

FEDERAL MEDIATION AND CONCILIATION SERVICE

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"PRODUCTIVITY: A CHALLENGE FOR COLLECTIVE BARGAINING"

An Address

by

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I WAS EXTREMELY PLEASED TO RECEIVE AN INVITATION FROM JULIAN KIEN TO ADDRESS THE ANNUAL EMPLOYEE RELATIONS CONFERENCE OF THE AMERICAN PAPER INSTITUTE AND THE FIBRE BOX ASSOCIATION.

JUST A LITTLE OVER TWO YEARS AGO--- ON MARCH 21, 1973, TO BE EXACT -- I HAD THE PRIVILEGE OF BEING WITH MANY OF YOU AS WE DISCUSSED THE STATE OF LABOR-MANAGEMENT RELATIONS.

THAT WAS JUST A WEEK AFTER THE SENATE HAD CONFIRMED MY NOMINATION TO BE THE DIRECTOR OF THE FEDERAL MEDIATION AND CONCILIATION SERVICE.

A GREAT NUMBER OF SIGNIFICANT CHANGES HAVE COME TO THE COLLECTIVE BARGAINING SCENE SINCE THEN. AND THAT IS ONE REASON WHY I AM PLEASED TO HAVE ANOTHER CHANCE TO SHARE SOME THOUGHTS WITH YOU.

THAT'S RATHER LIKE WHAT THE FATHER SAID IN A STORY THAT WAS TOLD BY SENATOR SAM ERVIN.

THE SENATOR, HIS EYEBROWS JIGGLING, TOLD HIS COLLEAGUE FROM TENNESSEE, HOWARD BAKER, ABOUT A RICH YOUNG MAN WHO HAD BEEN ACCUSED OF DISHONORING A YOUNG LADY FROM SOUTH CAROLINA. THE GIRL'S IRATE FATHER, WAVING A RIFLE, CONFRONTED THE MAN.

"YOU HAVE DISHONORED MY DAUGHTER," HE DECLARED.

"BUT I AM A RICH MAN," THE ACCUSED REPLIED. WHEREUPON HE PROMISED TO PAY FOR THE ERROR OF HIS WAYS -- \$15,000 FOR A BABY BOY, \$20,000 FOR A GIRL.

"WHAT IF MY DAUGHTER HAS A MIS-CARRIAGE?" THE FATHER ASKED. "WILL YOU GIVE HER ANOTHER CHANCE?"

I CAN TELL YOU THAT IN WASHINGTON TODAY, THERE ARE AN AWFUL LOT OF PEOPLE -- ESPECIALLY ECONOMISTS -- WHO WISH THAT THEY COULD HAVE ANOTHER CHANCE.

BECAUSE THE ECONOMIC ROLLER COASTER THAT HAS BECOME PART AND PARCEL OF OUR ECONOMIC SCENE IN THE PAST TWO YEARS HAS CAUGHT ALMOST EVERYONE WITH THEIR PREDICTERS DOWN.

IN HIS INVITATION, JULIAN ASKED THAT MY REMARKS BE DIRECTED AT -- AND THESE ARE HIS WORDS -- "THE CURRENT EXPERIENCE IN THE AMERICAN LABOR SCENE AND THE IMPLICATIONS FOR BARGAINING IN THE FUTURE IN THE LIGHT OF THE RATHER TUMULTUOUS EVENTS IN OUR ECONOMY."

IN OTHER WORDS, HE WANTS ME TO JOIN THOSE WHO HAVE ACQUIRED THE JANUARY HABIT OF CRYSTAL-BALL GAZING.

I'VE BEEN TOLD THAT HISTORIANS TELL US ABOUT THE PAST AND ECONOMISTS TELL US ABOUT THE FUTURE. THUS, ONLY THE PRESENT IS CONFUSING.

BEING NEITHER HISTORIAN NOR ECONOMIST, THE LEAST I CAN DO IS JOIN THE RANKS OF THOSE WHO ARE ADDING TO THE CONFUSION.

THE ECONOMIC TURMOIL THAT JULIAN REFERRED TO HAS SURELY BROUGHT US AN AMPLE SUPPLY OF CONFUSION -- AND SOME UNEXPECTED RESULTS, TOO.

THAT COMBINATION OF CONFUSION AND UNEXPECTED RESULTS IS NOT NEW TO MOST OF US. AS AN EXAMPLE, I'M REMINDED OF A FRIEND OF MINE DOWN IN MY HOME STATE OF GEORGIA WHO CONSIDERED BUYING A MULE THAT A PREACHER HAD FOR SALE .

THE PREACHER CAREFULLY EXPLAINED THAT HE HAD TRAINED THE MULE TO GO WHEN THE RIDER SAID "PRAISE THE LORD" AND TO STOP WHEN THE RIDER SAID "AMEN."

MY FRIEND MOUNTED THE MULE, SAID "PRAISE THE LORD," AND THE MULE RACED AWAY AT A GALLOP. THE RIDER BECAME EXCITED, AND KEPT SHOUTING "WHOA" IN THE MULE'S EAR, WITH NO EFFECT. FINALLY, HE REMEMBERED THE PREACHER'S INSTRUCTIONS, AND SAID "AMEN."



SURE ENOUGH, THE MULE STOPPED. THE RIDER LOOKED DOWN AND SAW THAT THE MULE HAD PULLED RIGHT UP AT THE EDGE OF A GIGANTIC CLIFF.

HE WIPED HIS BROW, SIGHED, LOOKED TO THE HEAVENS AND DECLARED GRATEFULLY, "PRAISE THE LORD." . . .

WELL, TODAY A LOT OF FOLKS ARE UNDECIDED AS TO WHETHER TO SAY "WHOA" OR "PRAISE THE LORD."

STRANGE THINGS ARE HAPPENING.

THE WALL STREET JOURNAL, FOR INSTANCE, HAS SUGGESTED THAT ITS ECONOMIC PHILOSOPHIES AND THOSE OF AFL-CIO PRESIDENT GEORGE MEANY ARE SUFFICIENTLY ALIKE TO SUGGEST THAT MR. MEANY CONSIDER BECOMING AN EDITORIAL WRITER FOR THE JOURNAL.

MR. MEANY'S REPLY HASN'T BEEN HEARD--OR AT LEAST IT HASN'T BEEN PUBLISHED.

OF EQUAL RANKING AMONG THE UNUSUAL WAS THE SIGHT OF LEONARD WOODCOCK, PRESIDENT OF THE UNITED AUTO WORKERS, JOINING WITH MANAGEMENT LEADERS IN A PLEA TO THE WHITE HOUSE FOR FINANCIAL RELIEF -- INCLUDING AN INVESTMENT TAX CREDIT -- FOR THE TROUBLED AUTO INDUSTRY.

ON THE COLLECTIVE BARGAINING FRONT, WE HAVE SEEN EQUALLY UNIQUE HAPPENINGS:

--WE HAVE SEEN UNIONIZED PILOTS AT PAN AMERICAN WORLD AIRWAYS AGREE TO TAKE A CUT OF 11 PERCENT FROM THEIR NEGOTIATED PAY LEVEL FOR THE REMAINDER OF THIS YEAR TO HELP THAT TROUBLED AIR LINE OUT OF ITS FINANCIAL DIFFICULTIES.

--WE HAVE SEEN SOME 20,000 MEMBERS OF THE LABORERS INTERNATIONAL UNION HERE IN CHICAGO ACCEPT A FULL YEAR'S EXTENSION OF THEIR CONTRACT WITHOUT A WAGE INCREASE IN AN EFFORT TO STIMULATE CONSTRUCTION.

--IN WASHINGTON, WE HAVE SEEN THE MEMBERS OF THE NEWSPAPER GUILD AGREE TO WORK FOUR DAYS A WEEK FOR FOUR DAYS OF PAY TO AVOID LAYOFFS AND TO MAINTAIN THE PUBLICATION'S LEVEL OF EDITORIAL EXCELLENCE.

--IN LOS ANGELES, MANAGEMENT IS COOPERATING WITH THE AMALGAMATED CLOTHING WORKERS IN IMPLEMENTING A 30-HOUR WORK WEEK TO REDUCE LAYOFFS.

--CRAFT UNION MEMBERS IN ROCHESTER, NEW YORK, HAVE OFFERED TO REDUCE THEIR WORKWEEK TO 32 HOURS IN A SHARE-THE-WORK MOVE.

-- IN ALTOONA, PENNSYLVANIA, CITY EMPLOYEES DECIDED TO WORK A DAY WITHOUT PAY TO SAVE FROM FELLOW WORKERS FROM A TWO-WEEK LAYOFF.

--AND IN YOUR OWN INDUSTRY WE HAVE SEEN THE INTERNATIONAL PAPER COMPANY AND THE UNITED PAPERWORKERS AND TWO OTHER UNIONS REACH A MUTUALLY BENEFICIAL AGREEMENT ON A ONE-YEAR EXTENSION OF THEIR CONTRACT--A CONTRACT THAT, INCIDENTALLY, AFFECTS SOME 25,000 WORKERS IN 101 LOCAL UNIONS.

NOW I HAVE DEFINED THESE HAPPENINGS AS UNUSUAL. . . UNIQUE. . . STRANGE.

BUT IN FACT, THEY ARE NONE OF THE ABOVE. IN THE HARSH ECONOMIC REALITIES OF TODAY, THEY ARE IN THE TRUEST SENSE COOPERATIVE EFFORTS TO SOLVE MUTUAL PROBLEMS THROUGH COLLECTIVE BARGAINING.

EACH OF THESE DECISIONS REQUIRED SOUL SEARCHING BY LEADERS, PLUS TIME AND HARD WORK TO MAKE THEM ACCEPTABLE TO THE MEMBERS OF MANAGEMENT AND TO THE WORKERS.

DOES THIS MEAN THAT THE WOLF AND THE LAMB HAVE DECIDED TO TAKE UP HOUSEKEEPING? NOT AT ALL.

BUT I DO BELIEVE THAT IT INDICATES A GROWING UNDERSTANDING OF THE ENORMOUS POTENTIAL THAT OUR COLLECTIVE BARGAINING PROCESS HOLDS IN SOLVING PROBLEMS-- AND SOLVING THEM IN A WAY THAT BENEFITS THE WORKER, MANAGEMENT AND THE INVESTOR.

THE SUCCESSFUL UTILIZATION OF THE COLLECTIVE BARGAINING PROCESS DIDN'T "JUST HAPPEN." IT HAS EVOLVED FROM A CENTURY OF BITTER, OFTEN VIOLENT WARFARE BETWEEN LABOR AND MANAGEMENT.

SOME OF THE BATTLES OCCURRED HERE IN CHICAGO: THE HAYMARKET RIOT IN 1886. . . THE PULLMAN STRIKE EIGHT YEARS LATER. . . THE MEMORIAL DAY CLASH IN 1937 THAT CLAIMED THE LIVES OF 10 STEELWORKERS, AND THE BLOOD OF SOME 80 MORE.

REPLACING YESTERDAY'S CLENCHED FIST WITH TODAY'S HANDSHAKE HAS REQUIRED HEAVY SACRIFICES FROM DEDICATED LEADERS ON BOTH SIDES.

IT IS BECAUSE OF THOSE SACRIFICES THAT ORGANIZED LABOR AND MANAGEMENT IN THE UNITED STATES HAVE BEEN ABLE, TOGETHER, TO BRING US THE HIGHEST STANDARD OF LIVING THAT THE WORLD HAS KNOWN.

AND YET I AM CONVINCED THAT THE COLLECTIVE BARGAINING PROCESS HAS MUCH MORE TO OFFER.

I BELIEVE THAT OUR COLLECTIVE BARGAINING MACHINERY CAN, FOR EXAMPLE, BE MORE FULLY UTILIZED IN THE AREA OF PRODUCTIVITY.

THE MERE WORD "PRODUCTIVITY" CAUSES MANY WORKERS TO CRINGE. IT'S RIGHT UP THERE IN POPULARITY WITH SUCH PHRASES AS "SPEEDUP."

AND THAT'S UNFORTUNATE. BECAUSE THE TWO HAVE NOTHING IN COMMON.

POSSIBLY YOUR ORGANIZATION, IN SOME OF YOUR SKILL SESSIONS LATER TODAY, COULD MAKE AN EFFORT TO FIND, OR EVEN CREATE, ANOTHER WORD THAT CAN ENCOMPASS THE TRUE MEANING OF THE WORD "PRODUCTIVITY."

WHAT WE NEED IS A WORD THAT EXPRESSES GREATER JOB SATISFACTION AND BETTER PAY: ENHANCED EFFICIENCY AND A JUST AND STABLE RETURN ON INVESTMENTS. IN SUM, A BETTER LIFE.



BECAUSE THAT, IN TRUTH, IS WHAT PRODUCTIVITY IS ALL ABOUT. AND IT DESERVES A HIGH PRIORITY ON OUR AGENDA OF ECONOMIC NECESSITIES.

BEYOND FINDING A MORE ACCEPTABLE AND APPRECIATED WORD, WE NEED TO DECIDE JUST WHAT CONSTITUTES PRODUCTIVITY AND HOW PRODUCTIVITY IS TO BE ACCURATELY MEASURED.

MANY OF THE 83,000 COMPANIES IN THE TIMBER, PAPER AND PULP INDUSTRY HAVE BEEN IN THE FRONT RANKS OF DISCOVERING BETTER WAYS TO PRODUCE MORE -- WHICH IS ONE MEASURE OF PRODUCTIVITY.

PAUL BUNYAN WOULD HAVE BEEN PUT TO SHAME BY MACHINES THAT TODAY CAN CLIP OFF A 40-FOOT TREE AT GROUND LEVEL AND PASS IT THROUGH A PULPER IN NINE SECONDS.

AND HE WOULD HAVE BEEN AMAZED, AS I AM, TO FIND THAT COMPUTERIZED TELEVISION MONITORS AUTOMATICALLY DIAGRAM THE BEST CUT OF A LOG.

THESE ADVANCES ARE ONE FORM OF PRODUCTIVITY -- AND YOUR INDUSTRY HAS EXCELLED IN THEIR DEVELOPMENT.

THE RELATIONSHIP BETWEEN MANAGEMENT AND WORKER IN THE PLANT IS ANOTHER FORM OF PRODUCTIVITY. IT IS ALMOST UNIVERSALLY ACCEPTED THAT IMPROVEMENTS IN THAT RELATIONSHIP BRING IMPROVEMENTS IN PRODUCTIVITY.

HERE, TOO, SOME MEMBERS OF YOUR INDUSTRY HAVE SHOWN THAT THEY ARE OUT FRONT.

IN PREPARING FOR MY VISIT WITH YOU, I CAME ACROSS AN INTERESTING LETTER IN THE JANUARY EDITION OF THE PAPERWORKER, THE PUBLICATION OF THE UNITED PAPERWORKERS UNION.

THE LETTER WAS TO A UNION VICE P RESIDENT FROM ROBERT P. FULLER, THE RETIRING CHAIRMAN OF LYDALL, INCORPORATED.

HE NOTED THAT UNIONS ARE INFREQUENTLY PRAISED BY MANAGEMENT -- AND HE WANTED TO PUT THE RECORD STRAIGHT FROM HIS OWN EXPERIENCE.

THE LOCAL UNION HAD ALWAYS BEEN AGGRESSIVE IN REPRESENTING ITS MEMBERS, BUT IT HAD CARRIED ITS RESPONSIBILITY BEYOND THE MEMBER'S JOB TO THE COMPANY.

HE SAID THE UNION HAD HELPED NURSE A TROUBLED MILL THROUGH VERY BAD TIMES IN BOTH THE 1950s AND THE 1960s. AND THEN MR. FULLER WROTE, AND THESE ARE HIS WORDS:

"NOT ONLY DID THE PEOPLE HELP KEEP THE M'LL GOING -- THEY WORKED WITH SUPERVISION IN PUSHING UP PRODUCTION. OVER THE SPAN OF 10 YEARS IT WENT UP 50 PERCENT."

WAGES, TOO, WENT UP, MR. FULLER SAID. SO THE JOINT EFFORT SAVED A PLANT, SAVED JOBS, INCREASED PROFITS AND INCREASED WAGES.

AND ALL OF THIS WAS DONE WITHOUT A STRIKE, OR EVEN A GRIEVANCE THAT WAS NOT SETTLED SHORT OF ARBITRATION.

THIS TO ME, IS A BEAUTIFUL STORY. . . A STORY THAT I'M SURE EVERYONE IN THIS ROOM WOULD LIKE TO SEE REPEATED ACROSS OUR LAND:

THAT IS OUR CHALLENGE -- AND THE GREATEST CHALLENGE OF THE COLLECTIVE BARGAINING PROCESS TODAY.

ONE MAJOR COMPANY REPRESENTED IN THIS ROOM IS WORKING CLOSELY WITH ITS UNIONS AND THE FEDERAL MEDIATION AND CONCILIATION SERVICE IN A BROAD PROGRAM THAT WILL, I HOPE, RESULT IN A SIMILAR STORY ON A LARGER SCALE.

THE COMPANY IS GEORGIA-PACIFIC. AND THE UNIONS ARE THE PAPERWORKERS, THE MACHINISTS, THE CARPENTERS, THE FIREMEN AND OILERS AND THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS.

TOGETHER, THEY HAVE WORKED WITH SEVERAL OF OUR MEDIATORS TO IMPLEMENT WHAT WE CALL OUR RELATIONSHIP BY OBJECTIVE PROGRAM.

THIS IS A NEW APPROACH DESIGNED BY OUR AGENCY TO BRING A GREATER DEGREE OF LABOR-MANAGEMENT COOPERATION.

THE PROGRAM REQUIRES THE TOTAL COMMITMENT OF TOP-LEVEL MANAGEMENT AND THE LEADERSHIP OF THE UNIONS. I CAN SAY THAT WE HAVE RECEIVED THAT COMMITMENT IN THE GEORGIA-PACIFIC PROGRAM.



THE BASIC IDEA ENCOMPASSES FOUR SPECIFIC STEPS. FIRST, WE ASK MANAGEMENT AND LABOR TO IDENTIFY THEIR OWN PROBLEMS. THEN WE URGE THEM TO ESTABLISH SPECIFIC TARGET GOALS THAT ARE NECESSARY TO CORRECT THE PROBLEMS.

THIS IS FOLLOWED BY DISCUSSIONS THAT LEAD TO AN AGREEMENT ON ACTION, STEPS THAT THE PARTIES BELIEVE ARE REQUIRED TO REACH THEIR GOAL.

FINALLY, WE ASK THAT THE PARTIES SET PRECISE TIME LIMITS AND DESIGNATE THE PEOPLE WHO WILL BE RESPONSIBLE FOR CARRYING OUT THE ACTIONS NECESSARY TO ACHIEVE THE FINAL GOAL--A PROBLEM SOLVED.

LAUNCHING THE PROGRAM REQUIRED THREE DAYS OF NEAR TOTAL IMMERSION IN A SERIES OF MEETINGS BETWEEN 10 GEORGIA-PACIFIC MANAGERS, 16 UNION REPRESENTATIVES AND A CREW FROM OUR AGENCY.

THE COMPLETE COOPERATION WE RECEIVED FROM THE PARTIES IS A TRUE INDICATION TO ME THAT THE EFFORT WILL BRING REWARDS.

WE, TOO, LEARNED FROM OUR EXPERIENCE. AS A RESULT, WE NOW HAVE MEDIATORS CONDUCTING ADDITIONAL PILOT PROGRAMS IN MASSACHUSETTS, INDIANA AND MINNESOTA.

THIS RELATIONSHIP BY OBJECTIVE APPROACH STEMS FROM OUR EXPERIENCE THAT SHOWS THAT LABOR AND MANAGEMENT CAN BEST IDENTIFY THEIR OWN MUTUAL PROBLEMS. . . .



. . THAT LABOR AND MANAGEMENT ARE UNIQUELY  
EQUIPPED TO FIGURE OUT WHAT ACTIONS ARE  
NECESSARY TO SOLVE THOSE PROBLEMS. AND  
FINALLY, THAT LABOR AND MANAGEMENT,  
WORKING TOGETHER, HAVE THE ABILITY TO  
FORMULATE AND IMPLEMENT PROBLEM-SOLVING  
PROCEDURES.

NOW I AM NOT GOING TO TELL YOU  
THAT BILL USERY AND THE FEDERAL MEDIATION  
AND CONCILIATION SERVICE HAVE INVENTED  
AN INSTANT ANSWER TO RESOLVE ALL OF THE  
PROBLEMS THAT ARE BLOCKING GOOD LABOR-  
MANAGEMENT RELATIONS AND, IN TURN,  
BETTER PRODUCTIVITY.

I CAN TELL YOU, THOUGH, THAT THE  
COLLECTIVE BARGAINING PROCESS DOES CONTAIN  
THE FLEXIBILITY NEEDED WHEN THE MUTUAL  
DESIRE FOR IMPROVEMENT IS THERE.

WE HAVE A TESTED EXAMPLE THAT  
WE CAN TURN TO: THE STEEL INDUSTRY AND  
THE UNITED STEELWORKERS.

AFTER HAVING LESS THAN SPECTACULAR SUCCESS IN THE 1960s WITH A HUMAN RELATIONS COMMITTEE, THE PARTIES IN 1971 AGREED TO ESTABLISH A JOINT ADVISORY COMMITTEE ON PRODUCTIVITY IN EACH PLANT. THE PURPOSE OF THE COMMITTEES, ACCORDING TO THE CONTRACT LANGUAGE, IS TO "ADVISE WITH PLANT MANAGEMENT CONCERNING WAYS AND MEANS OF IMPROVING PRODUCTIVITY AND DEVELOPING RECOMMENDATIONS FOR STIMULATING ITS GROWTH . . . TO PROMOTE ORDERLY AND PEACEFUL RELATIONS WITH EMPLOYEES, TO ACHIEVE UNINTERRUPTED OPERATIONS IN THE PLANTS, TO PROMOTE THE USE OF DOMESTIC STEEL..."

THE INITIAL REACTION FROM LOCAL UNIONS, ACCORDING TO ONE VETERAN STEELWORKER , WAS "YOU GOTTA BE KIDDING!"

AND YET THE COMMITTEES, THROUGH THE SLOW PROCESS OF BUILDING MUTUAL TRUST, ARE SHOWING SIGNS OF SUCCESS.

DONALD DALENA, A FULL-TIME STEEL WORKER AND PART-TIME WRITER AND EDITOR OF HIS LOCAL UNION'S PUBLICATION, DISCUSSED THE PRODUCTIVITY COMMITTEES IN A RECENT ISSUE OF INDUSTRY WEEK MAGAZINE. WHILE VOICING A TOUCH OF SKEPTICISM, HE ADDED THAT:

"A COLLECTIVE ATTITUDE OF CONCERN FOR PLANT PROPERTY AS 'OUR PROPERTY' COUPLED WITH A WHAT-CAN-WE-DO-FOR-US ATTITUDE IS NOT AN IDEALISTIC DREAM, BUT TOMORROW'S REALITY. . .

"FOR YEARS, WE'VE SENSELESSLY BATTERED EACH OTHER AROUND AND CONFRONTED EACH OTHER AS A MATTER OF POLICY," HE WROTE, "ONLY TO SUDDENLY DISCOVER THAT WE NEED EACH OTHER."



AS THE PARTIES ENTERED NEGOTIATIONS, IN 1971, THEY WERE AWARE THAT STEEL PRODUCTIVITY HAD BEEN DRIFTING ALONG AT ABOUT HALF THE ANNUAL INCREASE RATE FOR MANUFACTURING GENERALLY. AFTER THAT HISTORIC CONTRACT WAS SIGNED, OUTPUT PER MAN-HOUR SPURTED TO 4.3 PERCENT, MORE THAN DOUBLING THE LEVEL OF THE PREVIOUS TEN-YEAR AVERAGE. IN 1972, THE RATE WAS 4.4 PERCENT. AND IN 1973, IT LEAPED AHEAD BY NEARLY 11 PERCENT WHILE MUCH OF THE REST OF OUR ECONOMY WAS RECORDING A NET LOSS IN PRODUCTIVITY.

OBVIOUSLY, NOT ALL OF THAT GAIN CAN BE ATTRIBUTED TO THE ESTABLISHMENT OF COMMITTEES. BUT AS J. BRUCE JOHNSTON, VICE PRESIDENT OF LABOR RELATIONS FOR U.S. STEEL, HAS OBSERVED:

"THE PRODUCTIVITY COMMITTEES CONTRIBUTED TO OUR ABILITY TO FULLY UTILIZE THE STRONG STEEL MARKET EVEN THOUGH NONE OF US COULD BEGIN TO PUT A NUMBER ON IT."

IN A FREE SOCIETY PROGRAMS THAT WOULD ENRICH WORKERS, MANAGERS AND INVESTORS CAN COME ONLY THROUGH COLLECTIVE BARGAINING. THEY CANNOT BE IMPOSED BY GOVERNMENT FIAT, OR BY UNILATERAL MANAGEMENT DECISION.

GOVERNMENT CAN HELP, OF COURSE. AN ADVOCATE -- INDEED, THE FATHER OF THE PROPOSITION THAT THE FEDERAL GOVERNMENT HAS AN OBLIGATION IN THE AREA OF PRODUCTIVITY -- IS THE FORMER SECRETARY OF LABOR AND THE TREASURY -- GEORGE SHULTZ.

HE WAS AN EARLY AND FIRM  
ADVOCATE OF UTILIZING GOVERNMENT RESOURCES  
TO PROMOTE PROGRAMS FOR PRODUCTIVITY.

AND THE CURRENT EFFORTS OF  
PRESIDENT FORD AND DR. JOHN DUNLOP  
TO BREATHE NEW LIFE INTO THE NATIONAL  
COMMISSION ON PRODUCTIVITY WILL, I'M  
CERTAIN, BEAR FRUIT.

IN ANY CASE, THE MESSAGE IS  
GETTING THROUGH THAT THE GOOD LIFE IS A  
LUXURY RESERVED FOR THE PRODUCTIVE,  
AND AVAILABLE ONLY WHEN LABOR AND  
MANAGEMENT--TOGETHER--CONTRIBUTE TO THAT  
GOAL.

IN WASHINGTON, WE HAVE A WORD  
THAT IS ABUSED THROUGH OVERUSE. THAT  
WORD IS "CRITICAL."

BUT I THINK THAT ANY READING OF  
TODAY'S ECONOMIC DATA CAN LEAD ONLY TO THE  
CONCLUSION THAT WE ARE IN 1975 AT A CRITICAL  
POINT IN OUR ECONOMIC HISTORY.

I REMAIN CONVINCED THAT OUR FREE  
COLLECTIVE BARGAINING SYSTEM WILL PROVIDE  
THE ANSWER BY HELPING BOTH LABOR AND  
MANAGEMENT REACH AGREEMENTS THAT WILL MEET  
NOT ONLY THEIR OWN NEEDS BUT THE OTHER PERSON'S  
TOO. BY THAT EXAMPLE, IT CAN SERVE AS A  
MODEL FOR THE NATION, NOT ONLY IN RESTRAINING  
INFLATION AND EASING THE RECESSION, BUT IN  
SETTING A STANDARD OF COOPERATION THAT CAN  
RESTORE THE ECONOMIC STABILITY OF OUR NATION.