

NEITHER DEMAND WILL COME AS A SHOCK TO MANAGEMENT. KEEPING PACE WITH INFLATION HAS BECOME THE POPULAR SPORT OF ALL SOCIETY.

I NOTICED RECENTLY AN ARTICLE BY WILLIAM MEAD IN MONEY MAGAZINE ENTITLED, "HOW TO SURVIVE INFLATION." HE CLIMAXED IT WITH ONE FINAL TIP, TO WIT:

"GET A RAISE OF AT LEAST 15 PERCENT." MR. MEAD ADMITTED "THAT'S INFLATIONARY, TOO, OF COURSE, BUT WE'RE NOT TALKING HERE ABOUT THE GREATEST GOOD; WE'RE TALKING ABOUT HOW YOU CAN SURVIVE AN INFLATION YOU'RE POWERLESS TO FIGHT."

I ASSUME THAT SUCH ADVICE IN SO POPULAR A MAGAZINE WAS READ BY WORKERS WITH A UNION CARD, AS WELL AS THE MANAGERS WITHOUT ONE.

BUT EVEN A RAISE OF THAT MAGNITUDE WILL BE OF LITTLE VALUE TO EITHER THE EMPLOYEE OR THE MANAGER WHO DOESN'T HAVE A JOB. AND BOTH ARE TRULY WORRIED.

EVEN THE OLD CODGERS AT THE TOP OF THE SENIORITY LIST ARE WORRIED--IN PART BECAUSE THEY'RE OLD ENOUGH TO REMEMBER THE LESSONS OF THE GREAT DEPRESSION. THEY KNOW THAT SENIORITY DOESN'T MEAN A THING WHEN THE LAYOFF REACHES 100 PERCENT. . . THAT A PENSIO DOESN'T GET PAID WHEN THE FUND IS BROKE . . . AND THAT SAVINGS DON'T HELP IF THE BANK SHUTS DOWN.

THEY KNOW AS WELL AS THE ECONOMISTS THAT THOSE DISASTERS OF THE 1930'S WON'T HAPPEN AGAIN: THAT THERE ARE SAFEGUARDS AGAINST BANK FAILURES. . . THAT THERE IS UNEMPLOYMENT INSURANCE FOR THE JOBLESS. . . THAT THERE NOW IS A GUARANTEED PENSION UNDER SOCIAL SECURITY, AND THAT THIS YEAR A NEW LAW PROVIDES SOME ASSURANCE THAT COMPANY PENSIONS WILL BE PAID AS PROMISED..

BUT THEY WORRY JUST THE SAME. AND WHO CAN BLAME THEM? YET WORRY ISN'T PANIC -- NOT BY ANY MEANS.

TODAY'S WORKERS ARE BETTER-EDUCATED AND BETTER-INFORMED THAN THOSE OF THE PAST. THEY ARE AWARE OF THEIR UNION'S STRENGTH AND, BY THE WAY, OF ITS LIMITATIONS. . . THEY ARE NOT ABOUT TO QUIT SEEKING WHAT THEY NEED FOR FEAR OF LOSING WHAT THEY HAVE.

ON THE CONTRARY, THE RECESSION IS ADDING A NEW DIMENSION TO THEIR NEEDS. THAT NEW DIMENSION IS SECURITY IN THE JOB THEY HOLD -- MUCH MORE SO THAN AT ANY TIME IN THE RECENT PAST.

THEY NEED, AND WILL DEMAND, STRONGER JOB PROTECTION: BETTER GUARANTEES AGAINST UNFAIR OR CAPRICIOUS LAYOFFS: MORE GENEROUS TREATMENT FOR LAYOFF VICTIMS THROUGH EARLY RETIREMENT BENEFITS, SUPPLEMENTARY UNEMPLOYMENT BENEFITS, SEVERANCE PAY AND SO ON -- IN SUM, A GREATER VESTED RIGHT IN A JOB THAT HAS BEEN HELD FOR A REASONABLE TIME, AND A MUCH BIGGER CUSHION IF, THROUGH NO FAULT OF THEIR OWN, THEY LOSE IT.

THIS JOB SECURITY AND INCOME PROTECTION PACKAGE WILL BE SOUGHT IN ADDITION TO, AND NOT IN PLACE OF, THE MONEY THEY NEED TO KEEP PACE WITH THE COST OF LIVING.

THOSE TWO ITEMS -- JOB AND INCOME PROTECTION AND MONEY -- WILL TOP THE AGENDA OF UNION NEGOTIATING TEAMS IN 1975.

BUT WHAT ABOUT MANAGEMENT?

EXCEPT FOR A SELECT FEW INDUSTRIES -- STEEL, SHIPBUILDING, FOOD AND ENERGY PRODUCERS AMONG THEM -- SALES HAVE BEEN TAKING A LICKING AND PROFITS ARE SAGGING. THE AUTO AND CONSTRUCTION INDUSTRIES ARE IN FULL-FLEDGED SLUMPS. AND THE DOLLAR VOLUME OF RETAIL SALES, EVEN DURING THE CHRISTMAS SEASON, HAS GROWN LESS THAN THE RATE OF INFLATION.

NO MATTER HOW CLEARLY AN EMPLOYER RECOGNIZES THE NEEDS OF HIS WORKERS -- OR HOW DEARLY HE WANTS A PEACEFUL AGREEMENT -- HE HAS TO CONSIDER HOW MUCH MORE THE ENTERPRISE CAN CARRY.

THE BRIEF HIATUS WHEN INDUSTRY AND COMMERCE COULD PASS THROUGH THE COST OF DOING BUSINESS -- AND REAP SOME WINDFALL PROFITS ON INVENTORY, TOO -- IS ALL BUT GONE.

THE COST-CONSCIOUS EMPLOYER IS BECOMING MORE CONCERNED ABOUT WORKER PERFORMANCE -- INCLUDING CONTRACT RESTRICTIONS ON TRANSFERS AND WORK ASSIGNMENTS, LIMITATIONS ON DISCIPLINE, PAID TIME FOR UNION FUNCTIONS -- THE WHOLE ACCUMULATION OF THINGS THAT ARE CONSIDERED, IN SOME CIRCLES, AS INVASIONS OF MANAGEMENT'S PREROGATIVES.

TODAY EVEN THE NICEST OF THE NICE-GUY EMPLOYERS IS DETERMINED TO TIGHTEN UP, AND OTHERS ARE LIKELY TO DEMAND A MUCH FREER HAND IN TRANSFERS, WORK ASSIGNMENTS AND DISCIPLINE. IN OTHER WORDS, HE IS GOING TO INSIST ON A GREATER RETURN ON THE WAGE DOLLAR.

WHICH BRINGS ME TO A SUBJECT AREA THAT HAS BEEN AN ENIGMA TO A GENERATION OF EXPERTS: PRODUCTIVITY.

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

AND THAT'S TOO BAD. BECAUSE THE TWO WORDS HAVE NOTHING IN COMMON.

POSSIBLY THE SOUTHEAST PERSONNEL CONFERENCE COULD CONDUCT A CONTEST TO FIND, OR EVEN TO 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 CORPORATE PROFITS -- 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.

I RECENTLY HAD THE PRIVILEGE TO SERVE AS THE CHAIRMAN OF THE WORKERS' COMMITTEE AT A CONFERENCE ON THE ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT.

JUST THE OTHER DAY I VISITED THE QUINCY, MASSACHUSETTS, SHIPYARD OF THE GENERAL DYNAMICS CORPORATION, WHERE THEY ARE BUILDING GIANT TANKERS TO TRANSPORT LIQUIFIED NATURAL GAS AS A NEW SOURCE OF ENERGY.

A FOUR-MONTH STRIKE BY THE SHIPYARD WORKERS UNION WAS SETTLED LAST SUMMER ON THE BASIS OF RECOMMENDATIONS MADE BY FEDERAL MEDIATORS, INCLUDING A PLAN TO IMPROVE SHIPYARD PRODUCTION AND QUALITY PERFORMANCE.

WE HAVE ESTABLISHED WORKING LABOR-MANAGEMENT COMMITTEES IN THE VARIOUS PRODUCTION AREAS OF THE SHIPYARD. THERE IS AN OVER-ALL JOINT COMMITTEE WHICH WILL WORK WITH A NEUTRAL CHAIRMAN TO IMPLEMENT IMPROVEMENT PROCEDURES AND SUGGESTIONS WORKED OUT THROUGH THE COMMITTEE

I CITE THIS SITUATION AT THE
QUINCY YARD AS A CONCRETE EXAMPLE
OF GRASS ROOTS COOPERATION BETWEEN
LABOR AND MANAGEMENT TO DO A BETTER
JOB FOR THEIR MUTUAL BENEFIT, TO INCREASE
DEMAND FOR PRODUCTS AND HOPEFULLY TO
INCREASE JOBS AND WORK OPPORTUNITIES.

OF THE MANY REPORTS ISSUED BY THE OECD AT THAT CONFERENCE, THE ONE THAT JOLTED ME MOST AS A FORECAST WAS THAT AMONG ALL THE INDUSTRIALIZED NATIONS, THE UNITED STATES IS EXPECTED TO BE THE MOST DEPRESSED DURING 1975.

THE OECD ANTICIPATES THAT ONLY OUR COUNTRY AND ITALY WILL SUFFER A NET DECLINE IN GROSS NATIONAL PRODUCT NEXT YEAR -- AND THAT OUR RATE OF DECLINE WILL BE GREATER THAN THAT OF ITALY.

ONE WAY WE CAN REVERSE SUCH A POTENTIALLY DAMAGING TREND IS THROUGH COLLECTIVE BARGAINING.

WE HAVE A TESTED EXAMPLE TO 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, MANAGER 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 THE 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.

TOMORROW THE INSTITUTION OF COLLECTIVE BARGAINING IS RECEIVING WELL DESERVED RECOGNITION AS A TIME-TESTED AND SUCCESSFUL PROCESS FOR RESOLVING THE PROBLEMS BETWEEN LABOR AND MANAGEMENT. THE UNITED STATES POSTAL SERVICE IS ISSUING A SPECIAL STAMP HONORING THIS PROCESS AND SOON YOU WILL SEE IT APPEARING AS POSTAGE THROUGHOUT THE NATION. IT CARRIES THE SLOGAN, "COLLECTIVE BARGAINING: OUT OF CONFLICT... ACCORD."

COLLECTIVE BARGAINING HAS SERVED THE NATION WELL. IT IS AN IMPORTANT, EVEN ESSENTIAL BULWARK OF OUR ECONOMIC SYSTEM. IT HAS HELPED MAKE AMERICA GREAT AND FREE.

IT DESERVES OUR SUPPORT.

WE IN THE FEDERAL MEDIATION AND
CONCILIATION SERVICE ARE RENEWING OUR
DEDICATION TO STRENGTHENING THIS GREAT
INSTITUTION.