

FEDERAL MEDIATION AND CONCILIATION SERVICE

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"Labor-Management Relations and The Economy:
A Time for Cooperation"

An Address

by

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IT IS TRULY AN HONOR AND A PLEASURE
TO BE WITH YOU TONIGHT.

BACK IN OCTOBER MY FRIEND DICK WEAVER
WROTE ME A LETTER INVITING ME TO ADDRESS THIS
MEETING. IN IT, HE SAID THE PLANNING COM-
MITTEE HAD JUST FINISHED ITS MEETING IN
CHARLOTTE AND I WAS THE UNANIMOUS CHOICE TO
BE THE KEYNOTE SPEAKER.

OF COURSE I WAS VERY FLATTERED AND
I MARKED THE DATE ON MY CALENDAR.

THEN A LITTLE LATER WE HAD THE COAL
STRIKE AND ABOUT THAT TIME DICK CALLED ME
UP TO SEE IF I WAS STILL PLANNING TO BE HERE.

WELL, WE'D JUST BEEN THROUGH SOME
TRICKY NEGOTIATIONS INVOLVING DUKE POWER
COMPANY AND THE UNITED MINE WORKERS AND
WE WERE STILL IN A DELICATE STAGE IN THE
NATIONAL COAL NEGOTIATIONS, SO I ASKED DICK
IF YOU ALL STILL WANTED ME.

"OF COURSE," HE REPLIED. "BUT I'm NOT SURE IT'S STILL UNANIMOUS."

SERIOUSLY, ONE OF THE REAL FRINGE BENEFITS I ENJOY AS DIRECTOR OF THE FEDERAL MEDIATION AND CONCILIATION SERVICE IS THE OPPORTUNITY IT GIVES ME TO BE A SPOKESMAN FOR LABOR MANAGEMENT PEACE.

CERTAINLY THERE IS NOTHING MORE IMPORTANT TODAY--WITH THE ECONOMY SUFFERING BLOWS FROM ALL DIRECTIONS--THAN TO DO ALL IN OUR POWER TO KEEP STRIKES AND LOCKOUTS TO A MINIMUM AND PRODUCTION UP.

BUT BEING A SPOKESMAN IS ONLY HALF OF THE SATISFACTION. THE OTHER HALF COMES FROM LISTENING TO WHAT YOU AND OTHERS HAVE TO SAY.

WE PRIDE OURSELVES IN THIS COUNTRY ON OUR DEMOCRATIC INSTITUTIONS. WE LIKE TO BELIEVE THAT WE HAVE A RESPONSIVE GOVERNMENT. BUT IN ORDER FOR OUR GOVERNMENT TO BE RESPONSIVE, IT IS ESSENTIAL THAT WE--THOSE OF US WHO PLAY SOME ROLE IN SETTING GOVERNMENT POLICIES--KEEP IN TOUCH WITH THE THOUGHTS AND FEELINGS AND BELIEFS OF THE TIMES.

IT IS WISE OF COURSE TO LISTEN WELL AND GET THINGS STRAIGHT. LIKE THE FARMER I KNOW IN GEORGIA WHO BOUGHT A MULE FROM A BAPTIST PREACHER.

THE PREACHER TOLD HIM, "SON, THIS HERE IS ONE FINE MULE, BUT HE'S GOT A PECULIARITY.

"WHEN YOU WANT HIM TO GO, YOU DON'T SAY GEE-YAWP, YOU GOTTA SAY, 'PRAISE BE THE LORD.' AND WHEN YOU WANT HIM TO STOP YOU DON'T SAY 'WHOA,' YOU GOTTA SAY 'AMEN'. "

WELL THE FARMER LOOKED THE ANIMAL OVER AND DECIDED HE LIKED WHAT HE SAW, AND THE COMMANDS WEREN'T TOO CONFUSING, SO HE DECIDED TO BUY HIM.

A FEW DAYS LATER HE DECIDED HE'D TAKE THE MULE OUT FOR A RIDE. HE MOUNTED THE ANIMAL AND SAID, "PRAISE BE THE LORD. "

AND SURE ENOUGH, THE MULE STARTED RUNNING. AFTER A WHILE THE FARMER BECAME CONCERNED. THE MULE WAS RUNNING FASTER AND FASTER.

"WHOA," HE YELLED. BUT THE MULE KEPT RUNNING. THEN REMEMBERING WHAT THE PREACHER HAD TOLD HIM, HE YELLED AT THE TOP OF HIS LUNGS--"AMEN."

THE MULE STOPPED DEAD IN HIS TRACKS. THE FARMER LOOKED DOWN AND SAW THAT THE MULE HAD STOPPED AT THE EDGE OF A DEEP PRECIPICE.

HE REACHED IN HIS POCKET AND PULLED OUT A HANKERCHIEF AND WIPED THE SWEAT OFF HIS FACE.

"PRAISE BE THE LORD," HE SAID.

SO IT IS IMPORTANT THAT WE UNDERSTAND EACH OTHER.

THOSE OF US FOOLISH ENOUGH TO STEP UP IN THE EARLY MONTHS OF THE YEAR AND FORECAST WHAT MAY HAPPEN DURING THE ENSUING MONTHS FREQUENTLY FIND OURSELVES WISHING FOR "ANOTHER CHANCE" BEFORE THE YEAR IS OUT.

AND YET THE PARADE OF FORECASTERS
CONTINUES WITH, IT SEEMS, EVERYONE PRE-
DICTING SOMETHING. I CAME ACROSS WHAT
NOW SEEMS TO BE AN APPROPRIATE TRUTH ABOUT
THIS SEASON OF CRYSTAL-BALL GAZING:

"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 TURMOIL CAUSED BY THE ECONOMIC SHOCKWAVES OF THE PAST YEAR HAS BROUGHT US AN AMPLE SUPPLY OF CONFUSION--AND SOME UNUSUAL REACTIONS, AS WELL.

FOR EXAMPLE; THE WALL STREET JOURNAL A FEW WEEKS AGO ALLOWED THAT ITS ECONOMIC PHILOSOPHIES AND THOSE OF GEORGE E MEANY WERE SUFFICIENTLY ALIKE TO SUGGEST THAT THE AFL-CIO PRESIDENT CONSIDER TAKING PEN IN HAND AS AN EDITORIAL WRITER FOR THE JOURNAL. MR. MEANY'S REPLY HASN'T BEEN HEARD--OR AT LEAST HASN'T BEEN PUBLISHED.

THEN JAMES NEEDHAM, THE CHAIRMAN OF THE NEW YORK STOCK EXCHANGE, REQUESTED A MEETING WITH MR. MEANY TO SOLICIT THE LABOR LEADER'S VIEWS ON HOW TO SOLVE THE PROBLEM OF CAPITAL SHORTAGES FACING AMERICA'S CORPORATIONS. NO ONE I'VE TALKED TO CAN RECALL WHEN ANY CHAIRMAN OF THE BIG BOARD HAD SOUGHT OUT ANY LABOR LEADER ON ANYTHING.

OF EQUAL RANKING AMONG THE UNUSUAL REACTIONS 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 NATION'S BELEAGUERED AUTO INDUSTRY.

ALL ACROSS THE UNITED STATES, WE ARE SEEING UNUSUAL REACTIONS--WHICH CAN BE READ UNUSUAL COOPERATION--BETWEEN LABOR AND MANAGEMENT TO NEUTRALIZE THE HARMFUL IMPACT OF THE RECESSION-INFLATION COMBINATION.

--UNIONIZED PILOTS AT PAN AMERICAN WORLD AIRWAYS HAVE AGREED TO TAKE AN ELEVEN PERCENT PAY CUT TO HELP PAN AM OUT OF ITS FINANCIAL DIFFICULTIES.

--IN WASHINGTON, EDITORIAL AND ADVERTISING EMPLOYEES OF THE WASHINGTON STAR AGREED TO WORK A FOUR-DAY WEEK FOR FOUR DAYS PAY BOTH TO FORESTALL LAYOFFS WHILE ENABLING THE NEWSPAPER TO CUT PAYROLL EXPENSE. PRINTERS AND STEREOTYPERS AT THE SAME NEWSPAPER ARRANGED WITH MANAGEMENT A PROGRAM THAT WILL REDUCE OVERTIME AND PROVIDE RETIREMENT BONUSES THAT ARE EXPECTED TO REDUCE THE WORKFORCE.

--IN CHICAGO, CARPENTERS HAVE MADE AVAILABLE PENSION FUND MONIES FOR HOME LOANS FOR THE SLUMP-RIDDEN LOW AND MIDDLE-INCOME HOUSING INDUSTRY.

--MANAGEMENT IS COOPERATING WITH EMPLOYEES IN LOS ANGELES REPRESENTED BY THE AMALGAMATED CLOTHING WORKERS WHO HAVE CHOSEN A 30-HOUR WORKWEEK OVER CONTINUED LAYOFFS.

--CRAFT UNION MEMBERS IN ROCHESTER, NEW YORK, OFFERED TO ACCEPT A 32-HOUR WEEK TO SHARE THE WORK.

--AND IN BARBERTON, OHIO, OLDER WORKERS WILLINGLY ACCEPTED A THREE -WEEK CLOSEDOWN AT A FIRESTONE FACILITY TO PREVENT A LAYOFF OF YOUNGER WORKERS.

ALL OF THESE ACTIONS, AND COUNTLESS OTHERS LIKE THEM, HAVE REQUIRED UNION-MANAGEMENT COOPERATION--A BILATERAL DESIRE TO FIND ANSWERS TO THE PERPLEXING ECONOMIC PROBLEMS OF THE DAY.

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 GREATER UNDERSTANDING OF A PHILOSOPHY THAT WAS BEST EXPRESSED BY FRANKLIN D. ROOSEVELT IN EARLIER TROUBLED TIMES WHEN HE SAID:

"WE HAVE ALWAYS KNOWN THAT NEEDLESS SELF-INTEREST WAS BAD MORALS. WE NOW KNOW IT IS BAD ECONOMICS."

NURSING OUR ECONOMY BACK TO STRENGTH REQUIRES THAT BOTH LABOR AND MANAGEMENT ASSEMBLE A SURVIVAL KIT THAT WILL STABILIZE THE ECONOMY: THAT WILL PROTECT BOTH JOBS AND PROFITS.

AS IN 1974, THE COLLECTIVE BARGAINING PROCESS CAN BEST PROVIDE THE BRIDGE OVER OUR TROUBLED WATERS.

BEFORE DISCUSSING THE VARIOUS WAYS IN WHICH DOUBLE-DIGIT INFLATION, MOUNTING UNEMPLOYMENT, LOWER MAN-HOUR PRODUCTIVITY AND OTHER PRESENT-DAY DELIGHTS ARE AFFECTING THE BARGAINING PROCESS, LET'S TAKE A LOOK AT WHAT THE CALENDAR OF EVENTS HAS IN STORE FOR US IN THE COMING YEAR.

FORTUNATELY, THE COLLECTIVE BARGAINING PROCESS WILL NOT HAVE TO BEAR NEARLY SO HEAVY A LOAD IN 1975 AS IT DID IN 1974.

ONLY ABOUT A THIRD OF THE 2,300 MAJOR LABOR-MANAGEMENT CONTRACTS WILL BE EXPIRING THIS YEAR. A MAJOR CONTRACT, BY THE STANDARDS OF THE BUREAU OF LABOR STATISTICS, IS ONE COVERING A THOUSAND OR MORE EMPLOYEES. THE EXPIRING CONTRACTS INVOLVE SOME TWO-AND-A-HALF MILLION WORKERS.

ANOTHER 2.2 MILLION UNION-REPRESENTED EMPLOYEES IN SMALLER UNITS WILL ALSO RENEGOTIATE THEIR CONTRACTS.

THIS IS ABOUT HALF OF THE BURDEN THAT CONFRONTED NEGOTIATORS AND PEACEMAKERS ALIKE IN 1973 and 1974, and by ORDINARY STANDARDS WOULD REPRESENT A BREATHING SPELL.

THE BARGAINING PROCESS IS COMPLICATED BY OUR ECONOMIC DIFFICULTIES, BY INFLATION, BY UNEMPLOYMENT, BY LAGGING CONSUMER DEMAND AND SHORTAGES OF INVESTMENT CAPITAL, NOT TO MENTION OUR ENERGY PROBLEMS. NEGOTIATIONS HAVE BEEN PRACTICALLY COMPLETED IN THE OIL INDUSTRY. THEY ARE PROGRESSING WELL IN THE RAILROAD INDUSTRY. WE ARE HOPEFUL THEY CAN BE SUCCESSFULLY CONCLUDED IN THE NEXT FEW MONTHS IN THE POSTAL SERVICE, WITH ITS MORE THAN 700,000 EMPLOYEES.

BUT AT LAST REPORT, A FEW DAYS AGO, OUR FEDERAL MEDIATORS WERE HANDLING OVER 200 WORK STOPPAGES INVOLVING SOME 75,000 WORKERS. MANY OF THESE CASES REPRESENT SITUATIONS IN WHICH LABOR AND MANAGEMENT ARE FACED WITH EXTREMELY UNPLEASANT DECISIONS DICTATED BY ECONOMIC CIRCUMSTANCE.

IN ADDITION, WE ESTIMATE THAT MORE THAN HALF A MILLION WORKERS ARE LOCKED INTO CONTRACTS NEGOTIATED DURING THE CONTROL PERIOD THAT EXTENDS INTO 1976 AND CONTAINS LESS THAN ADEQUATE PROTECTION AGAINST SOARING LIVING COSTS.

THESE "DEEP FREEZE" CONTRACTS, NEGOTIATED WHEN THE COST OF LIVING COUNCIL WAS PUTTING IN THE REJECT BASKET MANY AGREEMENTS CALLING FOR WAGE INCREASES OF MUCH MORE THAN $5\frac{1}{2}$ %, POSE A CHALLENGE FOR INDUSTRIAL STATESMANSHIP.

IN SOME CASES, THAT CHALLENGE IS BEING MET. HAWAIIAN SUGAR PROCESSORS AND THE INTERNATIONAL LONGSHOREMEN'S UNION RENEGOTIATED A CONTRACT A FEW WEEKS BACK BRINGING THAT AGREEMENT UP TO DATE WITH CURRENT ECONOMIC FACTS OF LIFE.

THE SAME UNION AND THE WEST COAST'S LONGSHORING INDUSTRY HAVE COMPLETED AN EARLY REVISION OF THEIR CONTRACT WHICH NORMALLY WOULD NOT HAVE EXPIRED UNTIL JULY.

THE UNITED PAPERWORKERS AND THE INTERNATIONAL PAPER COMPANY CAME TO AN AGREEMENT THAT INCREASED PREVIOUSLY NEGOTIATED WAGE INCREASES FOR 25,000 EMPLOYEES AND EXTENDED THAT CONTRACT AN ADDITIONAL YEAR.

OUR BEST HOPE IS THAT OTHER PARTIES WILL BE ABLE TO FIND SOLUTIONS TO THIS PARTICULARLY STICKY PROBLEM THAT WILL STRENGTHEN THE MUTUAL CONFIDENCE ON WHICH THEIR ORIGINAL AGREEMENTS WERE BASED.

WITH RESPECT TO EXPIRING CONTRACTS ONE INCONTROVERTIBLE FACT STANDS OUT: THE HIGH COST OF LABOR-MANAGEMENT PEACE WILL BE A FULL PARTNER WITH THE HIGH COST OF LIVING.

NOW I KNOW THERE ARE THOSE WHO FEEL THAT THE SHAKY ECONOMY AND ITS ATTENDANT JOB INSECURITY WILL CAUSE UNIONS TO CUT THE PRICE TAG ON THEIR DEMANDS. AS DR. DUNLOP HAS NOTED, UNEMPLOYMENT HAS HAD LITTLE BEARING ON WAGE DEMANDS IN RECENT YEARS.

THAT LABOR'S PRICE TAG WILL BE HIGH IS BASED ON NEED, NOT GREED. THAT WORKERS ARE BEING FINANCIALLY SQUEEZED IS NO SECRET, NOR CAN IT BE. THE PURCHASING POWER OF THE RANK-AND-FILE EMPLOYEE WITH A FAMILY HAS DROPPED TO THE LOWEST POINT IN 10 YEARS, AND IS MORE THAN SIX PERCENT UNDER A YEAR AGO.

NO ONE NEEDS A CRYSTAL BALL TO TRANSLATE THAT HARD FACT INTO LABOR'S PRIMARY CONTRACT DEMANDS FOR 1975:

* A RAISE THAT WILL CLOSE THE GAP CREATED WHEN WAGES WERE FAR MORE CONTROLLED THAN PRICES.

* A FULL COST-OF-LIVING ESCALATOR, OR ITS EQUIVALENT.