	5.50	4.64	5.73
Shippers and receivers	7.00	5.93	5.48	6.09	6.96	7.18	7.44	---	4.95	6.96
Warehousemen	6.91	7.73	6.16	6.46	6.83	5.27	6.47	4.96	5.23	6.46
Order fillers	6.05	6.86	6.94	4.92	6.13	4.45	6.52	5.10	6.52	6.15
Shipping packers	4.14	4.95	5.52	5.33	5.85	4.37	7.15	4.35	5.11	4.30
Material handling laborers	6.93	5.82	6.60	5.40	7.34	5.91	7.24	5.33	5.65	5.31
Forklift operators	6.82	7.12	7.91	7.57	7.53	6.93	7.36	6.37	6.59	7.52
Power-truck operators (other than forklift)	---	---	8.32	---	8.29	---	7.30	---	---	---
Guards	4.57	4.24	3.72	3.70	4.17	3.59	4.63	3.31	3.30	4.74
Class A	---	7.31	4.19	4.71	5.98	5.34	4.63	---	---	---
Class B	4.31	3.89	3.63	3.59	3.87	3.64	4.63	3.26	3.18	4.73
Janitors, porters, and cleaners	4.96	4.31	3.86	4.21	5.04	3.72	4.73	3.30	3.18	4.09

(Continued from page 2)

absence of the word "qualified" in the layoff provision indicates that a somewhat lower standard was intended. But use of the word "capable," while not providing an unequivocal standard, suggests the need for something other than mere possession of the minimal skills necessary to learn a job.

Craver rejects as unreasonable the contention "that a senior worker who is abstractly capable of learning a position being held by a junior worker should have the right to bump into that position and receive training for it where the expected training period would consume most or all of the time of the reduction-in-force." Such a situation would create gross inefficiency and convert the bumping process into a bidding device that would weaken and circumvent contractual promotion procedures, he adds. Bumping cannot be sustained when an excessive training period is required or when double staffing is needed to train senior employees, he says.

As for the union's argument that other more "capable" senior employees should have been assigned to these machines so as to make jobs available to the grievants, the contract does not require such a reassignment, Craver concludes. Moreover, such an arrangement would be unfair to those other senior employees involved. (74 LA 89)

Bargaining in the 1980s

Pay increases are likely to trail the rate of inflation throughout the 1980s, two top Administration officials tell delegates to the Communications Workers of America's national legislative and political conference in Washington, D.C.

In a panel discussion on collective bargaining in the 1980s, Council of Economic Advisors Chairman Charles L. Schultze predicted that the overall inflation rate, energy prices, and productivity will dominate the economic climate for bargainers this decade. He commented that workers' pay increases will not be able to match the inflation rate while the nation must pay a "great price increase abroad" for energy and while productivity remains stagnant or declines.

The most critical factor during future negotiations will be the overall inflation rate, Schultze said. Although the Administration has sought to confine the high rate of inflation to the energy and housing sectors, he noted that in recent months inflation has begun to "spill out" into other sectors, a development he termed "dangerous." He warned that if wages were tied to the inflation rate the problems of energy and productivity would not be alleviated and "all other prices would rise."

John T. Dunlop, chairman of the President's Pay Advisory Committee, projected that it would take a "decade or two" for workers to "recoup the enormous rise in living costs." He noted that historically unions have not tied wage increases exclusively to the inflation rate and that workers would not be as well off today if there had been such linkage.

The nation faces a "decade of very serious problems," Dunlop warned, and argued that in addition to wage and price restraints there should be more attention given to tax and public expenditure policies.

"Problems related to democracy" and increased international and domestic competition are other issues that negotiators will be confronted with this decade, Dunlop said. He added that the bargaining process should be broadened to involve the government when negotiators must deal with problems related to the economy.

Bargaining Briefs

Ford Motor Company has been added by the Council on Wage and Price Stability to its official list of noncompliers with the voluntary pay guideline. CWPS notified Ford March 7 that its three-year contract with the Auto Workers was out of compliance with the first-year wage standard in effect when the pact was negotiated. Ford, however, chose not to seek reconsideration of the initial ruling. Both General Motors and Chrysler reached special compliance agreements with CWPS earlier this year.

Bargaining goals for contracts covering 180,000 nonferrous metals workers are "very similar" to basic steel and aluminum industry objectives, the 26-member National Nonferrous Coordinated Bargaining Committee, led by the United Steelworkers, announced in Phoenix, Ariz. Negotiations will begin in May with seven major copper companies.

Physicians have become members of the AFL-CIO through the affiliation of the New York State Federation of Physicians and Dentists with the 500,000-member American Federation of Teachers. The Federation, representing some 3,000 doctors, now is the largest physicians' union in the country.

Consolidation Coal Co. on March 20 rejoined the Bituminous Coal Operators' Association, following revisions in the group's by-laws that call for a three-member Negotiating Committee to "plan, conduct and conclude all negotiations on behalf of the member companies."

Committee members will be appointed by the two largest BCOA companies and steel company members and directed by chief executive officers of the nine largest producers.

Consolidation, a subsidiary of Conoco, Inc., last May withdrew from BCOA, citing disagreement with the organization's approach to collective bargaining with the United Mine Workers.



Perspective

Energy-Conscious Agreements

CONCERN with worker safety and recognition of nuclear power as a vital part of "a full mix of energy potential" has resulted in a "Three Mile Island Recovery Project Agreement."

Parties to the agreement are the Metropolitan Edison Company, about 10 contracting companies, 15 unions of the AFL-CIO Building and Construction Trades Department, and the International Brotherhood of Teamsters.

The agreement covers workers participating in rehabilitation, maintenance, modification, and new construction work at the Middletown, Pa., plant that was closed last March after an accident.

Major provisions of the agreement include: re-assignment of workers reaching maximum levels of radiation exposure to other jobs in areas clear of radiation; the right of management to schedule alternating four-day, 10-hour-per-day workweeks; restrictions on work rules; and a joint labor-management committee to promote harmonious relations.

Edison's Senior Vice President Robert C. Arriold says the agreement aims "to minimize instability of employment," particularly by providing reassignment rather than layoffs for workers reaching maximum occupational radiation exposure levels.

Under a radiological control provision, employees are compensated for all time spent complying with the procedure. Time so spent before or after the normal workday will be paid at the appropriate overtime rate. Any employee who has a "serious concern" about radiological safety has the right to ask for an immediate discussion with a Radiological Field Operations foreman or supervisor.

The "4-10" schedule, expected to reduce overcrowding in work areas and to provide improved utilization of plant tools and equipment, divides workers into two teams. Team "A" works four 10-hour days; on the fifth day team "B" switches to the "4-10" schedule; on the ninth day team "A" returns to the schedule.

Work rules provisions specify that "there shall be no restriction, other than may be required by safety regulations, on the number of men assigned to any crew or to any service." Workers are required to be at their work place at starting time and to remain there until quitting time. In addition, "slowdowns,

standby crews and featherbedding practices," and coffee breaks are prohibited.

The agreement also contains a provision committing the union to encourage employees to "exhaust every effort, ways and means to perform work of good quality and quantity."

Secretary of Labor Ray Marshall said the agreement stands as a model for labor-management-government cooperation. Declaring that "we must break our dependence on foreign oil," he asserted that the TMI recovery agreement represents a step toward energy self-efficiency.

"This detailed agreement provides for carefully devised, efficient work operations at the least possible cost, while simultaneously assuring maximum protection of the workers involved," Marshall said. "Indeed, this agreement debunks the idea that there is an inherent conflict between the level of productivity and the degree of health and safety protection afforded the worker," he added.

AFL-CIO Building and Construction Trades Department President Robert A. Georgine said that "both labor and management at Three Mile Island have a firm commitment to establish an environment and work schedule which will allow skilled work of high quality to be done safely, efficiently, and at proper staffing levels without disrupting other construction projects in the area."

The building and construction trades "are firmly committed to nuclear power as a significant part of our national effort to reduce dependence on foreign oil," Georgine declared.

The agreement covers about 450 construction workers currently employed at the site. Over the several years the agreement will be in effect, it will cover thousands of workers at Three Mile Island, according to Edison.

The Sheet Metal Workers and the Sheet Metal & Air Conditioning Contractors National Association have negotiated a master agreement designed to cut costs and improve the quality of solar energy.

Contract provisions to make the use of solar energy "more attractive to the consumer," Sheet Metal Workers President Edward J. Carlough says, include an increase in the number of apprentices assigned to solar projects and a 15 percent wage differential for overtime, rather than the normal time-and-one-half or doubletime premiums.

In addition, the union guarantees installation of solar equipment and promises to replace any faulty work covered by the agreement.

"Our union wants to create jobs in solar energy conservation," Carlough asserts, adding: "We want to make it as easy as possible for consumers and contractors to use highly skilled union sheet metal worker craftsmen to do this nationally important work."



what's new in... COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

3/25
March 20, 1980

Route to . . .

DJ

PC

Eileen Hoffmann

Ret to Library

Steelworkers' Timetable

Negotiators for the United Steelworkers and the basic steel industry, meeting in Pittsburgh since February 5, continue working toward an April 14 deadline for a pattern-setting contract covering 286,000 employees of nine companies. Agreements covering a total of 400,000 basic steel workers expire August 1.

One outstanding obstacle is disagreement over local bargaining for incentive pay. Industry spokesman J. Bruce Johnston has said that the union's insisting on local incentive pay bargaining after securing industry-wide raises could be the "kiss of death" for the Experimental Negotiating Agreement. A union spokesman acknowledged that discord over the definition of local issues "could effectively spell the end of ENA."

Unresolved issues must be submitted to arbitration April 15, ENA stipulates. While Johnston has reiterated the employers' commitment to invoke arbitration if trouble over local issues arises, other industry spokesmen complain that ENA is too costly, guaranteeing annual pay increases of at least 3 percent in return for the union's no-strike pledge.

In aluminum industry negotiations opening April 28 in Miami, the union has announced it will be seeking provisions "nearly identical" to its demands in basic steel. Emphasizing a demand for substantial pay increases, the Steelworkers point out that the aluminum industry, unlike steel, is healthy.

In The Binders

The General Motors Corporation and Auto Workers pension plan, 21:201, and insurance plan, 21:301.

Anti-Inflation Program

President Carter proposed on March 14 a broader anti-inflation strategy including stepped-up price monitoring by an expanded Council on Wage and Price Stability, a balanced Federal budget for fiscal 1981, a fee on imported oil to encourage gasoline conservation, restrictions on the availability of consumer credit (except for autos and homes), and a freeze on civilian hiring by the Federal Government.

Rejecting mandatory controls as an effective weapon in the battle against inflation, the President said that "we cannot outlaw inflation with a massive Federal bureaucracy, or wish it away with magic formulas." Voluntary wage and price guidelines, he insisted, "offer the flexibility we need to deal with our complex economy."

Formal approval of the pay range recommended by the Pay Advisory Committee to replace the 7 percent first-year wage standard was announced March 13 by CWPS Chairman Alfred E. Kahn. The new pay guideline is retroactive to October 1, 1979, the start of the program's second year.

The 7.5 to 9.5 percent pay guideline and an increase from 6.0 to 7.5 percent in the inflation rate assumption used to compute cost-of-living adjustments were adopted by CWPS with two exceptions. First, large businesses—those with 1,000 or more employees—granting pay increases that exceed 8.5 percent, the midpoint of the pay range, must notify CWPS and provide explanatory data. Second, the 1 percent "catch-up" for workers not covered by escalator provisions during the first year of the program no longer may be self-administered. CWPS added an exception category to cover equity adjustments for workers not covered by c-o-l provisions, apparently to mollify critics who argued that the automatic adjustment simply raised the maximum limit of the pay range to 10.5 percent.

The seven-week delay in adopting the recommended second-year wage standard was caused, according to an AFL-CIO spokesman, by a dispute between CWPS and organized labor over justification of pay hikes above the range's midpoint. The spokesman said that both Kahn and Council of Economic Advisors Chairman Charles Schultze had urged the President to require specific justification for pay increases exceeding 8.5 percent, but a compromise was reached between President Carter and AFL-CIO President Lane Kirkland leading to the simple notification exception.

Oil Bargaining Breakthrough

The Oil, Chemical and Atomic Workers reached agreement March 17 with Gulf Oil Corporation and Cities Service Oil Company on contract terms expected to set the industry pattern and to end the 10-week strike by 55,000 oil refinery workers.

Disputes over wages and health insurance—which arose under re-openers in the second year of two-year agreements that were to expire January 8, 1981—were resolved by agreement to extend the contracts to January 1982.

The tentative settlements call for wage increases of 5 percent (agreed to in 1979) plus 52 cents an hour immediately and 10.5 percent in January 1981. The current average industry rate is \$9.55 an hour.

Employer contributions to family health insurance coverage would rise \$18.50 a month per employee in 1980 and \$18 in 1981. Company pay-

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ments for individual coverage would increase \$6 a month in each year. Currently, Gulf pays \$84 per month for family coverage and employees pay \$35. OCAW had demanded that the employer immediately pick up the full cost of health insurance. If premium rates rise over the contract term, employees would still have to pay part of the cost.

Dental insurance, a major union demand, also would be provided, the employer contributing \$15.50 per month for family coverage and \$4 for individual coverage. A full family dental policy costs about \$20 a month, Gulf says. Another improvement is a sixth week of vacation after 30 years of service, beginning in 1981.

OCAW President Robert Goss said he was "very disappointed" that the union was unable to establish the concept of fully-paid health insurance, but termed dental coverage a "breakthrough" for the industry.

A union spokesman noted that other companies traditionally follow the Gulf pattern and speculated that most striking workers could return to work within a week or 10 days. Meetings are scheduled with Union Oil, Atlantic Richfield, and Texaco, he added.

Other Current Settlements

Nearly 12,000 supermarket employees in metropolitan Minneapolis-St. Paul are working under a new three-year master contract with three United Food and Commercial Workers Union locals. Initial pay raises are 15 percent for meat department employees and part-time grocery clerks and 17 percent for full-time grocery clerks. Average hourly pay for journeyman meat cutters climbed from \$9.10 to \$10.46 and for full-time journeyman clerks from \$8.30 to \$9.10. Raises of 11 percent for all groups are due in both the second and third years.

Whirlpool Corporation and the International Union of Electrical Workers have agreed on a three-year contract covering some 5,300 workers in Evansville, Ind. The agreement provides hourly increases of 35 cents in the first year, including a 16-cent c-o-l adjustment, and 15 cents in the second and third years. A c-o-l provision calling for quarterly adjustments of one cent for each 0.4 rise in CPI is continued. Monthly pension benefits rise from \$8.50 per year of service to \$9 immediately and to \$10 in the third year.

Some 3,800 registered nurses represented by the California Nurses Association at Associated Hospitals of the East Bay and Kaiser Foundation Hospitals in northern California will receive first-year increases of 10 percent as a result of an arbitration award. Wage reopeners scheduled for the second and third years will be subject to arbitration if negotiators fail to agree on increases. Other provisions of the award include an additional 5 percent increase for night shift nurses and the option to work a four-day week after one year.

Following are median first-year wage increases in settlements reported in the two-week period ending March 17 and year-to-date median increases for this year and last (see 19:8006):

	2-week period		year to date		year to date 1979	
All industries	61.0¢	9.7%	55.9¢	9.0%	51.4¢	8.2%
All nonconstruction	61.0¢	9.7%	55.9¢	9.0%	51.4¢	8.1%
Manufacturing	50.0¢	8.5%	54.9¢	9.0%	55.0¢	8.7%
Nonmfg. exc. constr.	76.0¢	10.0%	57.7¢	8.7%	42.0¢	7.2%
Construction	(*)	(*)	(*)	(*)	(*)	(*)

(*) Insufficient data



Attitude vs. Aptitude

Boise Cascade Corporation, Envelope Division, did not violate its agreement with the Clothing and Textile Workers when it awarded a posted job to a new hire, rather than to an internal bidder, Arbitrator William A. Babiskin decides.

The contract provided that the employer "shall give first consideration to bidding employees on the basis of plant seniority and ability."

The grievant had worked for five years as a Class A adjuster on a highly technical machine that makes envelopes. He was the only employee to bid on the posted position of head adjuster.

Acknowledging the grievant's technical skills, the employer explained that the head adjuster's job also entailed supervision of others, setting work flow, training, and scheduling maintenance and repairs.

The employer argued that the grievant lacked the requisite qualities of drive, initiative, and leadership. It added that the grievant's refusal to work extra hours also was considered, because repairs were done on overtime whenever possible to reduce down time on machines.

Noting the absence of any contractual method for determining a bidder's ability, the arbitrator finds that the employer "is free to use any method it chooses, as long as it is not unfair, arbitrary, or improperly motivated."

Babiskin says that the plant manager was personally familiar with the grievant's work performance and gave several valid reasons for denying his bid, including poor work attitude, refusal to work overtime, and unwillingness to "pull his share of the load."

Ruling that employee attitude "is an integral part of ability," the arbitrator finds that "it was the grievant's attitude not aptitude that tipped the scales against his promotion." (73 LA 1215)

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FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 908

March 20, 1980

EMPLOYMENT COST INDEX

Wage and salary rates as measured by the Employment Cost Index (ECI) rose 8.7 percent for the 12 months ended December 1979, according to the Bureau of Labor Statistics. This increase was greater than the 7.7 percent advance recorded for all private nonfarm workers in the year ended December 1978.

During the fourth quarter of 1979, ECI showed a 2.4 percent increase in wages, compared with earlier increases of 2.0 percent in the first, 1.9 percent in the

second, and 2.1 percent in the third quarters of 1979. The fourth-quarter increase was well above the 1.5 percent gain for the same period in 1978.

Pay for workers covered by collective bargaining agreements rose 2.6 percent in the fourth quarter and 9.0 percent for the year ended December 1979, while earnings for nonunion employees were up 2.3 percent for the quarter and 8.5 percent for the year. Mainly responsible for the difference in union and nonunion

TABLE 1. RATE OF WAGE AND SALARY CHANGES IN EMPLOYMENT COST INDEX

Series	Percent change for 3 months ended in			
	Mar. 1979	June 1979	Sept. 1979	Dec. 1979
All private nonfarm workers	2.0	1.9	2.1	2.4
Workers, by occupational group				
White-collar workers	1.9	1.7	2.3	2.4
Professional & technical workers	1.9	-1.1	2.7	2.8
Managers & administrators	2.4	1.5	2.0	1.4
Sales workers	-0.2	4.2	0.7	3.9
Clerical workers	2.7	1.4	2.9	2.1
Blue-collar workers	1.9	2.3	2.0	2.5
Craft & kindred workers	2.1	2.1	2.2	1.9
Operatives, except transport	1.9	2.2	1.7	3.1
Transport equipment operatives	1.5	3.5	2.4	2.4
Nonfarm laborers	1.5	2.7	1.7	2.9
Service workers	3.2	0.9	1.1	1.8
Workers, by industry division				
Manufacturing	1.7	1.8	1.8	3.1
Construction	1.3	2.6	2.0	1.1
Transportation & public utilities	2.6	1.6	2.9	2.0
Wholesale & retail trade	2.1	2.4	1.9	1.3
Finance, insurance & real estate	3.1	3.2	1.9	4.3
Services	2.1	1.1	2.6	2.5
Workers, by region				
Northeast	1.5	1.7	1.7	2.1
South	2.6	1.7	1.7	2.4
North Central	1.9	2.5	2.0	2.6
West	2.0	2.0	2.5	1.8
Workers, by bargaining status				
Occupations covered by collective bargaining agreements ..	1.8	2.1	2.2	2.6
Occupations not covered by collective bargaining agreements	2.1	1.9	1.9	2.3
Workers, by area				
Metropolitan areas	2.0	2.0	2.2	2.5
Other areas	2.1	2.1	1.6	1.9

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rate increases was the 9.4 percent gain in manufacturing for union workers, contrasted with only 7.9 percent for their nonunion counterparts.

Among occupational groups, wages for blue collar workers were up 2.5 percent in the September-December 1979 period — slightly higher than the 2.4 percent rise for white collar workers. Fourth-quarter increases in blue collar classifications ranged from 1.9 percent for craft and kindred workers to 3.1 percent for operatives (except transport). Gains for white collar workers ranged from 1.4 percent for managers and administrators to 3.9 percent for sales workers. Service workers received only a modest 1.8 percent increase.

Broken down by industry, pay in manufacturing was up 3.1 percent for the fourth quarter of 1979 and 8.6 percent for the year ended December. Gains from settlements in the auto industry helped boost the fourth-quarter manufacturing rate, which was higher than any other division's except finance, insurance, and real estate where pay rose 4.3 percent. The 1979

year-end advance for finance, insurance, and real estate was 13.2 percent, which outstripped increases in all other categories, construction posting the lowest at 7.2 percent.

Regionally, ECI showed wage and salary increases over the 12 months ended December 1979 ranging from 7.3 percent in the Northeast to 9.4 percent in the North Central states, with the South and West falling near the middle at 8.5 percent. In the last quarter of 1979, North Central states workers fared best, receiving wage increases of 2.6 percent, followed closely by Southern workers who won increases of 2.4 percent. In the Northeast pay was up 2.1 percent and in the West 1.8 percent in fourth-quarter 1979.

In the year ended December 1979, metropolitan area workers received wage hikes of 8.9 percent compared to 7.9 percent for nonmetropolitan area workers, while for the 3 months ended December 1979 metropolitan workers got 2.5 percent increases and workers in other areas 1.9 percent.

TABLE 2. RATE OF WAGE AND SALARY CHANGES IN EMPLOYMENT COST INDEX

Series	Percent change for 12 months ended in			
	Mar. 1979	June 1979	Sept. 1979	Dec. 1979
All private nonfarm workers	7.8	7.6	7.7	8.7
Workers, by occupational group				
White-collar workers	7.3	7.0	7.4	8.6
Professional & technical workers	7.1	6.8	7.5	8.8
Managers & administrators	7.2	6.9	7.6	7.4
Sales workers	7.9	6.7	4.8	8.8
Clerical workers	7.4	7.4	8.5	9.4
Blue-collar workers	8.3	8.4	8.4	9.0
Craft & kindred workers	8.5	8.2	8.3	8.6
Operatives, except transport	7.8	8.6	8.3	9.2
Transport equipment operatives	9.3	8.3	9.5	10.2
Nonfarm laborers	7.9	8.6	8.5	9.1
Service workers	8.3	7.2	5.9	7.2
Workers, by industry division				
Manufacturing	8.0	8.2	8.1	8.6
Construction	7.9	7.6	7.2	7.2
Transportation & public utilities	8.9	8.4	9.2	9.4
Wholesale & retail trade	7.3	7.0	7.7	7.9
Finance, insurance & real estate	(*)	(*)	(*)	13.2
Services	7.0	6.4	6.6	8.5
Workers, by region				
Northeast	6.8	6.9	6.9	7.3
South	8.8	8.3	7.7	8.5
North Central	7.5	7.8	8.2	9.4
West	7.9	7.7	8.2	8.5
Workers, by bargaining status				
Occupations covered by collective bargaining agreements	8.2	8.3	8.4	9.0
Occupations not covered by collective bargaining agreements	7.5	7.2	7.3	8.5
Workers, by area				
Metropolitan areas	7.8	7.7	7.9	8.9
Other areas	7.6	7.4	7.3	7.9

*Not available.

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Workweek Guarantee

Arbitrator Sol M. Yarowsky rules that Bunny Bread Company was not obligated under a contractual 40-hour workweek guarantee to pay employees for two days not worked because of a severe snow storm.

The Bakery, Confectionery and Tobacco Workers argued that the only exception to the workweek guarantee related to energy shortages. It added that it earlier had rejected a company proposal expanding the exception to include "Acts of God."

The employer contended that the workweek guarantee did not apply on the two snow days in question because the city government had restricted the use of city streets to emergency vehicles.

The arbitrator finds that the employer "was in no position to overrule the city's directive and continue operating the plant . . ."

Explaining that the workweek guarantee applies to "normal operations," Yarowsky says that "when the plant cannot be operated for a limited time because of conditions beyond the control of the employer, performance of the contract according to its strict terms is excused."

The arbitrator concludes that the workweek guarantee "is a very valuable provision . . . intended to run to the benefit of the employees" but, "it does not extend to all possible eventualities." (74 LA 55)

Coal Commission Recommendations

The President's Commission on Coal, appointed in the wake of an 111-day bituminous coal strike in 1978, has issued a final report calling on the United Mine Workers and the Bituminous Coal Operators' Association to begin "discussion immediately of the issues and problems relevant to the 1981 negotiations."

Increased reliance on coal "will require greater stability in labor management relations," the report says, adding that the past has been marked by "suspicion, hostility, and costly controversy." The union has struck at the expiration of the last five contracts, wildcat activity escalated to a record 2.3 million workdays in 1977, and work stoppages in response to stranger picketing is a continuing problem, the report points out.

Noting "signs of improvement," however, it adds that wildcat strikes have declined 90 percent since the last contract was signed; productivity, particularly in the unionized eastern underground mines, is increasing; and communication between labor and management has improved.

Communications Workers' Demands

Communications Workers of America President Glenn E. Watts says negotiations beginning June 4 for some 525,000 telephone employees can produce a settlement "well within the guidelines" that still "will meet the needs of CWA members."

At a news conference announcing the outcome of a three-day meeting in Washington, D.C., of CWA's Bell System Bargaining Council, Watts identified the major issues in this year's talks with American Telephone and Telegraph Company as wages, pensions, cost-of-living, job security, and job pressures.

CWA contracts with 31 Bell system companies, Western Electric Company, Bell Telephone Laboratories, and AT&T's long lines division expire on August 9. The International Brotherhood of Electrical Workers and the Telecommunications International Union, bargaining separately for nearly 200,000 employees in the industry, also hold contracts expiring in August.

Bargaining Briefs

Southern textile companies will be asked for 20 percent more in wages and 5 percent more in fringe benefits when contracts with the Amalgamated Clothing and Textile Workers reopen this spring. ACTWU says the steep increase will offset inflation and narrow the "increasing gap" between wages of textile workers and those in other industries.

The United Steelworkers are not liable for damages arising from a 1976 wildcat strike at Koehring Company's Lorain Division, the U.S. Court of Appeals for the Sixth Circuit rules, because the contractual no-strike language does not require the union's "best efforts" to halt an unauthorized walkout. Reversing a lower court, the Sixth Circuit stresses that since a union represents its members and not the employer it cannot be held liable absent "clear proof" of acquiescence.

Prospective purchasers of the bankrupt Milwaukee Road and Rock Island railroads have agreed with 15 labor groups on job protection language for employees of both carriers. Those hired by the new owners will be guaranteed preferential hiring over the purchasers' furloughed employees and 80 percent of their monthly 1979 earnings.

Meanwhile, the Senate has passed a \$50 million aid plan for Rock Island workers not hired by an acquirer, and House action on the Administration's \$75 million aid plan is expected soon.

An election victory for the United Farm Workers at C. Mondavi & Sons' Charles Krug Winery in 1975 was legitimate, the California Court of Appeal decides, after rejecting the employer's argument that the election was tainted by insufficient notice, coercion, and ballots in English instead of Portuguese. So ruling, the court enforces a 1978 bargaining order issued by the state Agricultural Labor Relations Board.



Workplace Democracy

PRODUCTIVITY can be significantly improved by increasing worker participation in the ownership and decision-making of American companies, according to a study by Karl Frieden of the National Center for Economic Alternatives.

Worker participation, or workplace democracy, Frieden explains, "is grounded on the assumption that greater individual and group motivation and higher productivity can be achieved if the workplace is restructured to fulfill the esteem and self-actualizing needs of workers and to provide workers with more control over the production process."

The slowdown in productivity growth in the United States over the last decade is one of the "most disquieting dilemmas" facing the nation in the 1980s, Frieden says. He adds that increasing productivity "must be a central goal of any national industrial policy." Productivity, or output per hour worked, was expanding about 3 percent annually between 1948 and 1966, though the exact figure varies depending on which sector of the economy is analyzed and how it is measured. Between 1973 and 1977, however, productivity grew at an annual rate of little more than 1 percent. Last year it actually declined by nearly 1 percent in the private business sector.

Economists point to various factors in explaining the slowdown, the author notes, including reduced business investment, growth in the size of the labor force, public sector expansion, and the continuing depletion of the world's fixed base of natural resources. Whatever the specific reasons, Frieden maintains that low productivity exacerbates the country's current economic troubles.

Although much attention has focused on increasing business investment, promoting manpower training and development, and reducing government spending and regulation to boost sagging productivity, Frieden argues that the most effective and least costly solution lies in increasing worker participation in corporate decision-making.

Frieden asserts that increased concentration of corporate control and stratification of the work process during the 20th Century have led to growing worker alienation. He explains: "Deep-rooted worker dissatisfaction over the lack of any control over . . . the

production process and the absence of participatory and meaningful work has, in effect, put a ceiling on worker motivation and productivity growth."

Traditional monetary incentives are reaching their limits in encouraging higher quality work by employees and in satisfying workers' needs, according to Frieden. "Despite proliferation of incentive programs, fringe benefits, profit-sharing plans, and higher wages, the problem of motivating workers and increasing their involvement and stake in the production process continues to be a serious one."

The Frieden study is based on a combination of primary research and an overview of existing literature on worker-owned and worker-managed companies and includes analyses of specific firms that have experimented with increased worker participation in decision-making. While most of the information points to increased worker satisfaction, higher profits, and improved productivity, Frieden cautions that the data are incomplete.

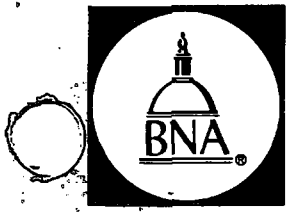
NCEA Co-Directors Gar Alperovitz and Jeff Faux introduce the study by saying, nevertheless, that "we need not wait for statistically indisputable measures of worker alienation before seriously examining the proposition that increasing an employee's sense of belonging and satisfaction might also increase that employee's efficiency."

A major obstacle to the widespread adoption of his approach, the author observes, is that it challenges the traditional adversary approach generally taken by American management and labor.

"The root of management's discomfort with worker participation is the fear of intrusions on traditional managerial prerogatives," Frieden says, while organized labor often has shied away from such initiatives because it is suspicious about management's goals and feels that the collective bargaining process may be damaged.

Frieden maintains, however, that the "formerly distinct area of managerial prerogatives has already been clouded in this country." He notes that management's latitude on issues such as working conditions, job security, employee benefits, investment decisions, and plant closings is being limited increasingly by legislation and collective bargaining.

Addressing the fears of labor, Frieden states flatly: "There is no evidence that the development of [worker] participation has led to the abandonment of collective bargaining processes." In addition, he asserts that "more innovative approaches to workplace issues might assist unions in organizing currently unorganized workers by making it clear that unions are willing to address the changing nature of the workforce and the growing dissatisfaction of workers with their jobs." (*Workplace Democracy and Productivity*, National Center for Economic Alternatives, 2000 P Street, N.W., Washington, D.C.)



what's new in...

COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

3/10
March 6, 1980

Route to . . .

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Record CPI Rise

The Consumer Price Index for All Urban Consumers (CPI-U) increased 1.4 percent in January to 233.2 percent of the 1967 base, while the Index for Urban Wage Earners and Clerical Workers (CPI-W) rose 1.4 percent to 233.3 percent of the base. Both measures were unchanged after seasonal adjustment.

Over the past year, CPI-U has increased 13.9 percent and CPI-W has risen 14.0 percent.

Prices are rising faster than ever, rather than moderating as predicted by the Administration. For the six months ended in January 1980, prices rose at an annual rate of 14.5 percent compared to an annual increase of 13.2 percent for the six months ending in July 1979.

Council on Wage and Price Stability Director R. Robert Russell told the Joint Economic Committee that inflation has not yet been built into the industrial wage-price structure. He warned, however, that the underlying inflation rate, which excludes food, housing, and energy costs, "has started to explode." (For more on inflation and the prospects for mandatory wage-price controls, see page 4.)

Purchasing power of rank-and-file workers with families fell 1.1 percent in January, seasonally adjusted, to \$86.06 per week.

Meanwhile, some 30,000 Steelworkers employed by major companies in the basic aluminum industry will receive a quarterly cost-of-living adjustment of 26 cents per hour this month.

In The Binders

The General Motors Corporation and Auto Workers contract, 21:1.

Accelerated Bargaining On The Docks

The International Longshoremen's Association and three employer groups have agreed on a bargaining timetable aimed at attaining a settlement for Atlantic and Gulf Coast dock workers by July 1. Although contracts covering 50,000 members do not expire until October 1, ILA agreed to present its initial contract proposal to the employers April 15 in New York and to begin talks May 6 in Florida.

The schedule of accelerated talks is intended to avert a loss of business at the covered ports from shippers who fear the threat of a strike and need about three months to make alternate arrangements with other ports, an employer spokesman said. The union has settled without a strike only once—in 1974—since the end of World War II.

Employers party to the agreement are the New York Shipping Association, the Southeast Florida Employers Committee, and the West Gulf Maritime Association. Although the Council of North Atlantic Shipping Associations and the New Orleans Steamship Association have not agreed to the stepped-up talks, an NYSA spokesman said that all of the major employer groups are expected to bargain jointly.

Talks between ILA and the employer groups will be limited to wages, hours, contract duration, contributions to health and pension funds, and rules on containerization and barge vessels. The amount of health and pension benefits and the number of hours for which dock workers are guaranteed full pay will be bargained at individual ports.

Pattern In The Glass Industry

Owens-Illinois, Inc., and the Glass Bottle Blowers Association have settled on three-year contracts covering some 12,000 workers. The agreements are expected to set the pattern for an additional 65,000 workers throughout the glass industry.

Hourly wages averaging \$6.80 are increased by 68 cents in the first year and 55 cents in both the second and third years. The contracts provide uncapped cost-of-living adjustments of one cent for each 0.5 rise in the Consumer Price Index if the inflation rate exceeds 9 percent.

Fringe benefit changes include improvements in shift differentials, incremental increases, and insurance benefits; monthly pension benefits are increased to \$14-\$16 per year of service with a \$9 minimum for past retirees. Thanksgiving is added as a twelfth holiday. The agreements expire on March 31, 1983.

Other Current Settlements

The Transport Workers Union has ratified a new three-year contract at Eastern Airlines covering some 5,500 flight attendants. Pay is increased 6 percent retroactive to April 1979, 2.5 percent in October 1979, 4 percent in both May and December 1980, 5 percent in July 1981, and 6 percent in January 1982. Cost-of-living adjustments, payable on January 1, 1981, and 1982, are based on a formula of \$1 per month for each 0.3 CPI rise up to a maximum of \$20 per month.

Pensions were revised to return all employee contributions made before the plan became noncontributory in 1977 and to provide retroactive credits for all past service of employees who had not participated. Monthly benefits are increased from \$20 to \$24 per year of service.

Some 17,000 grocery clerks are back on the job at supermarkets in the San Francisco Bay area after members of seven United Food and Com-

mercial Workers Union locals ratified a 38-month contract with the Food Employers Council, Inc., ending a five-week strike-lockout. Pay increases total \$1.815 over term plus six c-o-l adjustments. Journeyman rate goes from \$8.79 to \$9.436 per hour.

Hawaii sugar growers have reached agreement with the International Longshoremen's and Warehousemen's Union on two-year contracts covering 7,000 workers at 13 plantations. Wage increases ranging from 55 to 75 cents per hour, depending upon classification, are effective in February 1980 and 1981. Effective in the second year, the dental plan is amended to provide family coverage, the employer contributing 85 percent of the plan's cost, and President's Day is added as a paid holiday.



Better Late . . .

St. Joe Minerals Corporation, Zinc Smelting Division, improperly discharged for excessive absenteeism an alcoholic employee who entered a rehabilitation program just before the discharge, Arbitrator Thomas J. McDermott rules.

St. Joe's contract with the Steelworkers stated that "without detracting from the existing rights and obligations of the parties recognized in other provisions of this agreement," the company and the union would jointly encourage "employees afflicted with alcoholism or drug abuse" to undergo rehabilitation.

Citing the grievant's disciplinary record for the previous year which included seven written warnings and two suspensions for unexplained or unreported absences, the employer on March 27, 1979, suspended him for five days, pending a determination to discharge. Management elected to discharge him April 6.

The grievant first sought help for his drinking problem March 20. He entered the alcohol abuse program March 28, was later hospitalized for detoxification, and was actively participating in the program at the time of the arbitration hearing.

The employer argued that the provision on alcohol and drug abuse could not be interpreted to require reinstatement of a worker discharged for excessive absenteeism, "even if it is established that the absenteeism was due to alcoholism."

The union maintained that by agreeing to the alcohol and drug abuse clause, the employer had committed itself to show "a measure of latitude" to employees when they sought help. It also cited the grievant's 15 years of service and good record as a maintenance mechanic.

The arbitrator finds that in January 1979 "both the company and the union suspected that the grievant" (Continued on page 3)

Following are median first-year wage increases in settlements reported in the two-week period ending March 3 and year-to-date median increases for this year and last (see 19:8005):

	2-week period		year to date		year to date 1979	
All industries	50.0¢	8.2%	54.4¢	8.9%	54.0¢	8.3%
All nonconstruction	50.0¢	8.2%	54.4¢	8.9%	52.8¢	8.2%
Manufacturing	48.0¢	8.8%	54.9¢	9.1%	56.9¢	8.7%
Nonmfg. exc. constr.	58.1¢	8.2%	52.8¢	8.2%	38.8¢	7.1%
Construction	(*)	(*)	(*)	(*)	(*)	(*)

(*) Insufficient data

Auto Workers Negotiations

The United Auto Workers has reached agreement on a 37.5-month master agreement with Mack Trucks, Inc., covering 10,000 employees in Pennsylvania, New Jersey, Maryland, and California. Ratified by a 2,907-to-1,670 vote, the agreement follows the auto pattern established last fall at General Motors Corporation: annual 3 percent pay increases, 26 paid personal holidays, and pension improvements.

UAW also ratified pattern agreements covering 7,000 employees at Rockwell International Automotive Group plants in six states and 4,500 employees at Jeep Corporation in Toledo, Ohio.

Allis-Chalmers Corporation, however, was struck on February 22, in a dispute with UAW over subcontracting of work and unsettled grievances. The union represents 3,000 Allis-Chalmers employees in Wisconsin and Indiana.

Meanwhile, the Council on Wage and Price Stability found Chrysler Corporation's revised contract with UAW in compliance with the Administration's wage guideline. Chrysler employees accepted terms providing later pay increases and fewer personal holidays than at GM as part of a government-mandated \$3.5 billion aid package to save the company from bankruptcy.

Oil Industry's Latest Rejected Offer

The Oil, Chemical and Atomic Workers have rejected the latest industry offer for a settlement to end the eight-week strike against the nation's oil refineries. Although OCAW President Robert Goss has said that the parties were "not far apart" on wages, a union spokesman said that problems remain on health insurance and vacations.

Offers from seven major companies and several smaller firms called for a 10 percent wage increase and increases in monthly employer contributions of \$16 for family health coverage (\$4 for individuals) and \$14 for family dental coverage (\$4 for individuals).

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FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 907

March 6, 1980

PRODUCTIVITY AND COSTS: FOURTH QUARTER 1979

Productivity in the private business sector declined 0.6 percent in the fourth quarter of 1979, according to revised data published by the Bureau of Labor Statistics. Outpacing a 2.7 percent gain in output was a 3.3 percent rise in hours worked. Computed at an average annual rate, private business productivity dropped 0.9 percent in 1979, with a 3.3 percent increase in hours overtaking a 2.4 percent gain in output. From the fourth quarter of 1978 to the fourth quarter of 1979 private business productivity declined 1.8 percent.

In manufacturing, productivity fell 1.3 percent in the fourth quarter (following a 3.5 percent increase in the third quarter of 1979), as output dropped 1.1 percent and hours worked increased 0.3 percent. Compared with the fourth quarter of 1978, productivity in manufacturing increased 0.6 percent,

while for the year as a whole it advanced an average 1.8 percent.

Nonfarm business productivity, after declining for three consecutive quarters, posted a modest rise of 0.5 percent in the fourth quarter of 1979, with a 2.5 percent increase in output outweighing a 1.9 percent gain in worker hours. The annual average for nonfarm business productivity was down 1.1 percent in 1979, while compared with the same period last year the fourth-quarter 1979 measure reflected a 2.0 percent decline.

Preliminary annual data for nonfinancial corporations shows productivity fell an average 0.4 percent, making 1979 the first year productivity has declined in this sector since 1974. Accounting for the decline were advances of 3.1 percent in hours worked and 3.5 percent in output.

TABLE 1. PERCENT CHANGE AT ANNUAL RATES IN PRODUCTIVITY & COSTS
(Seasonally Adjusted)

	3rd Quarter 1979 to 4th Quarter 1979	4th Quarter 1978 to 4th Quarter 1979
Private Business Sector (revised)		
Productivity	-0.6	-1.8
Hourly compensation	7.2	9.1
Unit labor costs	7.8	11.1
Real hourly compensation	-5.4	-3.2
Output	2.7	0.5
Hours	3.3	2.3
Nonfarm Business Sector (revised)		
Productivity	0.5	-2.0
Hourly compensation	9.2	9.0
Unit labor costs	8.6	11.3
Real hourly compensation	-3.6	-3.3
Output	2.5	0.3
Hours	1.9	2.4
Manufacturing (revised)		
Productivity	-1.3	0.6
Hourly compensation	8.4	9.2
Unit labor costs	9.9	8.5
Real hourly compensation	-4.3	-3.1
Output	-1.1	0.7
Hours	0.3	0.1

**TABLE 2. PRIVATE BUSINESS SECTOR, ALL PERSONS: PRODUCTIVITY, HOURLY COMPENSATION,
UNIT LABOR COSTS, AND PRICES, SEASONALLY ADJUSTED**
(Indexes 1967=100)

Year and Quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour ¹	Real compensation per hour ²	Unit labor costs	Unit nonlabor payments ³	Implicit price deflator ⁴
1978								
1st quarter	118.4	136.9	115.6	224.2	118.7	189.4	164.8	180.9
2nd quarter	119.0	140.3	117.9	228.5	118.1	192.1	173.9	185.8
3rd quarter	119.7	141.8	118.4	233.6	118.2	195.2	177.0	188.9
4th quarter	119.8	144.0	120.2	238.4	118.0	199.0	181.3	192.9
Annual average	119.2	140.7	118.1	231.2	118.3	194.0	174.3	187.2
1979								
1st quarter	118.9	144.4	121.5	244.8	118.0	205.9	180.8	197.2
2nd quarter	118.2	143.4	121.3	250.3	116.9	211.7	183.7	202.0
3rd quarter	117.8	143.8	122.0	255.6	115.8	217.0	185.6	206.1
4th quarter	117.6*	144.7*	123.0*	260.1*	114.2	221.1*	189.0*	210.0
Annual average	118.1	144.1*	121.9*	252.8	116.3*	214.0*	184.6*	203.8
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATES⁵								
1978								
1st quarter	-1.5	2.4	3.9	10.9	2.9	12.6	-8.6	5.3
2nd quarter	2.0	10.5	8.4	7.9	-2.1	5.8	24.0	11.2
3rd quarter	2.4	4.2	1.7	9.2	0.3	6.6	7.4	6.9
4th quarter	0.3	6.4	6.1	8.5	-0.7	8.1	9.9	8.7
Annual average	0.5	5.2	4.7	8.5	0.8	8.0	5.3	7.1
1979								
1st quarter	-3.0	1.2	4.4	11.1	0.1	14.6	-1.0	9.3
2nd quarter	-2.2	-2.9	-0.7	9.3	-3.8	11.8	6.5	10.1
3rd quarter	-1.3	1.1	2.4	8.8	-3.6	10.3	4.1	8.3
4th quarter	-0.6*	2.7*	3.3*	7.2*	-5.4*	7.8*	7.7*	7.8
Annual average	-0.9	2.4*	3.3	9.3	-1.7*	10.3*	5.9*	8.9
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR⁶								
1978								
1st quarter	-0.1	4.4	4.5	8.0	1.3	8.1	2.1	6.1
2nd quarter	0.9	5.7	4.7	8.4	1.2	7.4	5.6	6.8
3rd quarter	0.2	4.8	4.6	8.5	0.4	8.3	5.4	7.4
4th quarter	0.8	5.8	5.0	9.1	0.1	8.3	7.5	8.0
Annual average	0.5	5.2	4.7	8.5	0.8	8.0	5.3	7.1
1979								
1st quarter	0.4	5.5	5.1	9.2	-0.6	8.7	9.7	9.0
2nd quarter	-0.6	2.2	2.8	9.5	-1.0	10.2	5.6	8.7
3rd quarter	-1.6	1.4	3.0	9.4	-2.0	11.2	4.8	9.1
4th quarter	-1.8*	0.5*	2.3*	9.1*	-3.2	11.1*	4.3*	8.9
Annual average	-0.9	2.4*	3.3	9.3	-1.7*	10.3*	5.9*	8.9

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¹Wages and salaries of employees plus employers' contribution for social insurance and private benefit plans. Except for nonfinancial corporations, where there are no self-employed, data also include an estimate of wages, salaries, and supplemental payments for the self-employed.

²Compensation per hour adjusted for changes in the Consumer Price Index for All Urban Consumers.

³Nonlabor payments include profits, depreciation, interest, rental income, and indirect taxes.

⁴Current dollar gross product divided by constant dollar gross product.

⁵Percent change compounded at annual rate from original data rather than index numbers.

⁶Current quarter divided by comparable quarter a year ago.

* Revised.

(Continued from page 2)

...nt's poor attendance record was due to alcoholism." At that time, however, the grievant refused to admit his drinking problem.

McDermott says that management knew March 20 that the grievant had agreed to enter the rehabilitation program, and was aware of the grievant's problems and hospitalization at the time of his discharge.

The purpose of the contract's discharge procedure, McDermott explains, "is to prevent impulsive, hasty, or arbitrary discharge actions and to insure that the decision to take such action will be made after a consideration of all facts." He adds:

"If the company felt that the grievant waited too long, and that his only reason for entering the program was to avoid a discharge, it still had an alternative of offering to place him on an unpaid leave of absence" until it could determine whether he had been rehabilitated.

The arbitrator rules that "even though the grievant was extremely late in admitting to himself that he had a need to enter the alcohol rehabilitation program, the effort to do so was made prior to the discharge." He concludes that "entry in the program should have been considered as a mitigating factor to the discharge action."

McDermott orders the employer to reinstate the grievant without back-pay. (73 LA 1193)

OCAW now has negotiated 18 individual agreements covering 2,900 workers, a union spokesman said. The pacts call for pay increases of 5 percent plus 55 cents per hour and monthly employer contributions of \$125 for family health coverage and \$20 for family dental coverage.

Supreme Court Rulings

The California brewing industry's requirement that an employee work 45 weeks within a calendar year to move from temporary to permanent status is a "component" of a seniority system exempt from challenge under Title VII of the Civil Rights Act, the Supreme Court rules.

In 1973 a group of minority employees sued the brewers and the Teamsters charging that the rule precluded them from attaining permanent status since few workers were able to accumulate the required 45 weeks. By locking out blacks, the rule perpetuated the effects of past discrimination, the minority employees said.

Reversing a federal trial court ruling, an appeals court found the rule "simply a classification device to determine who enters the permanent employee seniority line" and not part of a seniority system exempt from Title VII.

The Court finds, however, that the contract sets up two parallel seniority ladders, one for temporary employees and one for permanent employees, and the 45-week rule serves to establish the threshold requirement for entry into the permanent employee seniority track. (*California Brewers Association v. Bryant*; US SupCt, No. 78-1548)

In another ruling, a sharply divided Court decides that full-time faculty members of Yeshiva University are managerial employees excluded from coverage under the Taft-Hartley Act. Affirming a decision of the U.S. Court of Appeals at New York City, which rejected an NLRB bargaining order, the Court majority holds that the faculty exercises authority "which in any other context unquestionably would be managerial."

The Court leaves open some possibility that faculty at other universities may be "entirely or predominately nonmanagerial," and also suggests that nontenured faculty might be able to unionize, depending on how the faculty is structured and operates (103 LRRM 2526).

Bargaining Briefs

Possible shut-down of Wheeling-Pittsburgh Steel Corp.'s sheet and tube processing plant in Allenport, Pa., prompts Steelworkers to vote for a ten-step reduction of incentive wages over the next 30 months for 1,300 employees. Although management anticipates a \$2 million savings, continued operation was not guaranteed. The union can evaluate the plan every 15 months.

A training program to prepare union officers and staff as pension plan negotiators and trustees has been approved by the leaders of the AFL-CIO Building and Construction Trades Department. The program which could reach up to 3,000 union members will cover economic issues, federal statutes governing pension plans, bargaining retirement programs, investment processes, and case histories of trade union initiatives on pensions.

Short workweek plans negotiated by the United Auto Workers at Federal Forge and Lansing Drop Forge in Michigan could set a pattern for other union negotiators. Both contracts provide 40 hours' pay for each of 12 four-day, 32-hour weeks in 1980, for 13 short-weeks in 1981, and 14 in 1982. All the four-day weeks will be scheduled during summer months, when the forges are particularly hot.

Bargainers for 500,000 telephone employees will meet in Washington, D.C., March 11-14 to draw up demands to be presented by the Communications Workers of America to the American Telephone and Telegraph Company. CWA's Bell System Bargaining Council will be negotiating with 32 companies renewal of contracts expiring in August. International Brotherhood of Electrical Workers and Telecommunications International Union contracts covering another 200,000 AT&T employees also expire in August.



The Controls Option

PRESIDENT CARTER insists that his economic policies are sound and that mandatory wage and price controls "are out of the question for me." The President admitted, however, that with the latest CPI increase, inflation has reached the "crisis stage."

Administration officials are busy searching for new anti-inflation initiatives short of controls. Among the moves reportedly under consideration are further budget cuts and controls on credit.

Consumer prices surged upward 1.4 percent in January—the largest monthly increase in more than six years. The Consumer Price Index for Urban Wage Earners and Clerical Workers climbed 13.4 percent in 1979, despite the Administration's package of voluntary wage and price guidelines coupled with restrictive budgetary, monetary, and credit policy.

Commenting on the latest CPI increase, AFL-CIO President Lane Kirkland said that "one can't look at those figures without concluding that no progress is yet being made, and without feeling the deepest concern about it."

One thing that "clearly emerges" from the CPI data, Kirkland suggested, is that wages "are not in any sense a source of current inflation." Workers are the "primary victims" of inflation, he said.

Kirkland said that he is not yet ready to withdraw the Federation's cooperation in the current anti-inflation program, and he declined to say what might force him to resign as a member of the President's Pay Advisory Committee. He added, however: "I am certain that unless some turnaround in this situation occurs, it's going to be exceedingly difficult to persuade our affiliates that they should be a party to an instrument of further declines in the real incomes of their members."

The AFL-CIO Executive Council at its annual mid-winter meeting in Bal Harbour, Fla., called for stronger measures to halt inflation and ward off a recession. The 35-member board repeated its call for mandatory controls, but said they should be adopted only "if voluntary efforts fail."

Support for mandatory controls has been gaining strength. According to a recent *New York Times*/CBS News poll, a majority of Americans—65 percent—favor some form of mandatory controls.

Representative Henry S. Reuss (D-Wis), chairman of the House Banking Committee abandoned his position to controls and said he now "stands ready" to introduce a wage-price controls bill if the Administration first establishes a comprehensive anti-inflation policy which includes gasoline rationing, a moderate money policy, and a balanced budget. "With these things in place, then wage and price controls make sense," Reuss said.

Others voicing support for controls as an important component of an over-all anti-inflation program include economists Henry Kaufman of Saloman Brothers, Bruce MacLaury, president of the Brookings Institution, and former Council on Wage and Price Stability Director Barry Bosworth. Senator Edward M. Kennedy (D-Mass), President Carter's primary challenger for the Democratic Presidential nomination, is calling for a six-month wage-price freeze to be followed by controls.

The Senate Banking Committee has broadened the scope of hearings on the preservation of CWPS' current authority to include a review of the government's anti-inflation policy and consideration of mandatory controls. The hearings were slated to begin March 7.

Noting the continued high inflation rate, Committee Chairman William Proxmire (D-Wis) said that "it is time to reconsider all of our policy options." He added: "Even though I and many other members of the Committee oppose mandatory wage and price controls, I think they should be debated along with other anti-inflation devices—tough fiscal and monetary policy, moderation in wage and price demands either voluntarily or through tax-based incomes policies, programs to increase productivity, regulatory reform, and all the rest."

Proponents of mandatory controls generally argue that they may be the only way to limit the fast-paced upward wage-price spiral and to break the anticipatory buying psychology of consumers.

President Carter argues, however, that any move toward mandatory controls would "precipitate a wild escalation in existing inflation." Asserting that controls "are neither a quick nor a sure way to reduce inflation," Council of Economic Advisers Chairman Charles Schultze says that controls cannot be maintained long enough to slow inflation and are likely to further damage the economy by creating shortages and causing market distortions.

Federal Reserve Board Chairman Paul Volcker may have summed up the Administration's feelings about controls when he said that controls do not deal with the basic causes of inflation. If the government doesn't deal with the basics, then controls will not work, he maintained. He concluded that if the government does deal with inflation's basic causes, then mandatory controls are not needed.



what's new in...

COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

2/26
February 21, 1980

Route to . . .

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ILO Membership

After a 27-month absence to protest the "politicization" of the International Labor Organization, the United States rejoined the Organization on February 18.

Announcing the decision, President Carter said that since the U.S. withdrew in November 1977, "a majority of ILO members—governments, workers, and employers—have successfully joined together to return the ILO to its original purposes," which include promoting the interests of workers around the world.

"Steps have been taken," he said, "to strengthen the independence of employer and worker delegates, undertake investigations of human rights violations in a number of countries including the Soviet Union, reinforce the principle of due process, and . . . reduce the level of politicization in the ILO."

Until it withdrew, the U.S. was contributing \$25 million a year to the ILO, about one fourth of the Organization's budget.

New UMW Vice President

United Mine Workers President Sam Church, Jr., has named Wilbert Killion International Vice President. Killion replaces Church, who was elevated to the union presidency in November following Arnold Miller's resignation because of ill health.

Church was given special authorization to appoint his successor during the UMW convention last December in Denver, Colo. The next scheduled election is in 1982.

In The Binders

Goodyear Tire & Rubber Company and United Rubber Workers contract, 27:1.

Auto Workers' Pattern Settlements

United Auto Workers members, ending month-long strikes at six Budd Company plants in Michigan, Pennsylvania, and Ohio, have ratified 37.5-month contracts covering some 6,200 production and maintenance and 800 salaried employees. About 3,000 employees at the Gary, Ind., plant remain on strike over local issues.

The contracts follow the auto pattern established last fall at General Motors Corporation and accepted by Dana Corporation, a rival auto parts supplier. UAW struck Budd on January 15 after failing to gain the pattern. In addition to the 3 percent wage increases each year, a revised c-o-l formula in the third year, and eight increases in pension benefits over term, the contracts provide automatic recognition for UAW at a new Johnson City, Tenn., plant, to open this year or next. If the company decides to close or sell its Gary plant, employees will have "preferential hiring" rights at the new plant.

UAW also has accepted agreements covering 5,000 employees at Champion Spark Plug Company, Toledo, Ohio, and 1,500 at Kelsey-Hayes Company in Michigan. Both agreements track the auto pattern. Results of ratification votes are expected this month on agreements covering 9,000 employees at Mack Trucks, Inc., in four states; 7,000 at Rockwell-International Automotive Group in six states; and 4,500 at Jeep Corporation, Toledo, Ohio.

New Three-Year Agreement At Honeywell

Pay increases of 13 percent in the first year and 11 percent in the second are provided by a new three-year agreement between the Teamsters and Honeywell, Inc., Minneapolis, Minn. Rates for some 8,700 employees averaged \$7 an hour under the old contract.

Negotiated under a third-year reopener in a contract that was to expire January 31, 1981, the new contract also calls for a reopener in the third year. Employees with 30 years of service now are eligible for six weeks of vacation; maximum sickness-accident benefits rise from \$235 to \$260 per week for 26 weeks; and a percentage of usual and customary fees, rather than a schedule of fees, is paid under a dental plan. Monthly pension benefits for each year of service rise from \$12 to \$18 for present employees and from \$12 to \$14 and from \$7 and \$10 to \$12 for retirees.

East And West Coast Hospital Contracts

The New York State Nurses Association has ratified new three-year contracts with Presbyterian Hospital, Maimonides Medical Center, and Kingsbrook Jewish Medical Center, ending New York City's first major strikes by registered nurses.

The agreement covering 1,200 RNs at Presbyterian provides an average 26 percent increase over term. Mandatory overtime, a major issue in the four-day strike, is reduced to 24 shifts immediately and the hospital will try to reduce the number of shifts to 13 by 1982.

Some 600 RNs at Maimonides will receive increases of 7 percent in the first year, 6 percent in January 1981, and 2 percent in July 1981. A wage reopener is scheduled for January 1982. Some 200 new RNs will be hired in the first year to alleviate an understaffing problem.

The Kingsbrook contract provides increases of 7 percent in each of three years for some 300 nurses. Non-nursing functions such as answering telephones are eliminated under the new contract.

The California Nurses Association and Kaiser Foundation Hospitals in Northern California and Associated Hospitals of the East Bay, meanwhile, have agreed to abide by the decision of an arbitrator on unresolved issues in their contract negotiations, averting strikes threatened for February 11 by some 3,800 registered nurses.

Issues to be decided by arbitrator Sam Kagel are pay increases, the length of the contract, the union's demand for an additional pay step for nurses with ten years' service, night shift differential pay, and whether to allow a nurse to work a 32-hour week.

Other Current Settlements

The Metropolitan Garage Board of Trade and the Teamsters have settled on a three-year agreement covering some 3,000 parking attendants, washers, and foremen at about 500 garages in the New York City area.

Wages are increased \$20 per week in the first, second, and third years. Employer contributions to a pension fund rise from 25 to 50 cents an hour, a tenth holiday is added, sick leave is increased from five to six days per year, and a fourth week of vacation after 20 years of service is provided.

Following are median first-year wage increases in settlements reported in the two-week period ending February 18 and year-to-date median increases for this year and last (see 19:8004):

	2-week period		year to date		year to date 1979	
All industries	57.5¢	9.7%	54.9¢	9.0%	54.0¢	8.5%
All nonconstruction	57.5¢	9.7%	54.9¢	9.0%	54.0¢	8.5%
Manufacturing	60.0¢	10.0%	56.2¢	9.2%	56.9¢	8.7%
Nonmfg. exc. constr.	49.8¢	8.3%	51.9¢	8.5%	37.5¢	7.4%
Construction	(*)	(*)	(*)	(*)	(*)	(*)

(*) Insufficient data

UA: Strength Through Merger

To combat open shop competition union locals should merge, United Association of Plumbers and Pipefitters President Martin J. Ward told the Mechanical Contractors' Association of America at its annual convention in Denver, Colo., last month.

Union local mergers, Ward asserted, would cut down on the number of negotiations, provide more mobility for workers and increase their availability, and improve union competitiveness in the labor market.

Ward urged contractors to cooperate with unions in their efforts to merge, noting that mergers require changes in fringe benefit programs.

Non-union builders could completely dominate the construction industry within the decade if the building trades do not reorganize, MCAA President Edwin S. Bergartt told the convention. Labor uncertainties will present "a major challenge" to the industry in the 1980s and contractors should work toward organizing the building trades into fewer crafts to reduce "jurisdictional strife" and create "a more flexible labor force," he added.

The non-union sector of the industry "has made a strong claim on the market," Bergartt said, adding, "I don't mind saying that declining



Layoff Notice

The Machinists' union did not violate its contract with the Office and Professional Employees by laying off workers without giving the contractually required two-week notice, Arbitrator Martin Zimring decides.

The employer planned to move to new offices over the weekend beginning Saturday, May 26, 1979, and extending through Monday May 28, a holiday. Planning to resume work on Tuesday May 29, the employer hoped to avoid any loss of work time or pay for its employees.

An unforeseen delay in the move caused by circumstances beyond the employer's control, however, forced management to lay off several employees for a couple of days.

The move was completed on May 31. Eight employees worked part or all of the four regular work days in the week of May 28. Most employees received pay for some or all of that week by using vacation or sick leave with the employer's permission.

The union grieved the employer's failure to provide two weeks' notice of the layoffs.

The arbitrator finds that to adopt the rationale of the union in its interpretation of the layoff notice provision would have required the employer to advise employees two weeks in advance that there would be a layoff and employees would have been without any pay at all.

"This was the very situation that the employer attempted to avoid in scheduling the move over the three-day weekend," Zimring says.

The moving delay "was an emergency beyond the control of the employer which had to be, and was, dealt with as expeditiously as possible."

Zimring declares that the incident at issue was not a "layoff" within the meaning of the contract, but a "temporary cessation of operations." (73 LA 1127)

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FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 906

February 21, 1980

C-O-L WAGE INCREASES IN 1980

If the inflation rate continues to rise as rapidly in 1980 as it did last year, wage adjustments based on cost-of-living provisions "are likely to have a large impact on the total wage change effective in 1980," according to a study by Edward Wasilewski, a Bureau of Labor Statistics economist, reported in the January 1980 issue of *Monthly Labor Review*.

Some 4.9 million workers in the private nonfarm sector are scheduled to receive deferred wage increases averaging 5.1 percent, or 45 cents per hour, under major collective bargaining agreements (covering 1,000 or more workers) negotiated in earlier years. In addition, some 5.5 million employees are working under major contracts which contain c-o-l clauses, many

with more than one wage adjustment payable in 1980, Wasilewski notes.

The number of workers covered by c-o-l provisions dropped to 5.5 million from 5.6 million in 1979. Wasilewski explains that the "slight decline was because of employment shrinkage in some bargaining units retaining their clauses, rather than from the termination of a significant number of clauses."

While only 40 percent of all major contracts contain c-o-l provisions, such clauses tend to be included most often in agreements that cover the greatest number of workers. Large blocks of employees are covered under national contracts with large companies; for example, the Auto Workers with General Motors Corpora-

Table 1. Prevalence of escalator clauses in major collective bargaining agreements, November 1979

[Workers in thousands]

Industry	2-digit standard industrial classification (SIC)	All contracts		Contracts with escalator clauses		Percent of workers covered by escalator clauses	Industry	2-digit standard industrial classification (SIC)	All contracts		Contracts with escalator clauses		Percent of workers covered by escalator clauses
		Workers covered	Number of contracts	Workers covered	Number of contracts				Workers covered	Number of contracts	Workers covered	Number of contracts	
Total		9,428	2,046	5,547	816	58.8							
Metal mining	10	56	14	55	13	97.6	Fabricated metal products	34	115	56	86	38	76.8
Anthracite mining	11	2	1	2	1	*100.0	Machinery, except electrical	35	290	97	266	82	91.2
Bituminous coal and lignite mining	12	160	1			0.0	Electrical equipment	36	456	102	416	80	91.4
Building construction general contractors	15	668	184	17	7	2.5	Transportation equipment	37	1,170	115	1,100	95	94.0
Construction other than building construction	16	480	119	60	9	12.6	Instruments and related products	38	32	16	13	7	39.8
Construction special trade contractors	17	462	205	73	24	15.8	Miscellaneous manufacturing industries	39	21	12	4	2	18.0
Food and kindred products	20	334	108	120	42	35.8	Railroad transportation	40	437	20	437	20	100.0
Tobacco manufactures	21	29	.8	28	7	96.2	Local and urban transit	41	16	4	15	3	93.8
Textile mill products	22	54	19	14	3	25.8	Motor freight transportation	42	522	28	513	23	98.2
Apparel and other textile products	23	497	55	186	11	37.5	Water transportation	44	99	17	36	7	36.3
Lumber and wood products	24	58	20	1	1	2.0	Transportation by air	45	163	43	118	25	72.4
Furniture and fixtures	25	32	19	13	9	4.1	Communications	48	762	46	727	33	95.4
Paper and allied products	26	102	70			0.0	Electric, gas, and sanitary services	49	206	76	45	12	21.8
Printing and publishing	27	65	37	19	10	28.8	Wholesale trade	50 & 51	87	34	44	14	50.9
Chemical and allied products	28	93	48	29	14	31.2	Retail trade—general merchandise	53	89	23	30	6	33.8
Petroleum refining and related industries	29	40	21			0.0	Food stores	54	537	104	380	64	70.6
Rubber and plastic products	30	84	16	74	11	88.5	Automotive dealers and service stations	55	19	11	2	1	0.8
Leather and leather products	31	52	18	1	1	1.9	Apparel and accessory stores	56	10	5	1	1	11.2
Stone, clay, and glass products	32	95	37	32	15	33.8	Eating and drinking places	58	73	24			0.0
Primary metal industries	33	558	120	535	106	95.8	Miscellaneous retail stores	59	18	7	8	3	43.5
							Finance, insurance, and real estate	60-65	87	15	32	6	36.7
							Services	70-89	296	71	13	9	4.4

NOTE: Because of rounding, sums of individual items may not equal totals, and percentages may not reflect shown ratios.

Dashes indicate absence of cost-of-living coverage.

Holiday Pay

Arbitrator George T. Roumell rules that Norris Industries violated its contract with the Auto Workers by denying holiday pay for Memorial Day to 39 employees it had laid off.

The contract provided that employees are eligible for holiday pay if they are "laid off from work or recalled to work during the week in which the holiday falls. . ."

On Thursday, May 25, 1978, the employer sent layoff notices to 39 workers informing them that their last day of work would be Friday May 26. None of the employees were paid for Memorial Day which fell on Monday May 29.

Referring to a rejected proposal to provide holiday pay to workers laid off within 10 days of a holiday, the employer contended that the union was trying to obtain through arbitration what it had been unable to get at the bargaining table.

The arbitrator observes that even if the proposed clause had been included in the existing agreement it would not have resolved the crucial question of when a layoff begins.

Roumell finds that "arbitrators faced with similar facts and contract language have overwhelmingly agreed that the effective date of layoff is when the employees' working schedules and earnings opportunities are first affected." (73 LA 1129)

productivity in the union sector has not helped one single bit" in combating this trend.

"There is little unity" in the AFL-CIO's Building and Construction Trades Department, Bergartt declared. There are "17 trades and 10,000 locals organized into autonomous units" and "[m]any prefer to follow traditions and practices that are over 50 years old."

Bergartt advised contractors to encourage multi-trade coordinated bargaining and to go to the bargaining table well prepared. The construction industry "is undergoing a time of crisis in the labor area and the next decade may well determine the future of the unions" in this industry, he concluded.

New Pay Guidelines Challenged

Following the Pay Advisory Committee's January 22 proposal for a range of 7.5 to 9.5 percent to replace the 7 percent wage standard, Committee Chairman John Dunlop said that he expected widespread compliance with the range if it were adopted. "Since this particular group endorses it, it will be respected," he added.

At least two major unions negotiating new agreements later this year, however, have said that they are not committed to complying with a 9.5 percent maximum limit on pay, despite the panel's endorsement.

"Our people are trying to negotiate the best package we can get," a spokesman for the International Brotherhood of Electrical Workers said, adding "we are not committed to staying within 9.5 percent." Contracts covering 120,000 Electrical Workers in the telephone industry expire in August. Current agreements will have provided wage and benefit increases of about 35.9 percent over three years.

Commenting on the expected impact of the proposed pay guideline, a spokesman for the Machinists said, "As far as we are concerned, they will not impact at all." Noting that the guideline is voluntary, the spokesman said, "we aren't volunteering." Agreements covering 50,000 Machinists in the aerospace industry expire in October.

Until the Council on Wage and Price Stability acts on the panel's second-year pay guideline recommendation, the 7 percent wage standard remains in effect.

Bargaining Briefs

A national boycott against Monfort of Colorado—where employees last month ended a ten-week strike and returned to work without a contract—is called by the United Food and Commercial Workers Union.

Accusing the beef processor of failing to bargain in good faith and firing 21 employees without just cause, UFCWU said: "In the face of a calculated campaign by Monfort to ignore the basic human and legal rights of our members employed at its plant in Greeley, Colo., we are taking the only alternative the company leaves us."

A duty to arbitrate grievances cannot be implied from an employer's offer to continue the "terms and conditions of employment" of an expired contract during contract talks, the U.S. District Court for Western Pennsylvania holds. Ordering the employer to continue to

process grievances, the court finds no obligation to submit grievances to arbitration during the "post-contract hiatus."

Finding that the contract defined a grievance as a "dispute or claim arising under and during the term of the agreement," the court concludes that "the parties did not intend the arbitration procedure to extend beyond the life of the contract." (*Teamsters Local 636 v. J.C. Penney Company*, USDC WPa., January 31, 1980)

BNA's Briefing Sessions on collective bargaining will open February 29 in Washington D.C. Sessions in the 1980 series will follow in New York City, March 3; Detroit, March 5; Chicago, March 7; Los Angeles, March 10; Seattle, March 12; and Boston, March 14.

Further information can be obtained from the BNA Briefing Sessions Secretary, Room S-602, The Bureau of National Affairs, Inc., 1231 25th St., N.W., Washington, D.C. 20037. Telephone (202) 452-4420 or toll free (800) 424-8039.



Perspective

Basic Steel Opener

PLANT CLOSINGS and the state of the industry topped the list of issues as the United Steelworkers and major steel producers opened talks in Pittsburgh, Pa., February 5-6. The union represents 286,000 employees at the nine companies and 455,000 industrywide under contracts expiring August 1.

Both sides have predicted hard bargaining, with the union trying to reduce management's power to close plants and the companies trying to improve productivity and keep costs down in an effort to compete with foreign companies. Also to be stressed are pension benefits and the Experimental Negotiating Agreement, which prohibits a nationwide strike in return for guaranteed 3 percent annual wage increases and cost-of-living adjustments. The industry says ENA is too costly and wants it eliminated.

Complaining of high labor costs and excessive government regulation that have placed the company at a disadvantage with foreign or nonunion steel companies, United States Steel Corporation announced last November that it would close 15 plants this year. Although the company later changed its mind about two American Bridge Division plants after employees accepted a wage freeze, it said the other plants would close as planned. Angry workers who seized the offices of a Youngstown, Ohio, plant failed to change the company's mind.

In response, the union has demanded advance notice of plant shutdowns as well as joint discussions to explore "solutions short of plant closings." Expressing dissatisfaction with current contract provisions giving employees little help against plant closings, Steelworkers President Lloyd McBride conceded that advance disclosure may not be practical because it might affect the price of the company's stock and would be subject to Securities and Exchange Commission regulations.

U.S. Steel Vice President J. Bruce Johnston, chief negotiator for the industry, said plant shutdowns merely reflect the deteriorating state of the basic steel industry. "Anyone taken by surprise" by plant closings, he said, "has not been following events in the industry." Both McBride and Johnston blamed the closings on foreign companies' "dumping" of cheap steel in this country and called for stricter enforcement of trade laws.

Increasing productivity and decreasing labor costs loom as major industry goals, meanwhile. Thomas Graham, of Jones & Laughlin Steel Corporation, said productivity in the industry is "not only inadequate but almost nonexistent." The industry's productivity growth rate in the last decade makes steel "look sick" compared to other industries, he told a news conference.

Employment costs have risen at a greater rate than steel prices and now stand at more than \$15 an hour, U.S. Steel Vice President Bruce Thomas told the union. Unless the industry can cut its costs, he warned, the "inevitable" results will be more plant closings and more lost jobs.

The fate of ENA, which the industry says has contributed to the problem, will depend on the progress of the talks and likely will be "the last decision made," spokesmen said. Under ENA, national issues unresolved by April 14 would be submitted to arbitration by April 20. The panel would issue a decision by July 10, and negotiators would have 10 days to agree on contract language conforming to the decision. If no agreement were reached, the panel would issue a binding decision by July 31.

Saying he hopes ENA will be renewed, McBride called the Agreement "an effective and constructive way of dealing with the problems of the industry." Industry leaders are committed, however, to curbing job costs. "Employees cannot expect to remain at the top of the hourly earnings ladder" while industry profits lag behind, Thomas said. Noting that steel dividends dropped 56 percent in real value in the last 10 years, Thomas said "clearly there is no COLA provision for the stockholder."

Other major issues are improved pension benefits, cost-of-living protection for retirees, and an end to contracting work out of bargaining units. Wage increases should comply with the 7.5-to-9.5 percent standard recommended recently by the President's Pay Advisory Committee, spokesmen for both sides told reporters, because the standard is "rather loosely drawn and loosely administered."

Although McBride said that improved pension benefits for current retirees will be a Steelworkers priority, he stressed that the union will not try to "add another layer of costs" to this year's contract. Instead, the union will "try to make a case that a portion of the settlement that otherwise would go to active workers should be diverted to retirees," the Steelworkers president said.

The industry negotiating team represents United States Steel Corporation; Bethlehem Steel Corp. Jones & Laughlin Steel Corporation; Republic Steel Corporation; Inland Steel Corporation; National Steel Corporation; Armco Steel Corporation; Wheeling-Pittsburgh Steel Corporation; and Allegheny-Ludlum Industries, Inc.



what's new in...

COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

2/20
February 7, 1980

Route to . . .

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Inflation Update

The Consumer Price Index for All Urban Consumers (CPI-U) rose 1.1 percent in December to 229.9 percent of the 1967 base, while the Index for Urban Wage Earners and Clerical Workers (CPI-W) rose 1.1 percent to 230.0 percent of the base. CPI-U increased 1.2 percent and CPI-W was unchanged after seasonal adjustment.

CPI-U climbed 13.3 percent and CPI-W rose 13.4 percent during 1979—marking the highest inflation rate in more than 30 years.

Purchasing power of rank-and-file workers with families fell 0.3 percent in December, seasonally adjusted, to an average \$87.32 per week.

Meanwhile, some 400,000 Steelworkers employed by major steel companies in the basic steel and container industries will receive cost-of-living adjustments of 21 cents per hour this month.

CWPS Rubber Rulings

The Council on Wage and Price Stability has granted exceptions to the pay guideline for contracts between the Rubber Workers and Uniroyal, General Tire, and Armstrong Rubber, providing pay hikes of about 26 percent over term.

The exemptions were justified, CWPS explained, because the companies agreed not to pass on to consumers the costs of the excess wage increases. An identical compliance plan was first reached last September at Goodrich and was adopted later at Firestone and Goodyear.

In The Binder

The Goodyear Tire & Rubber Company and Rubber Workers pension and insurance plan, 27:101; SUB plan, 27:201.

Oil Industry Strikes And Settlements

Seven small oil refineries and terminals have accepted the Oil, Chemical and Atomic Workers' wage and health insurance proposals, but a nationwide strike by some 55,000 workers continues.

OCAW has settled with Quaker State Oil Refining Corp., Emlenton and Farmers Valley, Pa., and Congo and St. Marys, W.Va.; Asamera Oil, Denver, Colo.; Oklahoma Refining Company and Prichard Pipeline Company, Cyril, Okla.; San Joaquin Refining Company, Bakersfield, Calif.; Gary Western, Grand Junction, Colo.; and Pester Refining Company, El Dorado, Kans. About 1,200 employees are covered.

Negotiated under second-year reopeners in contracts expiring January 8, 1981, the settlements provide wage increases of 5 percent (agreed to in 1979) plus 55 cents an hour.

Six companies agreed to contribute \$125 per month to family health coverage and to fully-paid individual coverage and \$20 per month to dental insurance. At Quaker State, which already had a fully-paid health plan (the union's major goal in industrywide bargaining), lifetime maximum major medical insurance was raised from \$50,000 to \$100,000. San Joaquin accepted the union proposal of five weeks' vacation after 15 years' service, six weeks after 20 years, and seven weeks after 25 years. The other companies agreed to accept provisions subsequently negotiated at other firms.

The last offer from Gulf Oil Corporation, expected to set the industry pattern this year, called for a 9 percent wage increase and a \$12-a-month increase in insurance contributions.

Following two days of talks between the union and Gulf in Denver, Colo., on January 30 and 31, OCAW President Robert Goss asserted there had been "no progress."

Auto Parts Settlements, Chrysler Ratification

The United Auto Workers and Budd Company have reached agreement on new contracts covering some 10,000 production and salaried employees in four states. Details have been withheld pending a ratification vote set for February 9-10. UAW struck Budd on January 15 after failing to gain the auto pattern accepted by Dana Corporation, a rival auto parts supplier. Major issues were pay, pensions, and supplemental unemployment benefits, the union said.

UAW also has negotiated agreements covering some 7,000 employees at Rockwell International Automotive Group plants in six states, 5,000 employees at Champion Spark Plug Company plants in three states and Canada, and 1,500 employees at Kelsey-Hayes Company plants in Michigan.

All agreements follow the auto pattern—3 percent annual wage hikes, a revised cost-of-living formula in the third year, 26 paid personal holidays over term, and pension benefit improvements. At Kelsey-Hayes, the union agreed to divert 26 cents in c-o-l adjustments over term to help pay for pension benefits. Ratification votes on all three agreements are scheduled for February 9-10.

UAW's revised contract with Chrysler Corporation has been ratified, meanwhile, by about 79 percent of those voting, the union reports. The union represents about 124,000 employees at Chrysler.

The revised agreements defer the 3 percent annual wage increase six

months in the first year, six months in the second year, and five and one-half months in the third year. In addition, UAW-represented employees will receive only three paid personal holidays, all at the end of 1982 and after the contracts expire. The auto pattern at General Motors Corporation and Ford Motor Company provides 26 days over term.

Congress required the revisions as part of the \$3.5 billion aid package approved last December. UAW, which had agreed to concessions worth about \$203 million, was required to forgo an additional \$460 million in wage-benefit concessions.

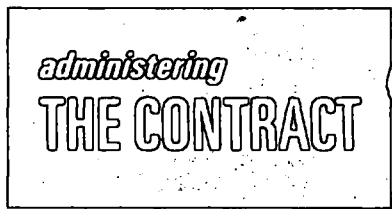
Tobacco Industry Contracts

Philip Morris, U.S.A. and the Bakery, Confectionery and Tobacco Workers have negotiated a three-year agreement covering 3,300 workers in Louisville, Ky., and 8,400 workers in Richmond, Va.

A general increase of 48 cents an hour took effect February 1, and hourly rates averaging \$4.75 are further boosted by \$1.34 accumulated under a cost-of-living formula calling for quarterly raises of one cent for each 0.4 rise in the Consumer Price Index. Minimum increases of 3 percent in the second and third year are guaranteed under a 10-year no-strike agreement negotiated in 1979. In addition, c-o-l adjustments will be folded into base rates quarterly.

Fringe benefit improvements include: a 13th holiday; a seventh week of vacation after 34 years' service; a new vision care program; maximum weekly sickness-accident benefits of up to \$170 for 13 weeks; an increase from \$20,000 to \$50,000 in lifetime major medical insurance; and pension service credits for work between ages 65 and 70.

The union also agreed with American Tobacco Company on a similar three-year contract for about 4,500 Durham, N.C., and Reidsville and Richmond, Va., employees.



Paid Holidays

Arbitrator E.J. Forsythe rules that Structural Steel, Inc., a member of the Michigan Metal Fabricators Association, was obligated to grant some of its employees another paid holiday in addition to the 12 holidays included in a new contract between the multi-employer bargaining group and the Ironworkers.

The employer's last independently bargained contract with the union took effect July 1, 1977. Compared to the then current Association contract with the union, Structural's agreement provided higher rates of pay and one more paid holiday.

When Structural joined the Association, it agreed with the union to apply the Association rates only to those employees hired on or after July 1, 1977. All other Structural employees were "red circled" and they continued to receive higher pay and 12 instead of 11 paid holidays.

The Association agreed to add another paid holiday, for a total of 12, in its new contract effective April 1, 1979.

In addition to the larger wage increase, the union contended that red circled Structural employees were entitled to 13 paid holidays to preserve their superiority in wages and benefits.

The employer maintained that the union was seeking "to unilaterally set aside the negotiating policy and require Structural . . . to increase the level of its benefits."

The arbitrator rules that the "understood and sensible" agreement between Structural and the union to red circle the wages of some employees "should hold forth in regard to the holidays." He finds that the red circled employees "may very well have expected any additions they might receive under the Association contract would be added to the ones under the old contract" with Structural. (73 LA 1071)

Following are median first-year wage increases in settlements reported in the two-week period ending February 4 and year-to-date median increases for this year and last (see 19:8003):

	2-week period		year to date		year to date 1979	
All industries	51.8¢	10.0%	54.8¢	8.9%	51.3¢	8.3%
All nonconstruction	51.8¢	10.0%	54.8¢	8.9%	51.3¢	8.3%
Manufacturing	55.0¢	10.3%	55.0¢	9.0%	55.0¢	8.7%
Nonmfg. exc. constr.	(*)	(*)	52.3¢	8.5%	37.5¢	7.2%
Construction	(*)	(*)	(*)	(*)	(*)	(*)

(*) Insufficient data

Working Without A Contract

Some 700 members of the United Food and Commercial Workers, on strike for 10 weeks at Monfort of Colorado's beef processing plant in Greeley, have returned to work without a contract "for the sole purpose of protecting their jobs."

The walkout began November 1, 1979, after the union refused to accept a three-year wage freeze and reductions in health-welfare benefits that the company insisted were necessary to compete with other major meat processors. Following UFCWU's refusal to accept Monfort's January 1980 offer of a three-year contract providing annual 20-cent-an-hour wage increases, the company reverted to its original proposal.

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FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 905

February 7, 1980

BLS REVIEW OF 1979 SETTLEMENTS

First-year pay increases in major settlements negotiated in 1979 averaged 7.4 percent (compared to 7.6 percent in 1978), while annual over-term increases provided by these settlements averaged 6.0 percent (down from 6.4 percent in 1978), according to preliminary data from the Bureau of Labor Statistics. These increases were considered moderate in view of the 13.4 percent rise in the 1979 Consumer Price Index for Urban Wage Earners and Clerical Workers.

Figures for 1979 are based on 558 settlements covering 1,000 or more workers. Of the 3,282,000 employees under these agreements, about one fifth are in transportation and another one fifth are in the transportation equipment industry. Remaining workers are primarily in apparel, construction, electrical equipment, food manufacturing, and retail food industries.

Cost-of-living provisions covered 1,928,000, or 59 percent of employees in units of 1,000 or more under contracts agreed to during 1979. First-year negotiated wage increases in agreements with c-o-l clauses averaged 6.2 percent, contrasted with 9.1 per-

cent in contracts without escalators. Annual over-term increases averaged 4.6 percent in contracts with c-o-l provisions and 8.0 percent in those without them.

Agreements covering 5,000 or more workers negotiated in 1979 provided average first-year wage-fringe adjustments of 8.9 percent and average annual over-term wage-fringe gains of 6.6 percent. In 1978 first-year wage-fringe adjustments averaged 8.3 percent, while over-term wage-fringe increases averaged 6.3 percent annually.

BLS's method for computing settlement increases differs from that used by the Council on Wage and Price Stability in determining compliance with the CWPS 7 percent wage guideline in effect in 1979. The BLS survey also differs from CBNC's, which showed a clear acceleration in wage increases from a median first-year gain of 7.7 percent in 1978 to 8.4 percent in 1979. CBNC surveyed 1,104 settlements covering bargaining units of as few as 50 employees. Only 26 percent of the contracts in the broader CBNC sample contained c-o-l provisions, thus accounting for higher general increases in the remainder. (See 18:969)

TABLE 1. FIRST-YEAR WAGE-RATE ADJUSTMENTS IN SETTLEMENTS COVERING 1,000 OR MORE WORKERS

Type & amount of wage-rate action (in percent) ¹	Percent of workers affected -		
	All industries	Manufacturing	Nonmanufacturing
ALL ACTIONS	100	100	100
No wage changes	4	(*)	10
Decreases	--	--	--
Increases	96	100	90
Under 6 percent	28	45	5
6 & under 8 percent	20	20	19
8 & under 10 percent	29	15	47
10 & under 12 percent	15	17	12
12 percent & over	4	2	7
Number of workers (in thousands)	3,282	1,860	1,422
Mean adjustment (percent)	7.4	7.0	7.9
Median adjustment (percent)	7.7	7.1	8.6

¹ Percent of estimated average hourly earnings, excluding overtime. Presents changes in wage rates decided upon during the period and effective within 12 months of the effective date of the agreement.

* Less than 0.5 percent

NOTE: Because of rounding, sums of individual items may not equal totals.

TABLE 2. ANNUAL RATE OF INCREASE IN COMPENSATION, 1977 THROUGH 1979
(MEAN ADJUSTMENTS)

Major collective bargaining settlements	Annual rate of increase (in percent)		
	Full year		
	1977	1978	1979
Wages: (1,000 workers or more)			
First-year wage rate adjustment	7.8	7.6	7.4
Wage rate changes over life of contract	5.8	6.4	6.0
Effective wage-rate adjustment	8.0	8.2	8.8
Wages & benefits combined: (5,000 workers or more)			
First-year changes	9.6	8.3	8.9
Averaged over life of contract	6.2	6.3	6.6

TABLE 3. ANNUAL RATE OF INCREASE IN WAGE RATES TO GO INTO EFFECT DURING LIFE OF CONTRACTS
COVERING 1,000 WORKERS OR MORE NEGOTIATED 1979

Annual rate (in percent) ¹	Percent of workers affected -		
	All industries	Manufacturing	Nonmanu- facturing
ALL ACTIONS	100	100	100
No wage changes	--	--	--
Decreases	--	--	--
Increases	100	100	100
Under 4 percent	28	48	2
4 & under 6 percent	28	13	48
6 & under 8 percent	20	15	25
8 & under 10 percent	19	21	16
10 percent & over	5	2	9
Number of workers (in thousands)	3,282	1,860	1,422
Mean adjustment (percent)	6.0	5.4	6.7
Median adjustment (percent)	5.1	4.0	6.0

¹Percent of estimated average hourly earnings, excluding overtime. Presents the total amount of the wage adjustment over the life of the agreement, reduced to an average annual (compound) rate.

NOTE: Because of rounding, sums of individual items may not equal totals.

TABLE 4. ANNUAL RATE OF INCREASE IN HOURLY COST OF WAGES & BENEFITS NEGOTIATED IN
SETTLEMENTS COVERING 5,000 WORKERS OR MORE 1979

Annual rate of increase ¹	Percent of workers affected -	
	Adjustments averaged over life of contract ²	First-year changes ³
ALL ACTIONS	100	100
No change	5	--
Decreases	--	--
Increases	95	100
Under 6 percent	3	44
6 & under 8 percent	7	35
8 & under 10 percent	47	20
10 & under 12 percent	30	2
12 percent & over	8	--
Number of workers (in thousands)	2,411	2,411
Mean adjustment (percent)	8.9	6.6
Median adjustment (percent)	8.8	6.2

¹Percent of estimated average hourly compensation.

²Changes in wages and benefits decided upon during the period and effective within 12 months of effective date of the agreement.

³Changes in wage and benefit levels by the end of the contract period, expressed at an average annual

(compound) rate. Essentially measures the permanent or longrun adjustment in hourly levels resulting from the settlement.

NOTE: Because of rounding, sums of individual items may not equal totals.

TABLE 5. COMPARISON OF FIRST-YEAR WAGE DECISIONS COVERING 1,000 WORKERS OR MORE BEFORE & AFTER ESCALATOR ADJUSTMENTS, INDIVIDUAL QUARTERS, 1978 TO DATE

Year & quarter	Settlements with escalator provisions*			Settlements without escalator provisions		All settlements	
	Number of workers affected (thousands)	First-year settlement	Combined first-year & escalator adjustments	Number of workers affected (thousands)	First-year settlement	First-year settlement	Combined first-year & escalator adjustments
1978							
1st quarter	143	7.6	10.4	383	9.8	9.2	10.0
2nd quarter	219	6.7	8.7	691	6.9	6.9	7.3
3rd quarter	365	7.0	8.5	366	8.1	7.5	8.3
4th quarter	222	6.6	10.8	157	8.6	7.4	9.8
1979							
1st quarter	141	1.0	1.1	121	9.3	4.8	4.9
2nd quarter	417	8.7	13.2	653	9.2	9.0	10.8
3rd quarter	908	6.0	8.3	215	9.2	6.6	8.5
4th quarter	319	5.6	7.5	100	8.5	6.3	7.8

* Four quarters are required to show the full effect of escalator adjustments. Data for the 2nd, 3rd and 4th quarters are incomplete.

TABLE 6. QUARTERLY WAGE & BENEFIT CHANGES, 3rd QUARTER 1978 TO DATE (IN PERCENT)

Measure	1978			1979				Average ¹ or total
	III	IV	Average ¹ or total	I	II	III	IV	
Wage settlements:								
Wage-rate settlements (1,000 workers or more):								
First-year adjustment	7.5	7.4	7.6	4.8	9.0	6.6	6.3	7.4
Average over life of contract	6.4	5.9	6.4	6.6	7.0	4.8	4.9	6.0
Wage & benefit decisions (5,000 workers or more):								
First-year adjustment	7.2	6.1	8.3	2.5	10.6	9.0	8.1	8.9
Average over life of contract	5.9	5.2	6.3	5.2	7.7	6.0	6.0	6.6
Effective wage-rate changes:								
Total effective changes	2.7	1.4	8.2	1.4	2.6	3.2	1.5	8.8
Adjustment resulting from:								
Current decisions	0.5	0.4	2.0	0.2	1.1	1.0	0.4	2.8
Prior settlement	1.2	0.5	3.7	0.6	0.9	1.0	0.4	3.0
Escalator provision	1.0	0.5	2.4	0.6	0.5	1.2	0.6	3.0
Manufacturing	2.9	1.9	8.6	1.4	2.3	3.1	2.2	9.2
Nonmanufacturing excluding construction	3.0	1.3	8.5	1.9	1.9	4.2	1.1	9.1
Construction	1.4	0.5	6.5	0.4	4.7	1.4	0.4	7.0

¹ Wage and wage-benefit settlements are annual averages. The effective wage-rate change for the year is the total of the four-quarter change.

NOTE: Data for 1978 are final. Because of rounding and compounding in the effective wage change series, sums of individual items may not equal totals.

TABLE 7. PERCENTAGE CHANGES IN WAGES, MAJOR COLLECTIVE BARGAINING SETTLEMENTS, 1978 & 1979

(MEAN ADJUSTMENTS)

Item	1978	1979	
	Average adjustments	Average adjustments	Number of workers (in thousands)
Wage rates alone: (1,000 workers or more)			
First-year changes in—			
All industries	7.6	7.4	3,282
Contracts with escalator clauses	6.9	6.2	1,928
Contracts without escalator clauses	8.0	9.1	1,354
Manufacturing	8.3	7.0	1,860
Contracts with escalator clauses	8.0	5.8	1,209
Contracts without escalator clauses	8.6	9.4	651
Nonmanufacturing	7.4	7.9	1,422
Contracts with escalator clauses	6.5	7.1	719
Contracts without escalator clauses	7.9	8.8	703
Construction	6.5	8.9	452
All industries excluding construction	8.1	7.2	2,830
Nonmanufacturing excluding construction	8.0	7.5	970
Annual rate of change over life of contract in—¹			
All industries	6.4	6.0	3,282
Contracts with escalator clauses	5.3	4.6	1,928
Contracts without escalator clauses	7.1	8.0	1,354
Manufacturing	6.6	5.4	1,860
Contracts with escalator clauses	5.4	4.0	1,209
Contracts without escalator clauses	7.6	8.1	651
Nonmanufacturing	6.4	6.7	1,422
Contracts with escalator clauses	5.3	5.4	719
Contracts without escalator clauses	6.9	7.9	703
Construction	6.2	8.4	452
All industries excluding construction	6.5	5.6	2,830
Nonmanufacturing excluding construction	6.5	5.9	970

¹Total increase over contract term expressed at an average annual (compound) rate.

NOTE: Data for 1978 are final. Because of rounding, sums of individual items may not equal totals.

Safety Shoes

Hater Industries, Inc., did not violate its agreement with the Steelworkers by refusing to pay for safety shoes that some of its employees were required to wear according to Occupational Safety and Health Administration regulations, Arbitrator Charles F. Ipavec decides.

The contract required Hater to comply with "State and Federal laws and regulations concerning the health and safety of its employees."

The arbitrator finds that the OSHA regulation at issue did not require the employer to buy employees' safety shoes. "OSHA requires only that the company make sure that the safety shoes are properly used by its employees," he says.

Ipavec rejects the union's contention that the employer is obligated to buy the shoes because of a past practice of supplying safety gear.

The aprons, gloves, rubber boots, and safety glasses and goggles furnished by the employer in the past were not "personal in nature," but were items which could be reused. "Therefore," he explains, "the company did not experience a financial loss each time an employer was equipped with the safety articles."

Ipavec notes also that the employer earlier had rejected a union bargaining proposal requiring it to furnish employees' personal safety equipment. (73 LA 1025)

Bankruptcy Court's Invalidation Of Contract

A bankruptcy judge has authority to relieve an employer from the obligations of a collective bargaining agreement, the U.S. Court of Appeals at San Francisco rules. The court holds that a Bankruptcy Act provision permitting a court to disallow debtors' "executory contracts" includes bargaining agreements and that a receiver does not have authority to enter into a new agreement without the judge's approval.

"Unions should be on notice that court approval is required if a long-term collective bargaining agreement, with potential for binding the estate beyond the term of a receivership, is to be affirmed or validly entered into by the parties," the court states.

The case concerns a 1973 agreement negotiated by Hotel Circle, Inc., and the Local Joint Executive Board of the AFL-CIO. In 1974, the employer filed for bankruptcy under Chapter XI of the Bankruptcy Act but continued to honor the 1973 bargaining agreement.

When a receiver was appointed, the employer sent a representative to the 1975 talks between the union and the Restaurant-Hotel Employers' Council, the multi-employer group that negotiated the 1973 contract. The representative was among the majority voting to extend the previous accord. Meanwhile, the receiver negotiated the sale of one of the employer's hotels, conditioned on the absence of union contracts. Authorizing the sale, the bankruptcy court disallowed the contract.

Rejecting the union's argument that labor agreements should be excluded from the Act, the appeals court states that "the unique features of labor agreements do not overcome the plain language of the Bankruptcy Act and the policies embodied in bankruptcy proceedings."

Recognizing that "important employee interests are at stake when rejection of a labor agreement is considered," the court says that "the policies of the Bankruptcy Act are designed to assist failing businesses, a goal in which employees ultimately have a stake as well." The court says it does not believe that "the power to reject labor agreements found to be onerous and burdensome to the debtor's estate is inconsistent with the policies of the labor laws." (*Local Joint Executive Board, AFL-CIO v. Hotel Circle, Inc.*, USCA 9, January 28, 1980)

Bargaining Briefs

Work stoppages started in 1979 totaled 4,800, the second lowest annual total since 1967, the Bureau of Labor Statistics reports. BLS adds that the percentage of working time lost—0.15—was the lowest since 1973.

The largest work stoppage in 1979 was the 10-day strike-lockout in the trucking industry, affecting some 235,000 Teamsters, BLS says. United Auto Workers' strikes against the three major farm equipment companies resulted in 3.8 million idle days, more than 10 percent of the 33 million days lost last year because of work stoppages.

Labor unions in the 1980s will be demanding a greater voice in determining how pension funds are invested, a labor conference at the University of Michigan heard in January. "Unions must recognize the power implicit in

pension capital and then move forcefully to seriously challenge corporate America's determination to retain the pension investment status quo," a Chemical Workers spokesman told the conference.

The few banks that control most of the pension funds are not inclined, a Steelworkers spokesman asserted, to make social well-being a consideration in making investments. "The funds may very well be losing millions of dollars in real worth if investment returns lag behind today as they have in the past," he said.

Bargaining goals adopted by the Carpenters' Western Council of Lumber, Production and Industrial Workers for this year's wood and mill industry talks include pay increases; major improvements in health-welfare, pensions, vacations, and holidays; and severance pay for plant closures. The Carpenters and Woodworkers bargain jointly for some 80,000 Pacific Northwest wood and mill workers under contracts expiring June 1. Talks begin next month.



Perspective

Supreme Court Reviews

THE LEGALITY of work rules for handling containerized cargo, negotiated by the International Longshoremen's Association and the shipping industry, is under review by the Supreme Court.

Responding to a request for review filed by the Government on January 10, the Court agreed to resolve conflicting appeals court holdings over the right of the parties through collective bargaining to restrict stripping and stuffing of containers by teamsters and other nonlongshore workers at inland trucking facilities.

The 20-year history of containerization has led to a sharp decline of longshore jobs and chronic dockside labor problems. Negotiations for a new collective bargaining agreement covering some 34,000 workers at East and Gulf Coast ports open this spring.

In its petition to the Supreme Court, the Government warned that "unless the uncertainty . . . is speedily resolved, there is great danger that these negotiations will, as they have in the past, result in industrial strife" over containerization.

At issue are contract provisions setting liquidated damages of \$1,000 per container whenever trucking employees strip a full shipper's load at an off-pier terminal located within 50 miles of port.

In 1969 ILA and the New York Shipping Association agreed, after a lengthy strike, that longshoremen would strip and restuff less-than-container-load cargo consisting of miscellaneous small shipments, even if the containers had been stuffed at off-pier consolidation companies and were ready for loading aboard ships without additional handling.

To prevent evasion of the containerization rules ILA and the Council of North Atlantic Shipping Associations agreed in 1973 on the "Dublin Supplement" that forbids steamship companies from supplying empty containers to consolidators.

The National Labor Relations Board subsequently found that the rules and their enforcement by the union constituted an illegal secondary boycott. It reasoned that the work at issue was not the loading and unloading of ships, but the off-pier stripping and stuffing of containers. The purpose of the rule it held, was to acquire work performed by employees of the consolidation companies, not to preserve traditional ILA work.

The U.S. Court of Appeals for the District of Columbia held in September 1979 that the work rules were a responsible attempt to deal through collective bargaining with "an extremely thorny industrial issue: technological innovation versus job security."

It found that the traditional work of longshoremen is the loading and unloading of ocean-borne cargo, and that "containerization merely represents a change in equipment." (102 LRRM 2361)

The holding conflicted with decisions of the First, Second, and Fourth Circuits upholding NLRB's position that the longshoremen are attempting to acquire work they traditionally have not performed. (*NLRB v. International Longshoremen's Association*; No. 79-1082)

Also before the Supreme Court is a dispute over an employer's obligation, under the 1974 Employee Retirement Income Security Act, to pay benefits under a collectively bargained pension plan that was terminated without sufficient funds.

Nachman Corporation closed a Chicago plant in December 1975 for economic reasons and terminated a pension plan negotiated 15 years earlier with the United Auto Workers. Fund assets were sufficient to pay only 35 percent of accrued vested benefits. At issue are pensions for some 135 retirees whose benefits would be reduced from an average \$77 to \$27 per month if not subject to a guaranty by the Pension Benefit Guaranty Corporation.

The employer contends it is not required to pay benefits guaranteed under PBGC because the terminated plan contained a provision limiting benefit payments to the assets of the plan, thereby relieving the company of liability for unfunded benefits.

PBGC went into effect on September 2, 1974, before the plan was terminated; minimum vesting and funding requirements did not go into effect until January 1, 1976, after the plan was dissolved.

UAW and PBGC urged the Court to reject the company's claim. PBGC asserts that Congress intended to remedy the problem of benefit loss from disclaimers when plans terminate without sufficient funds.

UAW also asserts that the language and legislative history of PBGC demonstrate that the termination insurance program administered by PBGC was intended to take effect immediately to meet an urgent need to guarantee vested rights.

The *cause celebre* which prompted enactment of PBGC was the 1974 termination of Studebaker's plant in South Bend, Ind. Congress could not have intended, UAW says, to permit an additional 16-month period after the effective date of PBGC to allow employers to terminate plans and thereby erase the vested rights of employees who had met all the eligibility requirements for benefits. (*Nachman Corporation v. Pension Benefit Guaranty Corporation and United Auto Workers*; No. 78-1557)



what's new in...

COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

January 24, 1980

Route to . . .

Pay Panel Proposal

The Pay Advisory Committee sent to Council on Wage and Price Stability Chairman Alfred Kahn on January 22 its proposal for a wage standard range of 7.5 to 9.5 percent, suggesting that wage increases should average about 8.5 percent.

Factors to be considered in deciding whether pay increases conform include the employer's ability to pay, competitive conditions, and labor availability, the panel said. It added that collective bargaining always involves these factors.

Pay increases above 9.5 percent may be allowed if the employer can demonstrate productivity improvements, acute labor shortages, gross inequity, or undue hardship—the four criteria used in allowing exemptions to the standard last year.

The panel also recommended that the assumed inflation rate for calculating cost-of-living clauses be raised from 6 to 7.5 percent.

Implementation of the standard will be delayed, however, until Kahn gives the proposal his blessing.

Tributes To Meany

Labor, business, and political leaders paid tribute to former AFL-CIO President George Meany at his funeral in Washington, D.C., January 15. Meany, 85, died on January 10, 53 days after leaving office.

President Carter characterized Meany as an "American institution" who "changed the shape of our nation for the better in hundreds of ways." Lane Kirkland, Meany's successor, said, "American workers, whether they carried a union card or not, considered George Meany their spokesman and he was."

Strikes For The Auto Pattern

The United Auto Workers struck Budd Company plants on January 15 and a Volkswagen of America stamping plant on January 5 in attempts to extend the settlement pattern first negotiated last year at General Motors Corporation and Ford Motor Company.

Representing about 10,000 production and salaried employees at Budd plants in Michigan, Pennsylvania, Indiana, and Ohio, UAW says it will hold out for the pattern accepted by a rival auto parts supplier, Dana Corporation. Major issues in the strike—UAW's first at Budd in 22 years—are pay, pensions, and supplemental unemployment benefits. Negotiators are "way off," UAW says, and an early settlement is unlikely.

As a result of the strikes, Ford announced the closing of seven assembly plants and layoff of some 12,000 employees. Budd supplies Ford with chassis components, body panels and frames, and other parts.

UAW and Volkswagen reached agreement January 22 on a contract that could end the strike at the South Charleston, W. Va., stamping plant, meanwhile. Details were unavailable pending a January 24 ratification vote. The union represents some 500 employees at the plant. An additional 4,000 employees at the New Stanton, Pa., assembly plant, working under an existing contract, have been laid off.

In other UAW bargaining developments, the strike at International Harvester Company plants has entered its 13th week with little chance seen for an early end. Representing 35,000 employees, UAW contends that the farm equipment manufacturer has insisted on "takeaways," such as compulsory overtime and weakened seniority rights.

Meanwhile, results of a vote to ratify revised contracts with Chrysler Corporation will be available in late January, UAW says, but early returns look promising.

Productivity Settlement At Olin

Ending a long and bitter strike, the Machinists have ratified a three-year contract at Olin Corporation-Winchester Group, New Haven, Conn., covering some 1,350 production employees.

The major stumbling block to agreement was a dispute over the establishment and implementation of production standards. Incentive rates were dropped in 1969 and productivity has been an issue ever since. The union agreed to standards during the negotiations, but it demanded some protection for its members, most of whom are over 55 years old.

Olin and the union agreed to "improved levels of output" for employees, taking into consideration such factors as the age and health of individual workers. Disputes over the output of individual workers will be settled through an expedited arbitration procedure which requires the arbitrator to render a decision within 45 days after the dispute is filed. While awaiting the decision, the company has the option of reassigning the grievant to a lower-rated classification.

Wages are increased 8 percent in the first year and 30 cents in the second and again in the third year. A cost-of-living clause is added, providing quarterly adjustments of one cent for each 0.4 rise in the Consumer Price Index. The adjustments are capped at 15 cents annually, but the cap rises to 20 cents in the second year and 25 cents in the third year if the CPI increase exceeds 11 percent in the preceding year. Olin's contributions to insurance and pensions also are increased.

Other Current Settlements

A new two-year agreement between Campbell Soup Company and the United Food and Commercial Workers raises hourly pay 45 cents initially for nonskilled employees at Campbell's Paris, Texas, plant. Skilled rates are increased 69 cents an hour. New rates average \$5.20 an hour for unskilled employees and \$7.70 for skilled.

Rates will be increased 45 cents across the board in December 1980. A new floating holiday brings the total paid days-off each year to 12. Some 1,500 workers are covered by the agreement.

Following are median first-year wage increases in settlements reported in the two-week period ending January 21 and year-to-date median increases for this year and last (see 19:8002):

	2-week period		year to date		year to date 1979	
All industries	54.9¢	8.1%	54.9¢	8.5%	50.0¢	8.0%
All nonconstruction	54.9¢	8.1%	54.9¢	8.5%	50.0¢	8.0%
Manufacturing	55.7¢	9.0%	55.0¢	9.0%	54.6¢	8.7%
Nonmfg. exc. constr.	47.5¢	7.3%	52.3¢	8.5%	36.9¢	7.5%
Construction	(*)	(*)	(*)	(*)	(*)	(*)

(*) Insufficient data

Hazards Of Video Display Terminals

A recent multi-union conference in New York City on health protection for operators of video display terminals demonstrates that concern for workers' health and safety is not limited to blue collar working conditions.

The conference, conducted by the New York Committee for Occupational Safety and Health and endorsed by five unions representing clerical workers, was held to address VDT operators' complaints of serious adverse health effects caused by prolonged use of VDTs. VDTs are television type machines that display information to keyboard operators. NYCOSH says that there are now some 3 million VDTs in use in this country.

VDT-related health problems are caused by several "stress-causing factors," such as poor machine design and maintenance, incorrect office layout and lighting, and too much time at the machine. Common complaints of VDT operators include soreness and redness of eyes, blurred and double images, headaches and pains in the neck and back, dizziness, nausea, and problems with eyeglasses and contact lenses.

Michael Smith of the National Institute for Occupational Safety and Health told the conference that more research in the field of "ergonomics"—the study of workers' interaction with their workplace—is needed, particularly studies of the best VDT equipment design and the physical office arrangements most suitable for VDT operators.

A workshop on collective bargaining for safety and health concluded that at present unions carry the major responsibility for addressing VDT-related health problems. Participants agreed that unions should negotiate provisions that relate to the specific conditions affecting their members. The workshop also recommended bringing VDT-related health issues under contracts' grievance procedures, including provisions for binding arbitration.

Sponsoring unions were Communications Workers; The Newspaper Guild; American Federation of State, County and Municipal Employees; Office and Professional Employees; and District 65, United Auto Workers.



Shift Preference

Safeway Stores, Inc., Oroville, Calif., violated its contract with the Retail Clerks by denying a clerk's request to work a less senior clerk's shift, Arbitrator David E. Feller decides.

The contract accorded to management the right to establish weekly work schedules "to meet the requirements of the business." Its right to schedule work was limited, however, by the employees' right to select schedules "according to seniority by classification," provided they possessed the necessary qualifications for the shift selected.

The agreement also provided that the employer may not exercise its right to schedule work in an "arbitrary or capricious" way to deny an employee his seniority right to select a schedule. It stated further that when a senior employee obtains a different schedule, then the displaced junior employee will be assigned the senior employee's previously assigned schedule.

The employer argued that the grievant's request was denied because the junior clerk who would have been bumped did not have the "training and experience" to perform properly the grievant's product display and customer check-out duties.

Asserting that the junior clerk's qualifications are "irrelevant," the union contended that a senior employee's right to bump into a shift is limited "only with regard to the senior employee's qualifications."

To prevent a "chain reaction" of scheduling changes, the arbitrator explains, the contract deprives the displaced junior employee of any right to bump into another shift in the same week in which he is bumped by a senior employee. He notes, however, that this could be a "trap" for the employer if he were to accept the union's logic.

Feller explains the "ironic result" (Continued on page 3)

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FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 904

January 24, 1980

WAGES AND SALARIES IN 10 AREAS

Average earnings for selected occupational groups in the ten metropolitan areas shown in the following tables are based on cross-industry surveys conducted from April through July 1979 by the Bureau of Labor Statistics. Average weekly or hourly rates are listed for selected office, professional and technical, and maintenance and custodial occupations.

Increases in the average hourly pay of unskilled plant workers over the previous year ranged from 7.0 percent in New York, N.Y., to 9.5 percent in Houston, Texas, while gains in the skilled main-

tenance trades ranged from 7.9 percent in New York to 9.5 percent in Cincinnati, Ohio. Increases in office clerical employees' average pay ranged from 6.1 percent in New York to 9.3 percent in Green Bay, Wisconsin.

Among the highest paid workers were class A secretaries and class A order clerks in office occupations; class A computer systems analysts in professional and technical classifications; tool and die makers in skilled maintenance work; and tractor-trailer truckdrivers in material movement jobs.

TABLE 1. AVERAGE WEEKLY EARNINGS FOR SELECTED OFFICE OCCUPATIONS IN 10 COMMUNITIES

Occupation and class	At-lanta, Ga.	Chi-cago, Ill.	Cin-cinnati, Ohio	Corpus Christi, Tex.	Green Bay, Wis.	Hous-ton, Tex.	New York, N.Y.	Port-land, Ore.	Provi-dence, R.I.	Rich-mond, Va.
	May '79	May '79	July '79	July '79	July '79	Apr. '79	May '79	May '79	June '79	June '79
Secretaries	\$237.00	\$243.00	\$234.50	\$204.50	\$217.50	\$246.50	\$244.50	\$241.50	\$196.00	\$208.50
Class A	274.00	303.00	271.00	248.00	-----	295.50	308.00	281.50	249.50	251.00
Class B	256.00	259.00	247.50	221.00	237.50	277.50	271.50	274.00	227.50	233.00
Class C	233.00	248.50	243.00	228.50	247.50	259.50	241.00	247.00	195.00	212.50
Class D	224.00	219.50	218.50	200.00	210.50	224.00	218.50	220.00	184.00	206.00
Class E	188.50	205.50	196.00	175.50	190.50	216.00	201.00	192.50	157.50	165.50
Stenographers	238.00	239.50	213.00	-----	-----	230.00	205.00	242.00	165.50	209.00
Senior	251.50	245.00	225.00	-----	-----	240.50	211.50	-----	-----	229.00
General	221.00	233.00	204.00	-----	-----	209.00	197.00	218.50	159.00	198.50
Transcribing-machine typists	168.50	182.00	176.50	-----	163.00	186.50	195.00	192.50	155.50	164.00
Typists	167.00	182.00	163.50	152.00	177.50	174.00	166.00	165.50	147.00	152.00
Class A	212.00	202.00	181.00	-----	-----	188.50	190.50	207.50	165.00	163.50
Class B	156.00	169.00	150.50	142.50	164.50	167.00	153.50	155.00	144.00	146.50
File clerks	144.50	152.00	145.50	120.50	159.50	148.00	150.50	156.00	137.50	142.00
Class A	-----	198.00	-----	-----	-----	-----	181.50	-----	-----	202.50
Class B	157.50	161.50	144.00	-----	168.00	167.50	160.00	172.50	141.00	143.00
Class C	135.50	139.00	139.00	120.00	-----	135.00	137.00	137.50	131.50	132.50
Messengers	167.00	156.00	153.50	-----	-----	141.50	147.00	163.50	150.50	158.00
Switchboard operators	185.50	179.50	195.00	133.00	-----	168.00	189.50	194.50	171.50	165.00
Switchboard operator-receptionists	171.00	182.50	168.00	142.00	157.00	176.50	187.50	175.00	164.00	162.00
Order clerks	179.00	212.50	198.00	-----	203.50	197.50	189.00	223.00	163.50	199.00
Class A	-----	251.50	232.00	-----	-----	275.00	230.50	273.00	184.00	216.50
Class B	169.00	187.50	176.00	-----	195.50	173.50	170.50	190.00	154.50	178.00
Accounting clerks	190.50	207.00	185.00	168.00	202.50	196.50	203.00	221.50	177.00	179.00
Class A	216.50	228.50	210.50	208.50	250.00	225.50	225.00	260.50	196.50	197.50
Class B	176.00	191.00	170.50	154.50	183.00	180.50	182.50	199.50	163.00	165.50
Bookkeeping-machine operators	178.50	185.50	-----	-----	-----	-----	195.50	-----	-----	152.00
Class A	-----	190.50	-----	-----	-----	-----	214.00	-----	-----	-----
Class B	147.50	183.00	-----	-----	-----	-----	183.50	-----	-----	138.00
Machine billers	-----	259.50	-----	-----	-----	-----	210.00	-----	-----	-----
Billing-machine	-----	261.50	-----	-----	-----	-----	209.50	-----	-----	-----
Bookkeeping-machine	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Payroll clerks	195.50	219.50	205.50	175.00	220.50	208.00	218.50	225.50	179.00	196.50
Key entry operators	202.00	201.50	176.00	174.50	167.50	190.50	191.00	192.00	162.00	168.00
Class A	235.00	213.00	182.00	191.00	185.00	211.00	198.00	208.00	179.00	174.00
Class B	183.00	193.00	172.00	163.50	148.00	180.50	185.50	184.00	155.00	162.50

TABLE 2. PERCENT INCREASE IN AVERAGE HOURLY EARNINGS FOR SELECTED OCCUPATIONS IN THE PREVIOUS YEAR

Occupation	At-lanta, Ga.	Chi-cago, Ill.	Cin-cinnati, Ohio	Corpus Christi, Tex.	Green Bay, Wis.	Hous-ton, Tex.	New York, N.Y.	Port-land, Ore.	Provi-dence, R.I.	Rich-mond, Va.
	May '78 to May '79	May '78 to May '79	July '78 to July '79	July '78 to July '79	July '78 to July '79	Apr. '78 to Apr. '79	May '78 to May '79	May '78 to May '79	June '78 to June '79	June '78 to June '79
Office clerical	7.0	7.3	8.5	---	9.3	8.6	6.1	8.5	7.4	8.0
Electronic data processing	8.2	7.0	7.5	---	---	6.6	5.5	9.1	7.7	6.1
Industrial nurses	7.1	8.3	8.9	---	---	7.2	6.4	---	6.9	6.9
Skilled maintenance trades	8.1	8.0	9.5	8.9	8.8	8.2	7.9	8.5	9.1	8.5
Unskilled plant workers	9.3	8.3	8.2	8.7	9.0	9.5	7.0	8.6	8.9	8.7

TABLE 3. AVERAGE WEEKLY EARNINGS FOR SELECTED PROFESSIONAL & TECHNICAL OCCUPATIONS IN 10 COMMUNITIES

Occupation and class	At-lanta, Ga.	Chi-cago, Ill.	Cin-cinnati, Ohio	Corpus Christi, Tex.	Green Bay, Wis.	Hous-ton, Tex.	New York, N.Y.	Port-land, Ore.	Provi-dence, R.I.	Rich-mond, Va.
	May '79	May '79	July '79	July '79	July '79	Apr. '79	May '79	May '79	June '79	June '79
Computer systems analysts (business)	\$395.00	\$417.00	\$381.00	-----	-----	\$398.50	\$450.50	\$385.50	\$374.50	\$384.50
Class A	456.50	450.50	437.50	-----	-----	475.50	475.50	437.00	417.50	427.00
Class B	390.00	398.50	355.00	-----	-----	395.00	450.00	389.50	353.50	376.50
Class C	341.00	349.00	-----	-----	-----	323.00	366.00	325.50	-----	337.50
Computer programmers (business)	345.00	325.00	305.00	\$310.00	\$288.00	338.00	340.00	292.00	268.00	282.50
Class A	390.00	384.00	363.00	-----	-----	379.50	366.50	333.00	310.00	339.50
Class B	346.50	312.00	306.50	-----	-----	331.50	344.00	272.50	254.50	288.00
Class C	291.50	282.50	247.00	-----	-----	268.00	277.00	-----	-----	230.50
Computer operators	256.00	256.50	240.50	195.50	212.00	237.00	249.00	254.00	205.00	208.50
Class A	324.00	287.00	293.00	-----	-----	298.00	291.00	290.00	244.00	246.00
Class B	254.50	251.50	251.00	198.50	212.00	233.00	239.00	253.00	202.00	216.00
Class C	231.50	215.00	195.50	165.00	177.50	207.50	212.00	-----	173.50	173.00
Peripheral equipment operators	-----	-----	-----	-----	-----	-----	229.50	-----	-----	-----
Computer data librarians	-----	-----	-----	-----	-----	-----	200.00	-----	-----	-----
Drafters	248.50	288.50	253.00	243.00	268.00	297.00	288.00	268.50	243.00	256.00
Class A	311.50	327.50	316.00	307.50	348.00	365.50	337.50	324.50	314.00	-----
Class B	224.00	286.00	272.00	262.50	267.00	282.50	293.50	265.50	255.00	244.50
Class C	220.50	240.50	218.50	191.00	-----	220.00	243.00	220.00	196.00	234.00
Drafters-tracers	229.00	216.00	-----	-----	-----	195.00	201.50	-----	-----	-----
Electronics technicians	314.00	310.50	259.00	347.50	-----	288.00	373.50	377.50	292.00	-----
Class A	-----	365.50	-----	399.50	-----	330.50	-----	-----	-----	-----
Class B	-----	281.00	254.00	-----	-----	292.00	385.50	370.50	-----	-----
Class C	227.50	-----	-----	-----	-----	230.50	-----	-----	-----	-----
Registered industrial nurses	317.00	296.50	301.50	-----	-----	295.00	305.50	-----	244.50	265.50

TABLE 4. AVERAGE HOURLY EARNINGS FOR SELECTED PLANT OCCUPATIONS IN 10 COMMUNITIES

Occupation	At-lanta, Ga.	Chi-cago, Ill.	Cin-cinnati, Ohio	Corpus Christi, Tex.	Green Bay, Wis.	Hous-ton, Tex.	New York, N.Y.	Port-land, Ore.	Provi-dence, R.I.	Rich-mond, Va.
	May '79	May '79	July '79	July '79	July '79	Apr. '79	May '79	May '79	June '79	June '79
<i>Maintenance, toolroom, and powerplant</i>										
Carpenters	\$8.41	\$9.32	\$8.81	\$9.31	-----	\$9.04	\$7.61	\$8.89	\$6.12	\$8.78
Electricians	9.02	9.44	8.72	9.36	\$8.66	9.41	8.38	9.64	7.04	9.07
Painters	7.63	8.92	8.10	9.68	-----	8.57	7.57	9.07	-----	6.64
Machinists	8.90	9.11	8.29	10.11	8.43	9.35	9.29	9.20	6.74	8.81
Mechanics (machinery)	7.31	8.73	7.97	9.15	8.45	8.88	8.24	9.16	6.36	9.10
Mechanics (motor vehicles)	8.43	9.73	9.31	6.67	9.11	8.18	9.11	9.61	7.21	7.26
Pipefitters	9.57	9.33	8.92	-----	8.61	9.52	8.72	-----	6.30	9.03
Sheet-metal workers	-----	9.45	8.86	-----	-----	9.31	8.46	-----	-----	-----
Millwrights	9.86	9.31	9.27	-----	-----	9.39	-----	-----	-----	-----
Maintenance trades helpers	5.84	7.04	7.14	-----	-----	5.39	6.83	-----	5.20	-----
Machine-tool operators (toolroom)	-----	8.65	8.42	-----	-----	8.33	-----	-----	-----	-----
Tool and die makers	9.40	9.68	9.19	-----	-----	8.45	7.99	9.73	7.50	-----
Stationary engineers	7.96	9.66	8.39	-----	-----	7.84	8.88	8.84	7.11	8.07
Boiler tenders	-----	8.10	7.86	-----	7.87	-----	8.23	-----	5.81	7.14
<i>Material movement and custodial</i>										
Truckdrivers	7.54	9.94	8.25	6.63	8.38	6.34	7.93	9.18	7.87	6.14
Truckdrivers, light truck	4.60	7.86	7.47	3.59	5.38	4.38	6.47	6.32	4.04	4.34
Truckdrivers, medium truck	6.49	9.45	6.41	8.00	8.60	5.85	8.00	9.28	7.90	5.62
Truckdrivers, heavy truck	-----	9.73	7.40	-----	7.23	5.98	7.68	9.15	7.00	5.02
Truckdrivers, tractor-trailer	8.73	10.23	9.21	7.23	8.91	8.13	8.56	9.41	9.26	6.86
Shippers	5.19	7.26	5.88	-----	-----	5.98	6.06	8.11	5.11	6.04
Receivers	7.25	6.50	5.98	5.27	6.74	5.90	5.87	7.57	4.96	5.33
Shippers and receivers	6.06	6.31	6.64	-----	6.91	5.10	6.50	8.16	5.56	5.61
Warehousemen	6.15	6.70	6.08	5.71	8.17	5.29	6.11	8.05	5.45	4.89
Order fillers	6.09	7.00	5.86	-----	6.27	5.30	5.50	8.11	4.28	5.23
Shipping packers	4.98	5.90	5.30	-----	4.82	4.05	4.85	5.85	4.13	6.29
Material handling laborers	5.90	7.68	6.48	4.28	6.49	4.74	6.39	8.33	4.53	5.00
Forklift operators	5.96	7.01	6.86	5.84	6.78	6.22	6.37	8.11	5.47	5.77
Power-truck operators (other than forklift)	-----	6.99	6.56	-----	-----	-----	-----	7.87	-----	-----
Guards	3.32	4.12	3.99	3.60	-----	4.00	3.94	3.67	3.29	4.29
Class A	6.07	4.35	-----	-----	-----	-----	5.03	-----	-----	-----
Class B	3.22	4.21	3.94	3.23	-----	4.00	3.83	3.55	3.19	4.32
Janitors, porters, and cleaners	3.51	5.30	4.21	3.36	4.76	3.33	5.60	5.25	3.96	4.02

(Continued from page 2)

would be that the senior employee would be required to prove his qualifications to do the work assigned to the requested shift, but the employer would be required to place the junior employee on the senior employee's shift "wholly without regard to the practicalities of operating the business."

The arbitrator finds Safeway was correct when it said that it would have violated the contract if it had changed the posted schedules of other employees to accommodate the shift change requested by the grievant. It was incorrect, however, in assuming that this was the only way it could have secured the satisfactory performance of the work previously done by the grievant, Feller observes, since management's rights include the right to change the work assignments of employees in the same classification "so long as the employee's right to the shift which he has selected is not violated."

The arbitrator rules, therefore, that a senior employee's right to bump into another shift can be denied only if the employer can show that it is impossible to reassign the work of other employees within their posted schedules so that the senior employee's work on the previously assigned shift will be done satisfactorily. He concludes that "no such showing has been made in this case." (73 LA 976)

Wages Around The World

The United States, historically the world's leader in wage and salary scales, now trails five other nations, according to "Worldwide Total Remuneration," a study conducted by Towers, Perrin, Forster & Crosby, an international consulting firm.

In 1977, the latest year for which figures were available, hourly earnings in the U.S. averaged \$5.63 compared with \$6.70 in Japan, \$6.13 in Sweden, \$6.00 in Belgium, and \$5.76 in West Germany. Other countries surveyed were Brazil, Canada, France, Italy, Mexico, Spain, the Netherlands, Venezuela, and the United Kingdom.

Salaries and wages continue to be the most prominent method of compensation in the surveyed countries, except Japan, where salaries usually amount to less than one half of total remuneration.

Minimum wage requirements are among the factors that influence salaries around the world. They serve as "baselines for calculating increases in a number of countries," including the U.S. Pay indexing systems also are used to calculate wage increases; Belgium, Brazil, Italy, and the Netherlands require linking salaries to inflation.

Social security systems around the world are adversely affected by a combination of high unemployment rates, which reduce tax-based contributions, and rising prices, which increase benefit levels and costs. The government contributes to the public pension plan in all surveyed countries except two: Sweden, where employers are the sole source of financing, and Brazil, where employers and employees bear the entire cost. The 50 percent share paid by U.S. workers is the largest employee contribution in countries included in the study.

Government regulation of private benefit plans, which is expanding, tends to increase the costs and complicate the administration of company plans. Legislation similar to the sweeping pension reform legislation passed by the U.S. in 1974 is pending in Mexico, while Belgium, Brazil, and Venezuela are considering changes in their current systems. In West Germany, companies are required to review pension benefits every three years and to adjust them to reflect cost-of-living increases. ("Worldwide Total Remuneration," 1979, TPF&C, 600 Third Ave., N.Y., N.Y. 10016)

Bargaining Briefs

The Teamsters union says it will support, "in any way legally possible," a nationwide strike by some 60,000 members of the Oil, Chemical and Atomic Workers Union. The walkout at 100 oil companies began January 8 after the parties failed to reach agreement under a second-year reopener in a contract expiring January 8, 1981. While conceding that Teamster support could cause some problems, company officials say that many refineries deliver by rail, ship, or pipeline. No progress in the talks has been reported and the union says it is prepared for a long strike.

A record number of strikes by teachers in elementary and secondary schools and colleges has been reported by the National Education Association. As of mid-January, NEA says, the number of teachers' strikes in the

1979-80 term totaled 212, surpassing the previous record of 203 set in 1975-76.

NEA affiliates participated in 177 of the strikes, while the American Federation of Teachers conducted 28 and the American Association of University Professors conducted seven. "Frustration and inflation" were listed as the major issues, followed by class size, preparation time, disciplinary problems, and demands for agency shop provisions.

Job security and productivity pay increases will be major contract goals in this year's bargaining with American Telephone and Telegraph's Bell System telephone companies, says Communications Workers of America President Glenn E. Watts. Contracts between AT&T and CWA covering some 500,000 workers expire on August 9. CWA will insist on measures that protect both the security and quality of workers' jobs, and that provide workers with a share of productivity gains achieved through use of new computerized telephone equipment.



Perspective

Nonsexist Contracts

BARGAINING AGREEMENTS spelling out the rights of women in the workplace can help significantly to move female employees out of "poorly paid 'women's jobs' into better nontraditional jobs," according to a Coalition of Labor Union Women report.

Pointing out the advantages of unionization for women, a CLUW booklet states that the approximately 3 million female union members "earn more than unorganized women" and have "greater job security and higher fringe benefits." Unionized women "still lag far behind" unionized men, however, in "equal pay and equal job opportunity," the Coalition adds.

Effective contract language can secure "comparable pay for work of equal worth" and can provide pregnancy disability coverage that goes "beyond the provisions" of equal employment opportunity laws, the booklet states. One way to insure the negotiation of contract language favorable to women, CLUW says, is for women to join the union's negotiating committee and to participate in contract talks.

"Women's issues" generally are not addressed in bargaining agreements, the booklet says, because usually "they haven't been raised" in negotiations. The negotiating committee does not push for them because "no one in the workplace [stresses] their importance," CLUW says.

Systemic job discrimination "brought about by long-standing company policies" should be a major target of women in negotiating agreements, the Coalition says. With the help of federal laws "the equal pay fight is gradually being won," CLUW says, but the "more difficult" battle remains: ensuring equal pay for jobs that may require different skills but are "equal in value" to the employer.

Signs of discrimination include a concentration of women in certain departments and low pay scales or high layoff rates in predominantly female departments, CLUW says. To help in documenting sex bias, the booklet suggests that unions request the employer to furnish information on the number of women in specific departments and job categories.

The booklet discusses several "sample" clauses designed to show how words "can be put together" to

"help solve problems for working women." For example, CLUW says, negotiators might include a provision stating that "all gender references shall be replaced with such terms as the following: employee, recipient, party, worker, etc."

Another example might be for management and the union to agree "not to discriminate, nor perpetuate the effects of past discrimination, against any employee because of such employee's race, color, religion, sex, marital or parental status, age, national origin, or political beliefs."

Maternity leave disputes may be avoided, CLUW adds, by inserting the following contract language: "Maternity leaves will normally end within six (6) weeks after the termination of pregnancy. . . . When an employee returns from an authorized maternity leave and is determined physically and medically qualified by the company physician, she shall be reinstated in accordance with her seniority to her former job classification, shift, and department."

"Police each and every category—add 'women' or 'female' wherever you think necessary," the booklet urges women. "The contract has sections on recognition and jurisdiction of your unit, hours, wages, seniority, grievance procedure, vacations, leaves, safety, and more. How many sections do you think are of interest to women workers? All of them."

To insure equal treatment in the workplace, CLUW says, women should fight for the following provisions in their bargaining agreements:

- Plantwide seniority provisions specifying that women "will not be locked into low-paid, low-opportunity jobs, but can move anywhere in the plant";

- More equitable layoff procedures allowing female employees to "exercise seniority to move into any department or division," whether "upward, laterally, or downward";

- A fair job-posting system giving all employees "adequate notice of jobs in all departments";

- Changes in established grievance and arbitration procedures to allow women who feel they are underpaid "to grieve wage-rate inequities and even take them to arbitration";

- Assurances that a pregnant employee will not be required to take maternity leave unless her doctor says she should stop working, that there will be no changes in her job duties or working conditions without her consent, and that she will be reinstated upon returning from maternity leave with full seniority credits;

- Maternity leave for employees who adopt children, as well as unpaid leave for child-care purposes and paid leave for family emergencies; and

- Employer-sponsored child-care centers.

(Effective Contract Language for Union Women, Coalition of Labor Union Women, 770 Broadway, New York, N.Y. 10003)



what's new in...

COLLECTIVE BARGAINING NEGOTIATIONS & CONTRACTS

1-14-80
January 10, 1980

Route to . . .

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New Minimum Wage

The federal minimum wage rose from \$2.90 to \$3.10 an hour on January 1. More than 5 million of the 57 million workers covered by the Fair Labor Standards Act are affected by the increase which was mandated by 1977 FLSA amendments.

Lubbers Sworn In

William A. Lubbers, former National Labor Relations Board executive secretary, was sworn in January 2 as General Counsel. Lubbers, a Democrat, succeeds John S. Irving, a Republican.

President Carter named Lubbers General Counsel on December 24 in a "recess appointment" between sessions of Congress. Lubbers has been opposed by business groups for his long-time association with Board Chairman John Fanning.

He will serve in the \$52,750-a-year post until rejected by the Senate or until the adjournment of the 96th Congress at the end of this year.

BNA Briefing Sessions

The 1980 Briefing Sessions on Collective Bargaining, sponsored by The Bureau of National Affairs, Inc., will be held in seven cities, beginning February 29 in Washington, D.C.

Sessions also will be held in New York City, March 3; Detroit, March 5; Chicago, March 7; Los Angeles, March 10; Seattle, March 12; and Boston, March 14.

Further information can be obtained from the BNA Briefing Sessions Secretary, Room S-602, The Bureau of National Affairs, Inc., 1231 25th St., NW, Washington, D.C., 20037. Telephone (202) 452-4420 or toll free (800) 424-8039.

Strike In The Oil Industry

The Oil, Chemical and Atomic Workers struck 100 oil companies nationwide on January 8 in a dispute over wages and health insurance. The walkout by some 60,000 workers at 400 refineries came after the parties failed to reach agreement under a second-year reopener in a two-year contract expiring January 8, 1981.

The union earlier rejected a proposal from Gulf Oil Corporation and several other companies for a 9 percent wage hike and an increase from \$84 to \$94 a month in contributions to family health insurance. Employees currently pay about \$35 for family health coverage.

The health care plan is the key to reaching a settlement, according to OCAW President Robert Goss. The union has demanded a fully paid uniform health care benefits package, including dental and prescription drug coverage.

Another issue in the dispute is the companies' offer of a wage increase in percentage rather than cents per hour. The union wants a cents-per-hour increase to keep the gap between higher-paid and lower-paid employees from widening. In addition, OCAW has asked for seven weeks of vacation after 25 years of service.

The union, Goss said, "is undertaking what will be a hard-fought confrontation" with the "richest and most powerful industry in the world." In the past, strikes by the union have not been very effective because refineries are automated and management usually is able to operate them.

Bargaining in the oil industry is decentralized, with talks taking place at each of the 400 locations where OCAW has contracts. Economic offers are submitted to the national committee in Denver, and when an offer is accepted it becomes the pattern. A nationwide strike in 1969 lasted a week before a pattern settlement was reached.

Revised Chrysler-UAW Agreements

Chrysler Corporation and the United Auto Workers, faced with a government mandate to trim an additional \$243 million in wage and benefit increases from their contracts, have reached agreement on revised contracts covering 115,000 production and 9,000 salaried employees.

Congress required the revisions as part of the \$3.5 billion Chrysler aid package approved in December. Chrysler and UAW negotiated agreements last October that pared \$203 million from wages and benefits that would have been provided by the pattern negotiated at General Motors Corporation and Ford Motor Company.

The revised agreements provide additional wage deferrals and eliminate 17 paid personal holidays over term. The 3 percent annual wage increase is deferred for six months in the first year, to March 1980; six months in the second year, to March 1981; and five and one-half months in the third, to February 1982. The original contracts deferred increases for six months, four months, and two months.

UAW-represented employees will receive only three paid personal holidays, all at the end of 1982 and after the contracts expire. The original contracts provided no paid personal days in the first year, nine in the second, and 11 in the third; GM and Ford contracts provide eight days in the first year, nine in the second, and nine in the third.

No changes were made in cost-of-living, insurance, or pension benefits. Despite the concessions, UAW says, the Chrysler contracts will reach parity with GM and Ford contracts by September 1982.

Chrysler promised that savings realized from UAW's concessions would not be spent in Canada and that separate contracts would be negotiated for American and Canadian employees beginning in 1982. The union sought the promise in retaliation for Canadian employees' refusal to accept concessions dictated by the American Government.

Ratification should be completed by the end of January, an Auto Workers spokesman said, attributing the delay to the difficulty in reaching more than 36,000 laid-off employees.

Current Settlements

The International Ladies' Garment Workers' Union has agreed with the Corset and Brassiere Association on a 37-month agreement covering more than 9,000 employees in Puerto Rico. Hourly rates go up 27 to 30 cents in the first year, 25 to 27 cents in the second year, and 5 percent in the third. A tenth holiday is added and employer contributions to health-welfare and pension funds are increased.

Hughes Aircraft Company and the Carpenters have negotiated a three-year agreement covering some 8,000 production employees in Culver City, Newport Beach, Fullerton, El Segundo, and Canoga Park, Calif. Hourly pay is increased 52 cents to \$1.02 in the first year, depending on classification, and 18 to 30 cents in the second and third years. A cost-of-living clause provides one cent for each 0.3 CPI rise; if an adjustment exceeds five cents, two cents will be diverted to fringes. A floating holiday is added, bringing the total to 13 each year; the service requirement for three weeks' vacation is reduced from 10 to five years; and a vision care plan is added in the first year.

Timex Corporation and the Machinists have agreed to a two-year contract covering 3,000 production employees in Little Rock, Ark. Hourly pay is increased from \$4.00 to \$4.32 effective December 4, 1979, and to \$4.61 effective December 1980. Weekly sickness and accident benefits rise from \$70 to \$80 in the first year and to \$85 in the second year, and the maximum life insurance benefit is increased from \$7,000 to \$8,000 over term. Pension benefits go from \$6.50 per month per year of service to \$7.00 in the first year and to \$7.75 in the second year. Effective December 1980, employees with 25 or more years' service will receive five weeks of vacation.

Following are median first-year wage increases in settlements reported in the two-week period ending January 7 and year-to-date median increases for this year and last (see 19:8001):

	2-week period		year to date		year to date 1979	
All industries	57.3¢	8.7%	57.3¢	8.7%	40.0¢	8.3%
All nonconstruction	57.3¢	8.7%	57.3¢	8.7%	40.0¢	8.3%
Manufacturing	(*)	(*)	(*)	(*)	42.5¢	8.9%
Nonmfg. exc. constr.	59.0¢	8.7%	59.0¢	8.7%	34.5¢	7.0%
Construction	(*)	(*)	(*)	(*)	(*)	(*)

(*) Insufficient data

Upward Trend In Construction Settlements

Construction agreements negotiated in 1979 provided first-year wage and fringe increases averaging \$1.07 per hour or 8.6 percent, up from 79 cents or 6.4 percent last year, according to a survey of 861 new contracts

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Change In Job Content

Citadel Cement Corporation violated its contract with the Cement, Lime and Gypsum Workers when it failed to give the union reasonable notice of changes in the content of some employees' jobs, Arbitrator Taylor D. MacLafferty rules.

The contract provided that whenever a "change in production methods" or the "combining of jobs . . . will have an effect on the job status of one or more employees, the corporation will give the union reasonable advance notice of same and upon request by the union will promptly meet with the union to review and explore the effects of such change . . . upon the working force."

The grievant's duties as a grinding mill operator included the inspection and cleaning of a feed pipe. Traditionally, removal and replacement of the feed pipe cover plate was done by a repairman.

In the past if no repairman was available it was customary to call out a repairman from his home. Minimum call-out time was four hours at overtime pay. Although the plant operated 24 hours a day, all repairmen worked the first shift so call-outs were not unusual.

At a joint meeting in February 1979 the employer told the union that it planned to require operators to remove feed pipe cover plates for inspections. On March 9, 1979, the plant superintendent gave the grievant a wrench and told him that from then on it was part of his job to remove and replace the cover plate.

The union contended in a grievance that the "blanket notification" given by the employer in February was too vague and did not constitute proper notice under the contract.

MacLafferty observes that "there are no formal job descriptions in this plant, but each job is classified and the work content is quite clearly established by tradition." The con-

(Continued on page 3)

FACTS FOR BARGAINING

Part 2 of What's New in Collective Bargaining Negotiations and Contracts

Number 903

January 10, 1980

WAGES AND FRINGES: 1979

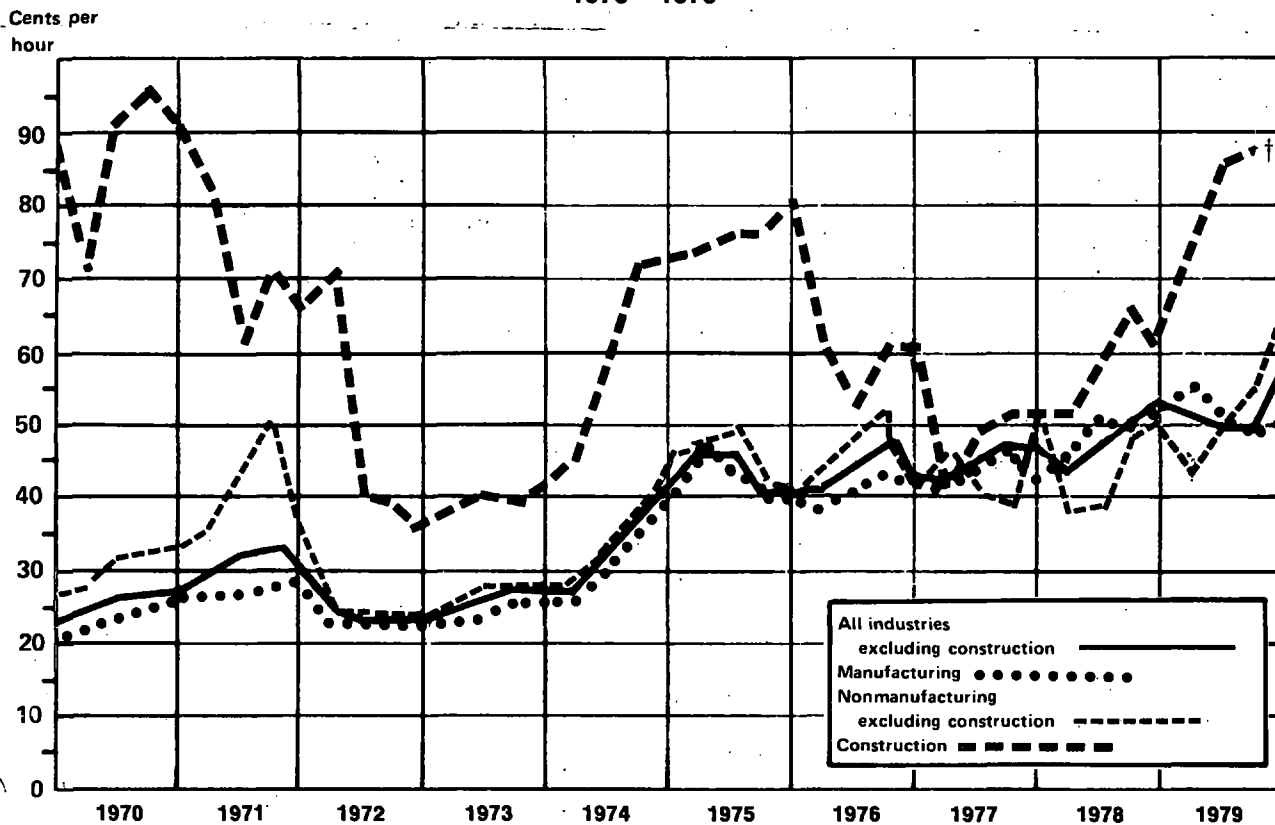
The all-industries median first-year wage increase negotiated in 1979 was 55 cents an hour — five cents higher than in 1978, according to a survey of 1,104 contracts specifying exact wage data reported in CBNC's Table of Current Contract Settlements. In percentage terms, the median first-year wage increase was 8.4 percent — up from 7.7 percent in 1978. Excluding construction agreements, the median initial wage gain in 1979 was 52.5 cents an hour or 8.4 percent, compared to 48.4 cents or 8 percent in 1978.

Listed below is a comparison of first-year median wage gains negotiated in 1978 and 1979:

	1978		1979	
All industries	50.0¢	7.7%	55.0¢	8.4%
All industries excluding construction	48.4¢	8.0%	52.5¢	8.4%
Manufacturing	50.0¢	8.5%	50.9¢	8.3%
Nonmanufacturing excluding construction	43.8¢	7.5%	54.8¢	8.5%
Construction	60.4¢	6.2%	85.0¢	8.5%

Deferred increases, effective ten months or more after the initial increase, were negotiated in 89 percent

**MEDIAN WAGE INCREASES BY INDUSTRY
1970—1979**



† Insufficient data for 4th quarter Construction Median

of the total 1,218 settlements reported in 1979. In manufacturing, 88 percent of the contracts provided for deferred increases; in nonmanufacturing-excluding-construction, 91 percent; and in the construction industry, 90 percent.

The following table shows median deferred wage increases due in 1980 and 1981 provided by settlements reported in 1979. Second- and third-year median increases in the construction industry are based primarily on wage-fringe packages.

	1980		1981	
	Rate	%	Rate	%
All industries	45.8¢	7.0%	43.8¢	6.5%
All industries excluding construction	45.0¢	7.0%	38.0¢	6.3%
Manufacturing	45.0¢	7.0%	35.0¢	6.3%
Nonmanufacturing excluding construction	45.0¢	7.1%	42.5¢	6.3%
Construction	95.0¢	8.2%	92.0¢	7.5%

Cost-of-living provisions which will generate additional increases over the contract term were contained in 26 percent of all contracts negotiated in 1979. C-o-l clauses were contained in 28 percent of manufacturing contracts, 31 percent of nonmanufacturing-excluding-construction, and 1 percent of construction.

In manufacturing contracts, semiannual adjustments were most common in 1979, compared to quarterly adjustments in 1978. In nonmanufacturing-excluding-construction contracts, annual adjustments were the most frequently negotiated — the same as in 1978.

Contract duration varied slightly from 1978. In manufacturing agreements, three-year terms were provided in 62 percent (66 percent in 1978); two-year terms in 32 percent (27 percent in 1978); and one-year terms in 3 percent (4 percent in 1978).

In nonmanufacturing-excluding-construction contracts, 59 percent of 1979 contracts provided three-year terms (63 percent in 1978), 33 percent two-year terms (28 percent in 1978); and 7 percent one-year terms (6 percent in 1978).

In the construction industry, three-year terms were found in 61 percent of 1979 contracts (57 percent in 1978); two-year in 34 percent (35 percent in 1978); and one-year in 4 percent (4 percent in 1978).

Fringe benefits were initiated or revised in 80 percent of contracts reported in 1979, compared to 78 percent in 1978. As in past years, changes or innovations in insurance benefits continue to be the most frequently negotiated, appearing in 81 percent of 1979 contracts.

In the 787 contracts providing insurance benefits, the plans most frequently changed or initiated were: life, 28 percent; sickness and accident and dental, 24 percent each; major medical, 22 percent; hospital, 12 percent; optical and disability, 5 percent each; prescription drugs and accidental death and dismemberment, 4 percent each; and maternity, 2 percent.

Pension plans were changed in 53 percent of 1979 contracts. Manufacturing contracts specifying new benefit amounts provided average monthly benefits of \$11.08 per year of service, compared to \$10.84 in 1978. Nonmanufacturing-excluding-construction contracts specifying new benefit amounts provided average monthly benefits of \$16.31 per year of service, compared to \$13.83 in 1978. (The 1979 figure in nonmanufacturing-excluding-construction was influenced by monthly benefit amounts of \$22.03 in airline transportation and \$15.95 per year of service in wholesale and retail trade.)

Vacations were revised in 27 percent of contracts reported in 1979. Holidays were changed in 26 percent of 1979 contracts. Those contracts specifying the exact number provided an average of 11 holidays in manufacturing and in nonmanufacturing-excluding-construction.

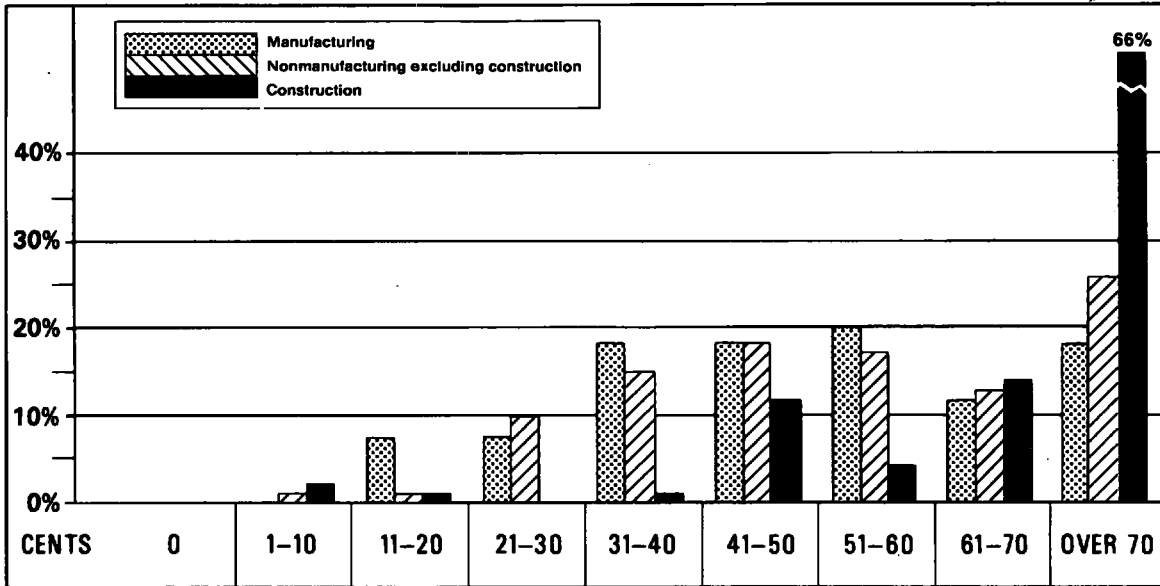
Income maintenance provisions (severance pay plans and supplemental unemployment benefits) were revised in 3 percent of the agreements reported in 1979. Legal plans were added in 1 percent of 1979 settlements, the majority of them in health care services.

MEDIAN SETTLEMENTS, 1979

	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		Year 1979	
	Rate	%	Rate	%	Rate	%	Rate	%	Rate	%
All industries	51.4¢	8.2%	55.9¢	8.3%	55.0¢	8.8%	56.2¢	8.4%	55.0¢	8.4%
All industries, excluding construction	51.4¢	8.2%	50.0¢	8.3%	50.0¢	8.8%	56.2¢	8.5%	52.5¢	8.4%
Manufacturing	54.3¢	8.7%	50.9¢	8.3%	48.3¢	8.5%	50.0¢	8.0%	50.9¢	8.3%
Nonmanufacturing, excluding construction	43.2¢	7.2%	50.0¢	8.5%	54.8¢	8.9%	62.8¢	9.0%	54.8¢	8.5%
Construction	(*)	(*)	85.0¢	8.2%	87.5¢	8.8%	(*)	(*)	85.0¢	8.5%

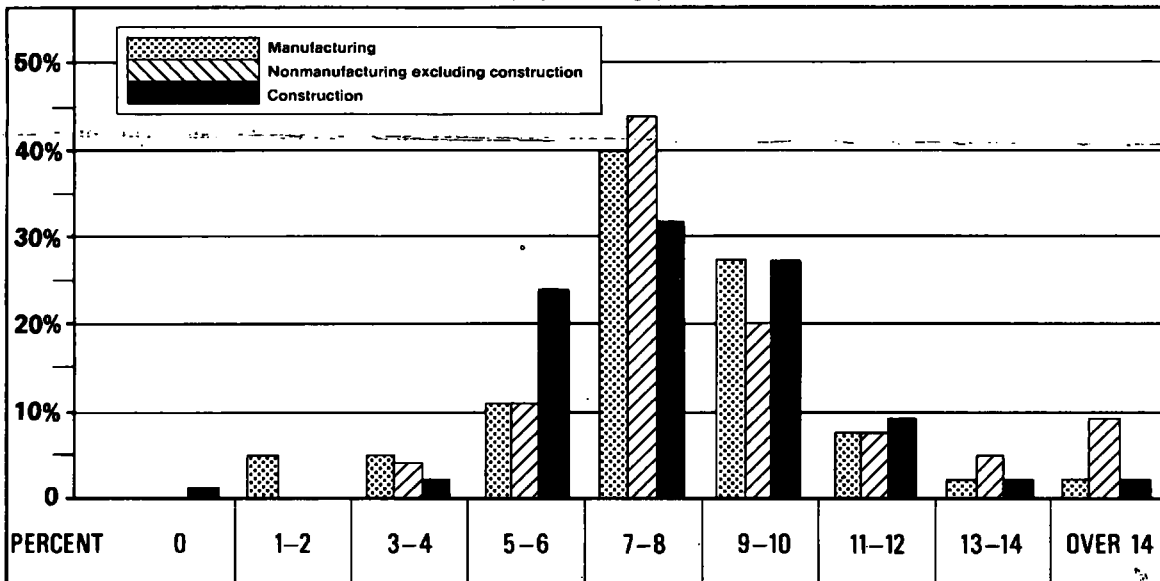
(*) Insufficient data

DISTRIBUTION OF WAGE INCREASES BY INDUSTRY SECTOR—1979*
(In cents per hour)



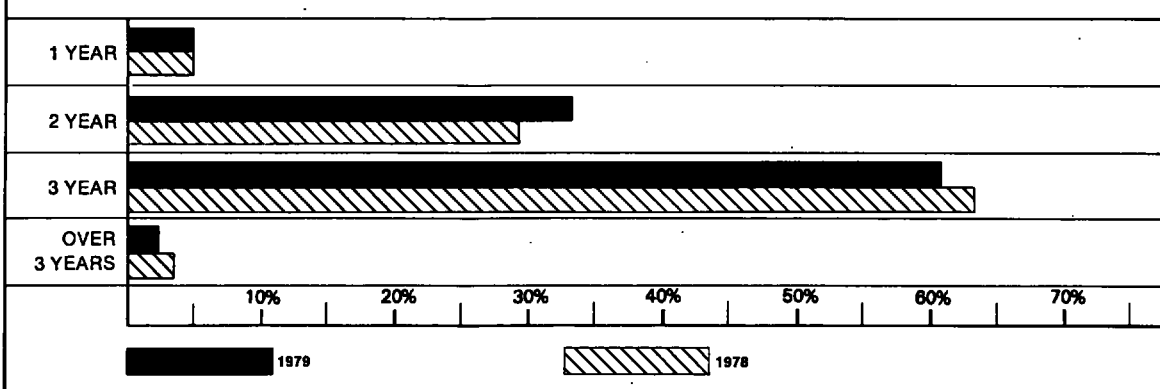
* Based on 606 settlements in manufacturing, 356 in nonmanufacturing excluding construction, and 142 in construction (figures do not include settlements where amount of increase is not specified).

DISTRIBUTION OF WAGE INCREASES BY INDUSTRY SECTOR—1979*
(In percentage)



* Based on 608 settlements in manufacturing, 358 in nonmanufacturing excluding construction, and 142 in construction (figures do not include settlements where amount of increase is not specified).

CONTRACT DURATION



MEDIAN WAGE INCREASES AND NUMBER OF REVISED FRINGE PROVISIONS BY INDUSTRY, 1979

	Total Settlements ¹	Median Settlement (cents per hour)	Median Settlement (percentage)	Deferred increases	Cost-of-living clauses	Vacations	Holidays	Pension plan	Income maintenance	Legal services	Insurance	Life insurance	Accidental death & dismemberment	Sickness & accident	Disability insurance	Hospital insurance	Surgical insurance	Major medical	Maternity benefits	Drug plan	Dental plan	Optical plan
MANUFACTURING																						
Apparel & other finished textiles	68	34.5	8.3	64	4	18	50	44	-	-	52	3	-	9	-	4	2	5	1	9	2	2
Chemicals & allied products	76	54.3	7.9	58	16	20	15	24	2	-	41	17	2	7	-	5	4	10	2	1	13	1
Electrical machinery & equipment	61	38.6	6.8	60	46	37	12	51	3	-	54	29	2	11	14	20	3	35	-	1	36	1
Fabricated metals	22	50.0	8.5	20	8	9	8	15	-	-	19	8	1	7	3	5	2	5	-	1	8	1
Foods & beverages	61	55.0	9.6	58	15	33	16	46	3	-	36	9	2	9	-	6	3	12	3	2	11	7
Furniture	5	-	-	4	-	4	4	3	-	-	4	2	-	-	-	2	1	-	-	-	1	-
Leather & leather products	9	-	-	8	-	6	7	3	-	-	7	1	-	1	-	-	-	-	-	-	-	-
Lumber & wood products	9	-	-	8	2	4	2	6	-	-	5	2	2	1	1	-	-	1	1	-	1	-
Machinery (except electrical)	47	53.7	8.4	42	20	11	17	34	-	-	33	14	3	18	2	1	-	8	-	1	15	3
Miscellaneous manufacturing	13	46.4	10.0	12	1	3	5	7	2	-	6	3	1	3	-	1	-	-	-	-	1	-
Ordnance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paper & allied products	92	59.0	9.9	81	4	34	31	67	3	1	70	33	4	39	-	10	5	25	1	2	14	2
Petroleum & allied products	53	73.0	8.7	51	-	1	2	-	-	-	47	-	-	-	1	-	-	-	-	-	-	-
Primary metals	16	66.9	9.1	11	3	5	5	6	-	-	5	3	1	5	-	-	-	1	1	-	3	-
Printing & publishing	32	56.9	8.2	30	15	6	6	5	-	-	6	1	-	1	-	1	1	-	-	1	-	-
Professional, scientific & controlling instruments	4	-	-	3	2	2	-	3	-	-	3	1	-	1	-	1	1	-	-	-	1	-
Rubber products	24	32.0	5.6	20	15	6	15	16	1	-	17	12	-	12	2	4	4	4	-	-	2	1
Stone, clay & glass	29	53.5	8.4	25	8	8	3	17	-	-	25	15	6	11	-	3	2	9	2	-	8	1
Textile mill products	26	35.2	8.0	14	3	10	9	8	1	-	17	4	1	6	1	5	2	6	2	1	1	-
Tobacco	2	-	-	2	2	1	2	-	-	-	2	-	-	-	1	-	-	1	-	-	-	-
Transportation equipment	29	50.0	6.7	27	23	8	11	21	6	-	21	13	3	13	3	4	1	8	-	1	10	7
Total manufacturing	678	50.9	8.3	598	187	226	220	376	21	1	470	170	28	154	28	72	31	130	13	20	127	26
NONMANUFACTURING (Excluding Construction)																						
Agriculture	19	130.0	35.1	18	11	-	-	1	5	-	6	-	-	-	-	-	-	-	-	-	-	-
Communications	12	64.5	8.6	12	5	5	4	3	-	-	9	2	-	-	-	2	1	3	-	-	6	-
Insurance	11	50.0	10.2	11	2	4	2	4	2	-	8	-	-	-	-	-	-	4	-	1	4	-
Mining	3	-	-	3	1	-	-	2	-	-	2	-	-	-	-	-	-	-	-	-	1	-
Services																						
Except health care	60	45.5	8.0	55	7	11	17	28	2	-	35	7	1	1	-	2	-	9	2	-	12	2
Health care	92	42.4	8.0	86	26	10	20	44	1	14	54	2	1	1	2	1	2	1	-	1	11	-
Shipping & longshoring	6	-	-	5	-	2	2	4	-	-	6	2	1	-	1	-	-	-	-	-	1	2
Transportation (combined)	36	68.4	9.6	35	24	25	9	28	-	-	30	15	2	6	2	8	3	7	1	3	14	5
Airline	19	110.0	12.4	18	11	13	3	18	-	-	15	8	2	2	1	5	1	4	1	1	9	3
Railroad	4	-	-	4	3	2	-	3	-	-	4	2	-	2	-	-	-	1	-	-	3	1
Streetcar, bus & taxi	13	42.0	7.2	13	10	10	6	7	-	-	11	5	-	2	1	3	2	2	-	2	2	1
Water & other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trucking & warehousing	30	66.0	8.5	26	12	8	18	21	-	-	24	1	-	8	-	2	1	1	-	-	1	1
Utilities (light, power, gas & water)	32	56.2	7.0	20	4	2	2	9	-	1	16	6	-	-	-	4	-	8	-	1	4	-
Wholesale & retail trade	97	63.3	9.3	92	31	32	25	67	2	1	61	17	1	16	3	3	1	8	2	2	9	8
Total nonmanufacturing-excluding-construction	398	54.8	8.5	363	123	99	99	211	12	16	251	52	6	32	8	22	8	41	5	9	64	17
Total all-industries excluding construction	1076	52.5	8.4	961	310	325	319	587	33	17	721	222	34	186	36	94	39	171	18	29	191	43
CONSTRUCTION																						
Total all industries	1218	55.0	8.4	1089	312	326	321	648	33	17	787	222	34	186	36	94	39	171	18	29	191	43

¹Includes some settlements providing wage increases of unspecified amounts; not included in tabulations of medians.

(Continued from page 2)

tract recognizes that occasional changes in job content will be necessary and provisions are made for these changes.

The purpose of the disputed clause is clear, the arbitrator says. "It does not deny the company's right to make the final decision," he explains, "it simply requires that the union be properly notified so that its views can be communicated to the company and considered by the company before the final decision is made."

MacLafferty rules that the employer's blanket notice "fails to give the union adequate information and sufficient time to fulfill the purpose" of the agreement. He finds that the union is "seriously handicapped" in the presentation of its views to the company since the blanket notice did not identify specific jobs, individual workers, or the effective date of the change.

"Most important of all," the arbitrator concludes, "if such a blanket notice is valid it is conceivable that the company could serve a notice so broad in scope, and so general in its terms, as to make it virtually impossible for the union to prepare any kind of a reasoned, intelligent opposition to it."

He awards the grievant additional pay for removing and replacing the feed pipe cover plate on March 9, 1979. (73 LA 802)

by the Construction Labor Research Council. Second-year increases averaged \$1.03 per hour or 7.7 percent.

In CBNC's annual survey, the first-year median wage increase in 142 construction contracts was 85 cents an hour or 8.5 percent (see *Part II. Facts for Bargaining*).

According to the CLRC report, when measured in dollars the 1979 level of settlements was the highest since the early 1970's and the highest percentage increase since 1975. CLRC points out that this is a "reversal of the downward trend in the average first-year percent increase which had existed since the termination of wage controls in 1974."

By region, the report found that percentage increases clustered around the national average while the variations in dollar increases reflected the range of wage and fringe rates between various areas of the country.

By craft, plumbers and fitters received the highest increases, averaging \$1.36 per hour or 9.3 percent. Laborers received the lowest dollar increases, 88 cents, while crane operators received the lowest percentage increases, 7.5.

Record Back-Pay Settlement

In the largest back-pay settlement in the history of the National Labor Relations Board, American Cyanamid Company has agreed to pay \$12 million to 405 employees unlawfully locked out of the company's Westwego, La., plant for three years.

The award stems from a 1975 strike by Oil, Chemical and Atomic Workers Local 4-447. After nine months, the company awarded service and maintenance work to a contractor, terminated employees in the two departments, and announced that all other strikers would be terminated "as soon as permanent replacements could be hired." OCAW then offered to end the strike but was told that employees could not return until the union and the company reached agreement.

When American Cyanamid proposed a strike settlement that would have required the union to accept the terminations, OCAW refused to sign and filed unfair labor practice charges. Deciding in May 1978 that the employer had converted an economic strike into an unfair labor practice strike, the Board ordered the back pay, which took NLRB's regional office nine months to compute.

Bargaining Briefs

A cost-of-living adjustment of 28 cents per hour took effect January 1 for some 350,000 workers at Class 1 railroads, represented by 12 rail unions, while 100,000 Railway Clerks received 34 cents.

In addition, 55,000 Rubber Workers employed by the Big Four rubber companies, 12,000 Auto Workers at Rockwell International Corporation, and 8,100 Machinists at Lockheed Aircraft Corporation received adjustments of 21 cents an hour; one cent was diverted to fringes at Lockheed and two cents at Rockwell.

U.S. Steel Corporation announced on December 31 that it will not close its American Bridge Division plants in Ambridge and Shiffler, Pa., as planned. The announcement followed a decision by Steelworkers at the two plants to reverse an earlier vote and to accept a company-proposed wage freeze. U.S. Steel said, how-

ever, that it will close its Gary, Ind., plant; workers there did not request a new vote.

The wage freeze was necessary, the company said, because high labor costs made the steel fabricating operation uncompetitive with foreign or nonunion companies. Employees at all three plants rejected the wage freeze last November.

Strike-notice requirements of the 1974 health care amendments to the Taft-Hartley Act apply only to unions picketing a health care facility and not to unions picketing a construction contractor performing work at the site, NLRB has ruled. By four to one, the Board reverses an earlier ruling requiring unions striking hospital contractors to give 10 days' notice to FMCS.

In adopting the amendments, the majority states, "Congress did not intend to alter the status quo with respect to non-health care employees who had never been required to notify employers of their intent to engage in concerted activity against non-health care employers." (103 LRRM 1002)



Whither Wage Standard?

IN EXCHANGE for a commitment by General Motors Corporation to limit its price increases, the Council on Wage and Price Stability has found the GM-United Auto Workers agreement in compliance with the Administration's wage standard:

GM agreed to limit increases in the two-year period ending October 1980 to the percentage of its price increases in the 1976-77 period, unless it can demonstrate that increases in its costs are "substantially greater" than can be foreseen at this time. In that case, the company will be allowed to use a more liberal pricing standard.

Announcing the decision on December 28, CWPS Chairman Alfred Kahn said GM's adherence to the price limitation is "an additional demonstration of that corporation's continuing support for the President's anti-inflation program."

The trade-off is "similar in principle" to the Council's handling of settlements in the rubber industry last year, a CWPS spokesman said. Although the Council found that pay increases negotiated by the United Rubber Workers and major rubber companies exceeded the 7 percent standard, it approved the contracts on an individual basis after the companies agreed not to pass on the higher labor costs as price increases.

Contracts following the GM accord will not be granted "tandem" exceptions to the wage standard because the GM contract does not comply, CWPS later announced.

Under the first-year standard, companies demonstrating that their pay increases followed increases for other units were granted "tandem" exceptions. Last month, however, the Council approved new tandem rules adopted by the Pay Advisory Committee specifying that a leader-follower relationship will be allowed only if the leader is exempt from or is in compliance with the standard.

"The Council will judge agreements or pay plans that are patterned after the GM-UAW settlement on a case-by-case basis," CWPS said in its announcement. "If the follower unit—either a collective bargaining unit or a nonrepresented employee unit—is out of compliance, it should contact the Council to discuss corrective action."

Agreements in the auto parts industry traditionally track the auto pattern, while UAW contracts with the largest farm equipment companies—John Deere and Company, Caterpillar Tractor Company, and International Harvester Company—usually provide wage hikes equal to or in excess of those provided in auto agreements.

So far, UAW has reached agreement with one parts supplier (Dana Corporation) and with Caterpillar and Deere. Under the Council's new rule, these agreements would not be entitled to tandem exceptions. In addition, the Council is examining UAW's contract with Ford Motor Company, which is identical to the GM contract, to determine whether it complies. Unless Ford works out an arrangement similar to GM's, its agreement probably will be deemed in noncompliance with the guideline.

GM's and Ford's agreements with UAW provide pay increases of 3 percent each year, quarterly cost-of-living adjustments with a revised escalator formula in the third year, and nine pension increases over term. The Council estimates the over-term wage-benefit increases at 30 to 35 percent. Until the Council approves a new wage standard, bargaining agreements are subject to the 7 percent standard, with an additional 1 percent allowed for workers not covered by cost-of-living adjustments.

A revised wage standard may be forthcoming. On January 8, the 18-member Pay Advisory Committee recommended a range of 7.5 percent to 9.5 percent for the program's second year, discarding the idea of a fixed standard. The panel also proposed that the assumed inflation rate for calculating cost-of-living clauses be raised from 6 to 7.5 percent and that a separate standard be established to consider pension increases.

Formal approval of the standard will be delayed until labor-management conferees can decide at what point within the range they would like settlements to fall. "It would be inappropriate for employers and employees to regard the range as now established," Committee Chairman John T. Dunlop said. "It is subject to action by committee vote and to review and approval" by CWPS Chairman Kahn.

Adoption of a range marks a victory of sorts for Dunlop, as a compromise between the hard-line positions of business and labor members of the panel. Sentiment within the Committee ran the gamut from a strictly enforced numerical figure to a range to a standard tied to the CPI to no standard at all.

"There has been enormous dispersion in wages in 1978 and 1979," Dunlop argues. "There has not been a clustering of settlements around a 7 percent figure. . . . The actual pattern of wage settlements in 1978 and 1979 follows a range, rather than a concentration around a single number."