

COORDINATED BARGAINING: A CASE STUDY IN THE
EVOLUTION OF COLLECTIVE BARGAINING

Dissertation for the Degree of Ph. D.
MICHIGAN STATE UNIVERSITY
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1974



This is to certify that the
thesis entitled
COORDINATED BARGAINING: A CASE STUDY IN
THE EVOLUTION OF COLLECTIVE BARGAINING
presented by

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has been accepted towards fulfillment
of the requirements for

Ph.D. degree in Social Science

Major professor

Date

January 30, 1974

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A-~~4~~052









ABSTRACT

COORDINATED BARGAINING: A CASE STUDY IN THE EVOLUTION OF COLLECTIVE BARGAINING

By

Gedaliahu H. Harel

Management-union relations in the United States have been conceptualized as a never-ending continuum of actions and reactions combined with periods of accommodation arrived at through the process of collective bargaining. It is in this frame of conceptualization that this research analyzes the development of coordinated bargaining.

The underlying reason for the establishment of coordinated bargaining is the attempt by unions to react to the changes introduced by management in the collective bargaining scene: (1) the expansion of business in terms of size and product markets, and (2) the transfer of the decision-making process from the plant level to the corporate level. The overall objective of this study is to evaluate the coordinated bargaining effort on the basis of the experience of the International Union, Allied Industrial Workers of America (A.I.W.) up to the present.

The research has a dual structural form. Part I, the dynamic analysis, uses the long-term dimension of the

development in coordinated bargaining to accomplish the following: (1) Describe and analyze in detail five cases of coordinated bargaining in which A.I.W. was involved: Essex International Incorporated, Eaton Corporation, Globe-Union, Inc., General Electric and the Wet Corn Milling Council; (2) Estimate costs associated with participation in coordinated bargaining; (3) Describe the structural changes in the union as a result of coordinated bargaining; (4) Assess the achievements and pitfalls of coordinated bargaining; and (5) Discern possible future developments related to coordinated bargaining.

Data were gathered through in-depth interviews with international officers, regional representatives and local officials of A.I.W., Industrial Union Department coordinators and representatives of other unions. In addition, all available documents pertinent to the subject were examined and analyzed.

Part II, the static, cross-sectional analysis, evaluates the coordinated bargaining variable at one point in time. Data were obtained from two self-administered questionnaires, one to all local union presidents of the A.I.W., the second to all regional representatives of the A.I.W.

The survey of the local union presidents asked respondents to indicate their attitudes on a 5-point Likert scale, to four statements depicting issues advanced by unions in support of coordinated bargaining and three



statements depicting issues advanced by management in opposition to coordinated bargaining. Age of the respondent and size of his local were also requested. The attitudinal responses of 148 local union presidents including respondents with and without experience in coordinated bargaining revealed that the local union presidents were in overwhelming agreement with the reasons for joining coordinated bargaining as expressed by the supporters of this process. The respondents neither agreed nor disagreed with the ideas advanced in opposition to coordinated bargaining. There was no correlation between the factors of age and size of local union and the attitudes of the respondents to coordinated bargaining.

In the survey of the regional representatives, multiple regression analysis was used to examine four propositions. In the first proposition, the simultaneous influence of four independent variables on the decision of the regional representative to recommend to a local union to join a coordinated bargaining effort was found to be:

$$Y_1 = .3956 + .002X_1 + .8011X_2 + .2069X_3 + .5943X_5$$

X_1 - the number of union members in the local union

X_2 - the local union is part of a multi-plant employer

X_3 - the employer tends to centralize the decision making when it comes to collective bargaining issues



X_5 - the local union follows a pattern established by another international union when it comes to collective bargaining agreements

The second proposition which examined the simultaneous influence of the independent variables on the decision of the local union membership to join a coordinated bargaining, as it is perceived by the regional representative, was found to be:

$$Y_2 = 1.7026 + .8202X_2 + .0953X_3 + .0002X_4 + .2759X_5$$

X_2 - the local union is part of a multi-plant employer

X_3 - the employer tends to centralize the decision making when it comes to collective bargaining issues

X_4 - the total number of employees working in the corporation

X_5 - the local union follows a pattern established by another international union when it comes to collective bargaining agreements.

The third proposition, which examined the simultaneous influence of the subjective as well as objective independent variables on the decision of the regional representative to recommend joining a coordinated bargaining effort, was found to be:

$$Y_3 = .7977 + .8625X_2 + .1950X_3 + .6529X_5 - .1435X_8$$

X_2 - the local union is part of a multi-plant employer



X_3 - the employer tends to centralize the decision making when it comes to collective bargaining issues.

X_5 - the local union follows a pattern established by another international union when it comes to collective bargaining agreements.

X_8 - the age of the regional representative

The fourth proposition, which examined the simultaneous influence of the independent variables on the decision of the regional representative to recommend a given level of involvement in coordinated bargaining if such an effort would be initiated, was found to be:

$$Y_4 = 1.71 + 2.07X_3 + .94X_5$$

X_3 - the employer tends to centralize the decision making when it comes to collective bargaining

X_5 - the local union follows a pattern established by another international union when it comes to collective bargaining agreements.

Coordinated bargaining was identified in this study as organized labor's reaction to contemporary changes in the balance of power at the bargaining table. This union antidote to management action was identified as one factor which strives to change the structure of collective bargaining in this country. It also suggested that the efforts to establish coordinated bargaining will continue despite management opposition and interunion factionalism until a new accommodation between labor and management will be established.



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Gedaliahu H. Harel

A DISSERTATION

Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of

DOCTOR OF PHILOSOPHY

College of Social Science

1974

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1974

DEDICATION

To Cis, my love and friend.



ACKNOWLEDGMENTS

I am grateful to the Institute of Collective Bargaining and Group Relations for the financial support and encouragement provided for this study by selecting me as a Fellow for 1972-1973.

The continuous guidance and assistance provided throughout this research and throughout my doctoral studies by Dr. Albert A. Blum, chairman of the doctoral guidance committee, and the other members of the committee, Dr. Jack Stieber, Dr. Philip Marcus and Dr. Benjamin Wolkinson, are sincerely appreciated.

This study could not have been undertaken without the cooperation and interest of the many members of the labor movement. Many thanks go to the members, local, regional and international representatives of the International Union, Allied Industrial Workers of America. Deep gratitude is due John Zalusky, Research Director of the union, and Gilbert Jewell, International President, who gave me the benefit of their time and experience.

Special thanks go to a great man and scholar, Dr. Thomas H. Patten, Jr. and to Gagiul Gabor for being my friends and moral supporters. I thank my parents, my parents-in-law, and my son, Ari, who have been a constant source of inspiration.

To my wife, Cis, who shares with me life's struggles and joys, I share the fruits of this achievement as a grateful tribute to the depths of her love and never-ending support.

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CHAPTER I

INTRODUCTION

As the decade of the 1970's unfolds, the attention of those interested in the collective bargaining process is increasingly attracted to the development and direction of the growing coordination and collaboration among industrial unions for the purpose of collective bargaining.

It was John R. Commons, the great scholar of the labor movement in the United States, who established the theory that the rise and development of the American labor movement was due in largest measure to the geographical widening of product markets, bringing more and more producers into competition with one another, and forcing workers to combine on an equally extensive geographical basis to resist the adverse consequences of product market competition.¹ In Commons' view, the labor movement arose as a spontaneous worker protest to the effect of competition on working conditions. Over time the problems and the pressures take new forms, institutions are altered and labor union objectives undergo modification, too. In the

¹John R. Commons, "American Shoemakers, 1648-1895: A Sketch of Industrial Evolution," Quarterly Journal of Economics, XXIV (November, 1909), 39-84.



ongoing process, unions, like other organized groups, seek to exert their power to achieve economic benefits for themselves and their members. Unions are restrained in this process, just as their business counterparts are restrained, by the hammering out over time of a body of changing rules which set new limits to the exercise of their power.

Commons' student and colleague, Selig Perlman, went even further in describing the process of collective bargaining:

[It's] above all a technique whereby an inferior social class or group carries on a never-slackening pressure for a bigger share in the social sovereignty as well as for more welfare, security, and liberty for its individual members.¹

Alfred Kuhn, a more contemporary scholar of the collective bargaining process in the United States, evaluated the relations among the parties in the following manner:

Union weapons are designed to exert pressure on the company, not to put it out of existence. The union is an agency of protest, not of management. It also is not the supplier of the labor that management wants but only a bargaining agent for that labor. Hence it cannot withhold new things management wants in the sense that management can withhold a pay increase or promotion or a producer of rubber mouldings can withhold a supply contract until it gets satisfactory terms.²

¹Selig Perlman, "The Principle of Collective Bargaining," Annals of the American Academy of Political and Social Science (March, 1936), 154.

²Alfred Kuhn, Labor: Institutions and Economics (New York: Harcourt, Brace & World, 1967), p. 133.



In an effort to conceptualize the historical development of management-union relations in the United States, one can observe a never-ending continuum of actions and reactions combined with periods of accommodation arrived at through the process of collective bargaining. In most of the instances of this never-ending continuum of relations, it is management that initiated change and established new directions for the enterprise and its employees, and only at a later stage does the union, as the representative of the workers, establish its reactions to the new environment. The nature of the accommodation which is arrived at between the parties through the process of collective bargaining is a function of the relative strength mustered by the respective parties. In the words of Alfred Kuhn:

The objective of bargaining is advantage. That is, each party seeks to enhance its own welfare by gaining concessions from or avoiding concessions to the other, as when a union tries to get higher wages while management tries to pay lower ones. The extent to which one side can get concessions from the other depends upon a very elusive but crucial force known as bargaining power.¹

It is in this frame of conceptualization--action, reaction and accommodation--that this research will try to analyze the development of coordinated bargaining.

Management Actions

The trend which John R. Commons observed from the middle of the seventeenth century to the end of the nineteenth

¹Ibid., p. 83.



century of market expansion of American business continued to accelerate through the twentieth century. With the end of World War II the nature of corporate growth and expansion changed. While the previous waves of business expansion in American history were either horizontal consolidation (rounding out the firm's product line by increasing the line of goods sold to its customers), or vertical consolidation (building the firm's capabilities either forward toward its markets or backward toward the sources of supply), the recent wave of consolidation is mainly of a conglomerate nature (the acquisition of a large number of companies which operate in different and unrelated markets). Companies turned to conglomerate consolidation primarily for two reasons. First, the vigorous antitrust enforcement effectively checked the large horizontal and vertical mergers. A second and perhaps more important motivation for conglomerate acquisitions has been the financial consequences of those expansions. Suffice it to say that this tremendous rush of 20 years of business conglomeration led in 1968 alone to 15,445 acquisitions with total assets of the firms acquired amounting to more than 67 billion dollars.¹

The 20 years of business conglomeration have altered not only the managerial and ownership structure of

¹Kenneth O. Alexander, "Conglomerate Mergers and Collective Bargaining," Industrial and Labor Relations Review, XXIV, 3 (1971), 355.

American business, but have also changed, in a very substantial way, the balance of power around the collective bargaining table. In the words of Professor George H. Hildebrand:

In this shift of managerial power, the union now finds itself a unit in a decentralized group of labor organizations, and thereby loses negotiating effectiveness. It must confront a unified management that is able to take a local strike because it has hedged its risks by assembling a product conglomerate, in the process establishing or extending a decentralized system of local unit bargaining. In military parlance, the conglomerate corporation can fight on interior lines against a diverse set of weak opponents, each acting independently and hence vulnerable to divide-and-conquer strategies.¹

In addition to the economic and strategic changes which occurred as a result of the wave of conglomeration, or maybe because of them, some students of labor relations believe that there have been some fundamental changes since the middle fifties in the industrial relations philosophy or ideological climate in many companies. In those companies there has been a new sense of firmness and militancy in dealing with unions, initiated at top management levels, which has been carried over as far as the routine contract administration. Management's emphasis is no longer on "getting along with the union," but on fighting to win back some of the rights which it claims it lost in the past. George Strauss summarized these changes and their implications as follows:

¹George H. Hildebrand, "Coordinated Bargaining: An Economist's Point of View," Labor Law Journal, XIX, 8 (1968), 526.

This new management militancy seems to be a reversal of a long-run trend toward accommodation which has been observed by many students of American industrial relations. Is this reversal temporary or permanent? It would seem that management's firmer position is likely to continue at least for a while, and so is the union's present weakness. If unions accept their weakened power position, as they are almost forced to do, then a new accommodation is possible. Or it is possible as long as management does not abuse its power. However, there are signs that some managements, having tasted victory, have become obsessed with power for its own sake and are now seeking to reduce the unions to ineffectiveness (though there are few instances where management has much hope of eliminating them altogether).¹

Union Reactions

In an attempt to confront the new realities introduced by management, some unions (mainly industrial unions) began to coordinate their efforts for the purpose of enhancing their bargaining power, which had been weakened as a result of management's economic and collective bargaining policies. As Professor Hildebrand suggests, the use of coordinated bargaining is an admission of union weakness, but concomitantly, it is an attempt to reestablish the balance of power which has been destroyed.

As a general proposition, the effort to introduce coordinated bargaining is an admission of union weakness under the system hitherto prevailing. The common employer view, that coordination is a bid for more union power, is correct. But the source lies more in weakness than in existing strength.²

¹George Strauss, "The Shifting Power Balance in the Plant," Industrial Relations, I, 3 (1962), 96.

²Hildebrand, "Coordinated Bargaining," p. 525.

It was not until 1961 that the Industrial Union Department of the AFL-CIO backed the attempts of a few international unions in their coordination efforts at Minnesota Mining and Manufacturing. And only in 1964 did the Industrial Union Department establish the Collective Bargaining Service Section in order to strengthen and support the coordinated bargaining efforts. In the words of the president of the Industrial Union Department, I.W. Abel, the purpose of coordination, and the role of the I.U.D. in it, are as follows:

Instead of working at cross purposes or confronting the employer in the weakest possible manner, unions representing groups of workers in the same company or industry now have a sensible alternative. They can take advantage of the Industrial Union Department's Coordinated Bargaining Program. The teamwork generated between unions under a coordinated program will not only make contract negotiations more effective and meaningful, but will also provide for the involved unions and their members a degree of stability and job security that is not otherwise possible.¹

The Setting of the Research

Albeit coordinated bargaining is by definition an interunion affair which at times reaches the corridors of AFL-CIO headquarters, it is nevertheless an internal decision of each union whether it will join with other unions in such an effort. The decision to join or not to join a coordinated bargaining committee has important

¹Coordinated Bargaining: Labor's New Approach to Effective Contract Negotiations (Washington, D.C.: Industrial Union Department, AFL-CIO, 1972), p. 5.

ramifications for the entire union, and not only for the particular local unit which is involved in such an effort. The initial steps, in the majority of coordinations sponsored by the I.U.D., are worked out at the level of the presidents of the international unions or their representatives. Participation of some locals of an international in coordinated bargaining might affect the entire membership of the international union through the utilization of the strike funds. The demands and achievements of the locals which participate in coordinated bargaining might also have an indirect effect, through the different channels of communication of the international, on the demands of other locals that do not participate in coordinated bargaining. Moreover, such factors as historical rivalry among international unions might inhibit or promote the participation of some locals in a coordinated bargaining venture.

It is one of the basic premises of this research that, in order to understand and better evaluate the development and significance of the coordinated bargaining process, the investigation should look at the process as it materializes in the context of the international union. Thus, the unit of investigation which has been selected for this study is a medium-sized international union with considerable experience with coordinated bargaining. The selection of the specific international union, Allied

Industrial Workers of America, was made after consultation with a few members of the I.U.D. and after receiving the assurance of cooperation from this union.

The Union

The Allied Industrial Workers of America was first organized on August 26, 1935, when the American Federation of Labor issued the charter establishing the United Automobile Workers (A.F.L.), the earlier name of the A.I.W. The first president and organizer of this union was a young Baptist minister whose congregation fired him for his pro-labor preaching. That young minister was Homer Martin. His zeal, organizing and speaking ability helped bring the union membership to 400,000 by 1937.

A split developed within the International Union, which by 1939 became so serious that the larger Detroit area locals broke off and formed the U.A.W. under the C.I.O. banner. The Martin faction, carrying the original charter, but with fewer members, reelected Martin president and continued as the UAW-AFL.

As a result of the merger of the AFL-CIO, the international union in 1956 was given a new name, the Allied Industrial Workers, which is actually a more representative title since the union did indeed represent industrial workers, rather than merely automobile workers. The newly named international, however, was to undergo another problem

within a year--a problem that could have ended its existence as a viable international union within the AFL-CIO.

Newspaper publicity and Congressional investigation disclosed a range of racketeering within the leadership of the union. The AFL-CIO Ethical Practices Committee investigated and found some of the charges to be justified, and so the AFL-CIO Executive Council placed the union on probation. The international union's executive board, which had already begun steps to clean out the racketeering before the order, accepted the AFL-CIO's conditions and called a special convention for August, 1957, in St. Louis, Missouri. As a result of the steps taken by the international union's executive and the convention, the AFL-CIO lifted its probation after five months, even though the probation was for a year. Of the six international unions which faced expulsion for corruption and subversive influences, only the A.I.W. emerged successfully with its good name restored; the rest were suspended from the federation.

The growth of the union has been in a wide variety of areas, so wide, in fact, that out of 21 major groups listed under manufacturing in the Standard Industrial Classification Manual, the A.I.W. has membership in every group but one. Today the international union has nearly 100,000 members in 424 locals in 18 states. The membership is largely concentrated in Wisconsin, Michigan, Ohio, Indiana, Illinois, Kentucky, Missouri and California. The

union is organized in seven separate regions. The regional directors, along with the international president, the international secretary-treasurer and a board member-at-large constitute the A.I.W. executive board, the highest authority of the union between conventions.

Full-time regional representatives are supplied by the various regions to their local unions. These representatives work with the local union officials on all matters of collective bargaining and contract administration, and as such fulfill a pivotal function in the work of the union. The A.I.W. has been active in the Industrial Union Department of the AFL-CIO, especially in the coordinated bargaining activities. The A.I.W. is involved in about 16 coordinated bargaining committees organized by the I.U.D. At the I.U.D. national convention in 1973, the president of A.I.W. international union was elected to serve as a vice-president of the I.U.D. in recognition of the work and contribution of this union toward the achievement of the I.U.D. goals.

The Survey of Literature

Despite the fact that coordinated bargaining became the "cause celebre" in some sectors of the economy, very little analytical literature has been written on the topic. Most of the literature deals with partisan and anecdotal reports about a few specific cases. The remaining few analytical studies approach the subject from the

legalistic point of view and the collective bargaining aspects of the issue.

Before going into the various analytical studies, it is necessary to define two terms: coalition bargaining and coordinated bargaining. These two terms are used interchangeably by innocent bystanders and purposely by the parties involved. Management favors the term coalition bargaining because it describes company-wide bargaining by an alliance of labor unions. Labor organizations use the term coordinated bargaining because it indicates a cooperative endeavor by separate and independent unions in their relations with a multi-plant, multi-union employer. The definitions of these two terms which were adopted in this study were advanced by Lynn E. Wagner. According to Wagner coalition bargaining is:

The situation where two or more unions bargain jointly for a "common agreement" covering all of the employees which they purport to represent.¹

Coordinated bargaining denotes, according to Wagner:

The circumstance where two or more unions representing separate bargaining units negotiate jointly for individual unit contracts containing common terms.²

The analytical studies which approach the subject from the legalistic point of view center their discussion around four issues, using various NLRB and court

¹Lynn E. Wagner, "Multi-Union Bargaining: A Legal Analysis," Labor Law Journal, XIX, 12 (1968), 733.

²Ibid.

decisions. The writers of these studies use the status of the law or the legal decisions in order to support a pro-labor or a pro-management position.

1. The conspiracy doctrine--According to some writers, this attempt of cooperation by unions is really a conspiracy which is directed by big unions and the I.U.D. to force management to deal with a coalition of unions. The argument is that, although unions call their effort coordinated bargaining, even if such a coalition drops its demands for a common agreement for all unions, underlying this approach is a conspiracy of those unions to lead in the long run to a company-wide agreement, even if it is opposed by management. Such an argument is advanced by William Chernish:

The most important differentiating feature of coalition bargaining as contrasted to other forms of joint bargaining is that the other efforts have come about as a result of voluntary agreement between the employer and the union. Coalition bargaining programs are designed to force an employer to bargain with a representative of the various participating locals on a joint basis.¹

Indeed, this conspiracy doctrine argument was advanced by G.E. in McLeod v. General Electric, where the company alleged that there was a conspiracy of all the international unions to refrain from agreeing to or signing a contract until all members of the conspiracy had

¹William N. Chernish, Coalition Bargaining; A Study of Union Tactics and Public Policy (Philadelphia: University of Pennsylvania Press, 1969), p. 271.

done so.¹ This doctrine was rejected by Judge Frankel in the instant case saying that "conspirators are normally more conspiratorial"² and that unions had the right to seek the kind of cooperation among unions as they did. The argument of conspiracy was also viewed unfavorably by Francis A. King, who saw the reliance on antitrust conspiracy contradictory to the purpose of the collective bargaining process:

The reliance on antitrust conspiracy doctrines seems both unfortunate and misplaced. The conspiracy doctrines are utilized to infer agreements between parties engaged in violating the law where there is no direct evidence of the agreement. To carry these doctrines over into the field of labor relations, where so much depends on the mutual trust and confidence of the parties, would be disastrous to the policy of the L.M.R.A. collective bargaining laws which are geared to cooperation, not prohibition. . . . To afford the bargaining parties the right to infer a conspiracy from the other's actions could hopelessly mire the bargaining process in a series of charges and counter-charges.³

2. Employer's obligation to recognize union's chosen representative--One legal question is whether representatives of different unions can participate on the negotiating team of another union. This issue was discussed by the NLRB and the courts mainly in U.S. Pipe and Foundry Co. v. NLRB, Standard Oil v. NLRB, American

¹McLeod V. General Electric Co., 257 F. Supp 690, 704 (S. D. N. Y. 1966).

²Ibid. at 707.

³Francis A. King, "Is Coalition Bargaining Legal?" Western Reserve Law Review, XVIII (January, 1967), 589-590.

Radiator and Standard Sanitary Corporation, McLeod v. General Electric Co., Minnesota Mining and Manufacturing Co. and Oil, Chemical and Atomic Workers International Union. A summary of the NLRB and court decisions in these cases was that:

If negotiations are confined to terms and conditions of employment within the bargaining unit, the union has freedom to choose its negotiators. The union may include in its bargaining committee members and officers of other locals, other internationals, or other groups as long as these persons do not attempt to bargain for their own unions or groups. The negotiators may take into consideration the terms of other union agreements.¹

The decisions of the courts and the NLRB on this issue are accepted by most writers although some believe that the real reason for the participation of outsiders in the cases mentioned was an attempt to establish coalition rather than coordinated bargaining by those unions. The acceptance of those rulings is disputed only by two writers, Northrup² and Chernish. Both view these decisions as a result of "the tendency of the NLRB to support the union view whenever the rationalization of that position seemed at all possible."³ This tendency of the

¹Carlos Solis, "Coordinated Bargaining: The Unions Attempt to Answer a Need," University of San Francisco Law Review, III (April, 1969), 370.

²Herbert R. Northrup, "Boulwarism v. Coalitionism--The 1966 G.E. Negotiations," Management of Personnel Quarterly (Summer, 1966), 2-11.

³Chernish, Coalition Bargaining, p. 244.

NLRB, in Chernish's view, brings more and more government intrusions into the affairs of the collective bargaining parties, and leads to unacceptable rulings:

Rendering rulings, for example, as to when an "outsider" is not an outsider, but instead represents a local union other than the one which elected him or pays his salary, or when management can or cannot refuse to deal with a committee on which an outsider is present, not only takes the NLRB deep into the bargaining process, but also yields decisions which solemnly state that the union spokesmen do not mean what their leaders have publicly sworn to accomplish.¹

In order to eliminate this undesirable situation, both Northrup and Chernish recommend repeal of Sections 8(a)(5) and (b)(3)² of the NLRA.

If Sections 8(a)(5) and (b)(3) were deleted from the Act, the controversy over union committee membership and recent size would be largely irrelevant to the law. If unions desired to pack committees with representatives of other local or national unions, they would have a perfect right to do so--but management would have an equal right to decline to bargain with them. Essentially economic power would arbitrate the result.³

These two scholars suggest that the problem of unfair labor practices be solved by repealing the law which made those practices unlawful and not by eliminating the causes for such unfair labor practices. What they

¹Ibid., p. 246.

²"Section 8(a) It shall be an unfair labor practice for an employer-- (5) to refuse to bargain collectively with the representatives of his employees, subject to the provisions of section 9(a)."

"Section 8(b) It shall be an unfair labor practice for a labor organization or its agents-- (3) to refuse to bargain collectively with an employer, provided it is the representative of his employees subject to the provisions of section 9(a)."

³Chernish, Coalition Bargaining, p. 247.

recommend is the return to the "jungle conditions" of the period prior to the enactment of the NLRA, which Congress sought to change and improve.

3. The locked-in agreement argument--Employers have argued that through the coordinated bargaining committee unions lock themselves into a situation where they cannot sign a contract until all members of the coordinated bargaining committee also sign an agreement. Wagner concisely stated the issue:

Under Section 8(b)(3) it is unlawful for a union or its bargaining representative to insist to the point of an impasse in negotiations that an employer bargain about subjects other than the mandatory "wages, hours and other conditions of employment." Employers have argued, therefore, that, in the absence of an appropriate multi-plant bargaining unit, the terms of an employer's agreements at other plants are non-mandatory subjects of bargaining.¹

In order to determine how Section 8(b)(3) is interpreted by the NLRB and the Courts, Wagner looked at United States Pipe and Foundry Co. v. NLRB.² The main issue in this case was whether a demand that an employer agree to a common expiration date in his contracts with the representatives of other bargaining units is a mandatory subject of bargaining. The Sixth Circuit Court decided that the unions did not violate Section 8(b)(3) since the issue of common expiration dates is such a vital part of

¹Wagner, "Multi-Union Bargaining," p. 739.

²See United States Pipe & Foundry Co. v. NLRB, 298 F. 2d 873, 44 LC 17, 412 (CA - 6 1962).

the bargaining power of the unions that it would be legitimate for the unions to insist on this issue to the point of impasse. But Wagner took issue with this decision, saying:

Before unions begin to celebrate and employers become overly despondent, however, it may be worthwhile to examine the soundness of the Sixth Circuit's bargaining power rationale. While "wages, hours and other terms and conditions of employment" under Section 8(d) have been broadly defined to include a wide range of bargaining subjects, United States Pipe & Foundry goes a step beyond even the most liberal interpretations of that language by holding that contract expiration dates of other bargaining units are mandatory subjects of bargaining merely because they would permit a union to negotiate more advantageously about conditions of employment in its own bargaining unit. Whether other circuits or the Supreme Court would stretch the definition of a mandatory subject this far is at least questionable, especially when to do so has the practical effect of approving multi-plant bargaining "without plenary proceedings before the Board" to determine the appropriate bargaining unit.¹

Despite Wagner's displeasure with the Sixth Circuit decision in the United States Pipe & Foundry and his doubts whether other courts would stretch the definition of mandatory subjects in the same way, the Third Circuit decision in the Phelps Dodge case which was rendered in March, 1972, extends the previous decision. In the AFL-CIO Joint Negotiating Committee v. NLRB and Phelps Dodge Corporation, the Court held that four particular demands are mandatory bargaining demands and may be insisted upon to impasse.²

These are:

¹Wagner, "Multi-Union Bargaining," p. 744.

²AFL-CIO Joint Negotiating Committee for Phelps Dodge v. NLRB, 79 LRRM 2939 (3rd Cir. 1972).

a. A demand for common expiration dates for all of the agreements then being negotiated.

b. A demand for a "limited no-strike clause," i.e. an exception from the historically blanket no-strike clause which would permit employees covered by a particular collective bargaining agreement to strike in support of their fellow employees in other bargaining units of the same employer.

c. A "most favored nations" clause, i.e. when, during the term of a local agreement, the company negotiates an agreement covering any other bargaining unit in the company the local union which has such a clause has a right to demand, that any of the provisions of the newly negotiated agreement, be incorporated in its agreement.

d. Simultaneous settlement, i.e. that the unions would not sign new agreements in any bargaining unit until their fellow employees then in negotiations in other bargaining units had also arrived at satisfactory settlements.

4. The appropriate bargaining unit argument--The strongest legal argument against coalition bargaining is connected with the issue of the appropriate bargaining unit. Section 8(b)(4)(ii)(c) of the NLRA provides that it shall be an unfair labor practice for a labor organization or its agents:

(ii) to threaten, coerce, or restrain any person engaged in commerce, where in either case an object thereof is . . .

(c) forcing or requiring any employer to recognize or bargain with a particular labor organization as the representative of such employees under provisions of section 9.¹

Based on this language of the law, Francis A. King argued that a coalition of unions will commit unfair labor practice if they would try to coerce an employer to bargain with the coalition instead of with the already certified local unions.² On the other hand, Stephen H. Goldberg argued the following:

But the question here is not whether the employees in the separate units should be represented by a single union; rather, it is whether two unions certified to represent those employees in separate units may determine what their common interests are, formulate mutually satisfactory demands, and insist that the employer discuss those demands jointly. Simply because a combined unit is inappropriate for representation purposes, it does not follow that a demand for joint bargaining is similarly inappropriate.³

Another avenue which unions might use is to appeal to the NLRB that the coordinated bargaining committee be certified as the unit appropriate for the purposes of collective bargaining. This avenue is a most unlikely one because of the difficulties of getting such certification from the Board and because of the selfish desires of the unions to maintain their own status. An indication of the reaction of the NLRB and the courts toward the possibility

¹National Labor Relations Act, U.S. Code, Vol. XXIX, Sec. 158(b)(4)(ii)(c) (approved July 25, 1935).

²King, "Is Coalition Bargaining Legal?" p. 598.

³Stephen B. Goldberg, "Coordinated Bargaining Tactics of Unions," Cornell Law Review, LIV (July, 1969), 917.

that unions resort to this avenue is found in Libby-Owens-Ford Glass Company v. McCulloch.¹ In this case, one international union requested the Board to conduct an election to determine whether the membership of two locals of the same union desire to be included with a council of eight other locals for the purpose of collective bargaining. The Board ordered the requested elections in this case and the Court of Appeals for the District of Columbia sustained this decision. Lamenting this decision, Chernish wrote:

It is then apparent that if the Board position in this case is upheld by the Supreme Court, coalition unions may have a new tool designed to accomplish goals previously unattainable through collective bargaining. Extension of the Libby-Owens-Ford doctrine would permit unions simply to petition for an election to "clarify" the scope of the bargaining unit to include from time to time any local or group of locals as the opportunities arise. If the NLRB can joint several units into one where one union is involved without regard to history or employer concern, there is no logical reason why it cannot do the same thing where several unions are concerned. This would open a clear path to coalition bargaining without the necessity of using the various subterfuges which have been a hallmark of the movement to date.²

A somewhat different approach to the question at hand was suggested by Kenneth O. Alexander. He proposed that the NLRB make a distinction between the appropriate bargaining unit for the purpose of representation and the appropriate unit with regard to bargaining structure. Once this distinction is adopted Alexander suggests that,

¹Libby-Owens-Ford v. McCulloch, 67 LRRM 2712, (District Court, District of Columbia, 1968).

²Chernish, Coalition Bargaining, p. 242.

in the changing environment of business structure, the issue of the appropriate unit for the purpose of bargaining be allowed to be a mandatory issue in bargaining. In conclusion, Alexander says that:

The Board can recognize more explicitly that the appropriate unit for election and representation purposes cannot be defended as also the most appropriate unit in terms of bargaining structure.¹

If such a shift in the Board's policy toward the bargaining unit issue is adopted, then:

There seems a good chance that such a shift could be sustained in the courts if the scope of the unit made subject to bargaining were restricted to the ownership boundaries of the enterprise and to the bargaining units of those unions which agreed to partake in joint bargaining. Yet, such a limited shift would allow bargaining to adapt flexibly to the conglomerate merger movement.²

The analytical studies which approach the subject from the collective bargaining aspects, like the studies which approach the subject from the legalistic point of view, take a partisan stand on the issue. The most extensive study to date on coordinated bargaining or, as he calls it, coalition bargaining, is that of William N. Chernish. Chernish's point of departure is that coordinated bargaining is labor's unilateral attempt to force joint bargaining upon rigidly opposed management. Furthermore, he maintains that this venture is an attempt by big union bosses to strip local unions of their power

¹Alexander, "Conglomerate Mergers," p. 370.

²Ibid., p. 369.

in collective bargaining. In addition, he emphasizes that:

Industry in general has been reluctant to accept the concept of joint bargaining, and more specifically, coalition bargaining because of the very real fact that a mature and successful coalition would have increased bargaining strength by virtue of the fact that such a coalition is able to threaten, or actually to engage in, a strike which could cripple the operation of the entire firm. In effect, such a coalition would prevent the company from "whipsawing" the unions--preventing the unions from succeeding in gaining settlements through coalitions which the individual local would be unable to gain on their own. One of the stated goals of the I.U.D. is to make such gains.¹ [Emphasis added.]

After examining seven major cases in which unions tried to establish coordinated bargaining and after examining the law and the NLRB role in this development, Chernish comes to the conclusion:

The tendency of the NLRB (at least as presently constituted) to support the enhancement of union powers is, of course, clearly revealed by its hasty pursuit of injunctions to force companies to bargain with coalition-constituted union committees.²

In his opinion this is ". . . a careful union-NLRB coordinated tactical effort to ensure union coalition victories."³ In order to protect the public interest, and as a matter of public policy, he recommends the deletion of Sections 8(a)(5) and 8(b)(3) of the NLRA. He also recommends that management take a stronger stand against coalition bargaining,

¹Chernish, Coalition Bargaining, p. 11.

²Ibid., p. 245.

³Ibid.

that management be willing to bear large costs in the short-run in order to prevent coalition and that it should restore collective bargaining to the local level.

A similar stand is taken by Earl L. Engle of the Union Carbide Corporation. He recommends that other companies make big investments in preventing coalition bargaining as Union Carbide did in 1966-67 because according to him:

I am convinced that coalition bargaining, if it is allowed to develop as the I.U.D. has blueprinted it, will destroy true collective bargaining, will create a few "all powerful" labor leaders, and would eventually substitute the corporate state for free enterprise.¹

An opposite view is taken by David Lasser, of the International Union of Electrical, Radio and Machine Workers (I.U.E.). He maintains that unions resorted to coordinated bargaining because of the frustration encountered from union-by-union or plant-by-plant negotiation with big and centralized companies, especially conglomerates. Even though he does not see coordinated bargaining as a panacea for the bargaining process, he sees it as a tool which adapts itself to the changes in the modern business world. Assessing the achievement of union experience in G.E., he maintains that over and above the improved benefits negotiated, unions also achieved ". . . the dignity

¹Earl L. Engle, "Coordinated Bargaining: A Snare and a Delusion," Labor Law Journal, XIX, 8 (1968), 522-523.

and self respect in being able to bargain on the basis of equality with this giant."¹

Hildebrand sees in coordinated bargaining an attempt by unions to alter certain existing bargaining systems in order to increase their power vis-à-vis the employer. He maintains that those attempts prove the inability of unions to perform their function in the changing environment, within the traditional collective bargaining structure. This weakness stems from a few reasons: incomplete unionization of duplicating plants, parallel unions attempting to negotiate alone, localized bargaining with divergent contract expiration dates, and conglomerate firms with centralized decision making able to take local strikes because they have hedged their risks by assembling a product conglomerate. Hildebrand's analysis points to the fact that coordinated bargaining will lead to sacrifice in the organizational autonomy of the local union, but it seems to him that the membership is willing to pay this price. He speculates that the double-decker system of collective bargaining which emerges as a result of coordinated bargaining might have inflationary potential. The conclusion of the analysis is:

So far, however, the coalition movement does seem to sustain the general thesis that bargaining arrangements, as with other institutions, are a response motivated by felt problems and needs and conditioned

¹David Lasser, "Coordinated Bargaining: A Union Point of View," Labor Law Journal, XIX, 8 (1968), 515.

by ambitious and available power. As these factors change, the arrangements must adapt successfully if they are to survive.¹

Herbert J. Lahne also sees coordinated bargaining as a response of unions to changing enterprise systems. He predicts that this kind of cooperation among unions will bring in the future union consolidation and the formation of new enterprise unions of the Japanese type.²

Robert Livernash examines coordinated bargaining from the structural changes point of view. He asserts that the enlargement in the negotiation units and bargaining structure is caused by the growth in product and service markets, by the growth of companies and unions, by technological changes such as transportation, and by the competitive offensive and defensive strategies of each party to enhance its power position. Since the question of adequate representation for the local union and special groups becomes more difficult in the enlarged bargaining unit, Livernash thinks that the only way the enlarged unit can exist is if the power of the enlarged unit is used to get favorable resolution to the needs of the local and special groups.

Livernash concludes that the future of coalition bargaining structure depends on four factors:

¹Hildebrand, "Coordinated Bargaining," p. 531.

²Herbert L. Lahne, "Coalition Bargaining and the Future of Union Structure," Labor Law Journal, XVIII, 6 (1967), 353-359.

1. The power of the union nucleus and the scope of the coalition.
2. The depth of support by the rank-and-file and leadership ability.
3. The extent of management opposition to the endeavor.
4. Government policy and practice toward negotiation unit modification.¹

In Frederick Livingston's opinion, unions are striving to enlarge the bargaining unit in order to gain three objectives:

1. Larger units limit management's ability to play one union or one local off against another.
2. The larger the bargaining unit, the more pressure can be put on management to meet union demands because a strike would have a greater impact on company operations.
3. By enlarging the affected unit and thus increasing the economic impact of a strike, labor has a better chance to bring government intervention in the dispute. This intervention might bring better settlements. In his judgment, the success of coordinated bargaining is dependent upon the ability of the leadership to resolve the

¹E. Robert Livernash, "New Development in Bargaining Structure," in Trade Union Government and Collective Bargaining, ed. by Joel Seidman (New York: Praeger Publishers, 1970), pp. 421-259.

conflicts and inconsistencies among the participants and their constituencies.¹

Objectives and Research Design

The overall objective of this study is to evaluate the coordinated bargaining effort on the basis of the Allied Industrial Workers of America experience up to the present. This evaluation was accomplished through the following four procedures:

1. The description and analysis of the various coordinated bargaining committees in which A.I.W. was substantially involved. This part of the study intends to trace the evolution of collective bargaining as it reflects itself in the five case studies described. The framework of action, reaction and accommodation is utilized in the analysis of those cases. The analysis of the cases provides illustrations of the theories advanced earlier by Commons, Perlman, Hildebrand and others, that unions' attempt to change the structure of collective bargaining is a response to the changing business environment which weakened the power of unions to perform their function within the existing collective bargaining structure.

2. The examination of the outcomes resulting from participation in coordinated bargaining. In the analysis

¹Frederick R. Livingston, "Changing Relations Between Union and Management," in Trade Union Government and Collective Bargaining, ed. by Joel Seidman (New York: Praeger Publishers, 1970), pp. 285-301.

of each case, particular emphasis is given to the results of coordination efforts and the costs associated with them. Livernash's suppositions about the extent of management opposition to coordinated bargaining as well as the influence of the leadership's ability on the outcomes of coordinated bargaining, are examined.

3. The examination of the attitudes of the local union presidents toward coordinated bargaining. The problem of the structural changes and the transfer of locus of power from the local level to higher levels resulting from the establishment of coordinated bargaining, has preoccupied most of the writers who analyzed the subject. This issue of how much support or displeasure exists among local union leaders toward coordinated bargaining is one of the central arguments used by writers who are against coordinated bargaining, as well as those in favor. Those who oppose coordinated bargaining argue that this effort is an attempt by big unions and big union bosses to grab power from the local leaders, that it is against the interests and wishes of the local people and that the final collapse of those efforts will come when the local leaders will realize that it is against their interests to participate in coordinated bargaining. The writers who support coordinated bargaining argue that the drive for such an effort is initiated at the local level, and that only because of the support and need expressed at the local level is coordinated bargaining undertaken. None of the writers, on either

side of the issue, has attempted to investigate the actual attitudes of the local union officers toward coordinated bargaining. Their arguments are based merely on conjecture and lofty assumptions about those attitudes. Since this is a central issue in the analysis of the coordinated bargaining process, this study undertook to ascertain the attitudes of the local union presidents toward coordinated bargaining.

4. The examination of the variables which influence the decision makers to join or not to join coordinated bargaining. This part of the study intends to identify the significant variables and their simultaneous influence on the decision of the local union membership and regional representatives of the union to join or not to join coordinated bargaining.

The research has a dual structural form:

1. The dynamic analysis uses the long-term dimension of the development of coordinated bargaining. This analysis was accomplished through in-depth interviews with international officers of the union, with the regional representatives, local officials, I.U.D. coordinators and representatives of other unions. In addition, all available documents pertinent to the subject were examined and analyzed.

2. The static, cross-sectional analysis evaluates the coordinated bargaining variable at one point in time.

This analysis was accomplished through two self-administered questionnaires, one to all local presidents of the union, the second to all regional representatives of the union.

PART I

THE DYNAMIC ANALYSIS

THE DYNAMIC ANALYSIS

The purpose of this analysis is to:

1. Describe and analyze in detail five cases of coordinated bargaining in which A.I.W. was involved.
2. Estimate the costs associated with participation in coordinated bargaining.
3. Describe the structural changes in the union as a result of coordinated bargaining.
4. Assess the achievements and pitfalls of coordinated bargaining.
5. Discern possible future developments related to coordinated bargaining.

Most of the information for this analysis was collected through in-depth interviews with various officials of the union that were involved in the decision making related to coordinated bargaining (see interview schedule). At various occasions, information was collected from I.U.D. coordinators and representatives of other unions. Special effort was made to collect information at planning and bargaining sessions of the various coordinated bargaining committees. In addition, contracts and other documents from management, union and the I.U.D. which were pertinent to the understanding of these cases were analyzed. Attempts to get direct corporate position on the various issues were futile.

Questionnaire Schedule for the In-Depth
Interviews with the Union
Representatives

- A. Describe the experience of the coordinated bargaining in which you were involved.
1. When did it start?
 2. Which union from among the participants initiated the idea of coordination?
 3. What were the relations between management and union at the local level (any incident, evidence, document)?
 4. Describe the steps which were taken until the first participation in the coordinated bargaining effort (consultations between local officials, informational meetings with the rank-and-file, votes of approval of the membership).
 5. What persons participated in each of the steps of the coordination?
 6. What were the goals and demands set by the coordinated bargaining committee?
 7. What was the input of A.I.W. in setting up these goals?
 8. What were the achievements as a consequence of the coordination effort (cite evidence, i.e. contract improvements)?

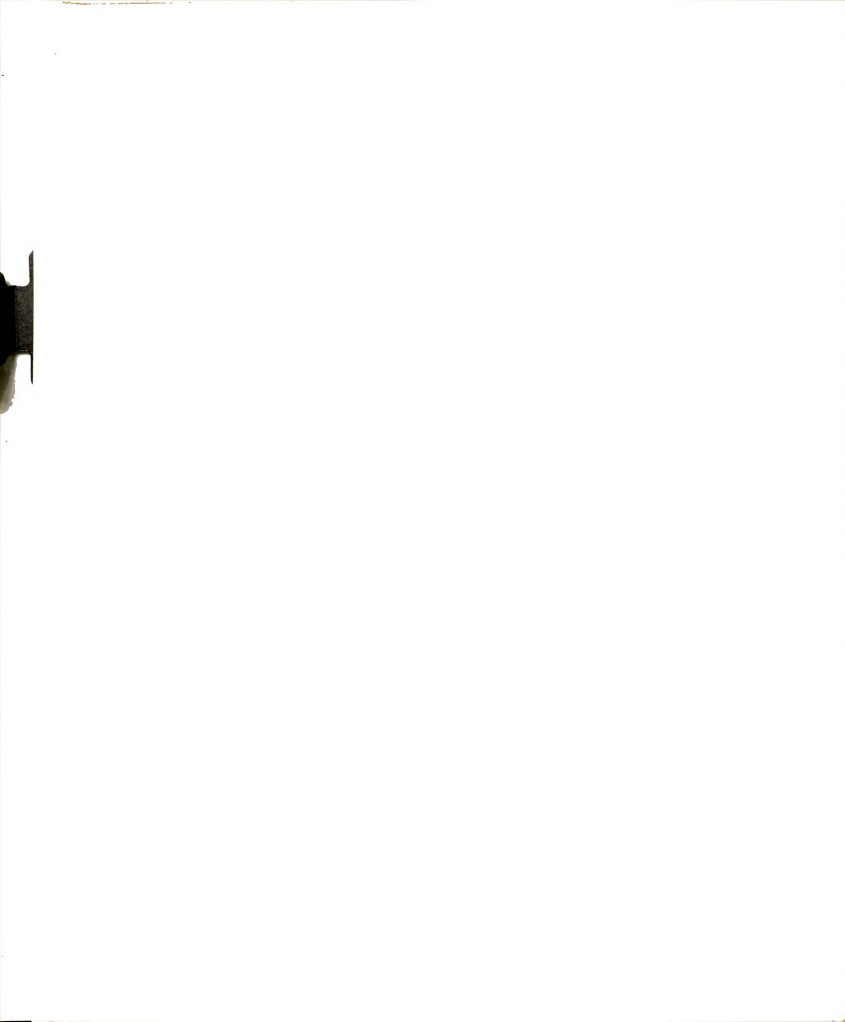


- B. What were the costs of the participation in coordinated bargaining?
 - 1. Strikes?
 - 2. Rank-and-file discontent?
 - 3. Relations with management?
- C. What were the structural changes as a result of coordinated bargaining?
 - 1. Was there any change in the make-up of the group that conducts the negotiations?
 - 2. What new functions did the people who were previously involved in collective bargaining assume after the coordination started?
 - 3. What changes occurred at the international level as a result of the coordination (international union headquarters--Milwaukee)?
 - 4. What changes occurred in your role, power and responsibilities?
- D. How do you evaluate the experience of coordinated bargaining?
 - 1. Are you satisfied with the tempo of the development of the coordination?
 - 2. Was the effort worth the achievements?
 - 3. What are the pitfalls of this endeavor?
 - 4. Who and what is responsible for the pitfalls?



E. What are the developments that you foresee in the future?

1. What developments would you like to see in the future in connection with coordinated bargaining?
2. Would you recommend coordinated bargaining to other locals in A.I.W.?
3. Do you think that coordinated bargaining might be a catalyst for union mergers?
4. How about the idea of exchange of locals among internationals?
5. What alternatives do you propose to coordinated bargaining in case Congress should prohibit such activity?
6. What should be done to promote or demote the idea of coordination among those that do not participate?



CHAPTER II

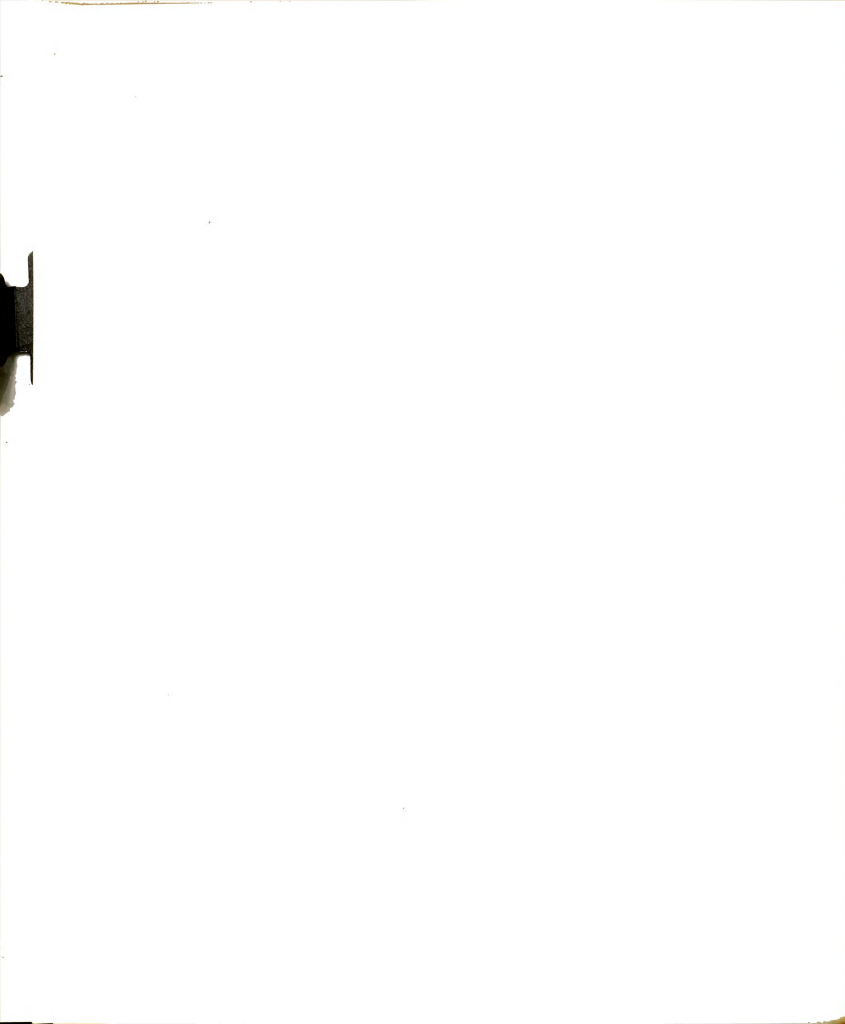
COORDINATED BARGAINING AT ESSEX INTERNATIONAL

INCORPORATED: A TOTAL FAILURE

The experience of labor unions at Essex International Incorporated in trying to establish a viable form of coordinated bargaining is a vivid example of one in which the efforts met with total failure. The reasons for this failure stem from two sources: (1) total management commitment in opposition to coordinated bargaining; (2) the inability of the labor unions to muster the necessary strength to overcome the road blocks in the way of most coordinated bargaining efforts.

The Company

Essex International (formerly Essex Wire) is one of the leading independent producers of wire and related products generally used in transmitting electrical current. Leading customers for the company's broad range of products are automobiles (mainly Ford) and construction, followed by appliances and electrical equipment manufacturers and utilities. As of December, 1971, the company owned 96 plants and 34 warehouses in 25 states, as well as in Canada and overseas, with a total of 20,000 employees. Although the



corporation is large, most of its plants are not; only four bargaining units contain over 1,000 workers. These small plants are spread, for the most part, over smaller towns in the Midwest, principally Indiana, Ohio, Michigan and Illinois (see Appendix A).

In recent years Essex International regrouped its operation into 11 main divisions. Each markets its own products and, in some cases, resells products made in the other divisions. These divisions, with headquarter locations, are as follows:

1. Communications and CATV (Decatur, Illinois)--manufactures overhead and underground communications wire and cable, electronic carrier systems for the communications industry and components and coaxial cable for CATV industry.

2. Controls (Logansport, Indiana)--manufactures and markets magnetic, gas, temperature and related control devices and systems and transformers.

3. Electro-Mechanical (Detroit, Michigan)--manufactures switches, coils, relays, solenoids and other convenience and safety devices for automotive, farm equipment and marine industries, as well as ignition wires and devices, battery cables, and other electrical components.

4. Industrial Wire Products (Sycamore, Illinois)--manufactures electrical wiring systems for appliance, refrigeration, air conditioning, aerospace and other

manufacturers, as well as extension cords, terminals and plastic moldings.

5. IWI (Fort Wayne, Indiana)--nationwide warehousing and selling organization for electrically oriented product lines and insulation materials.

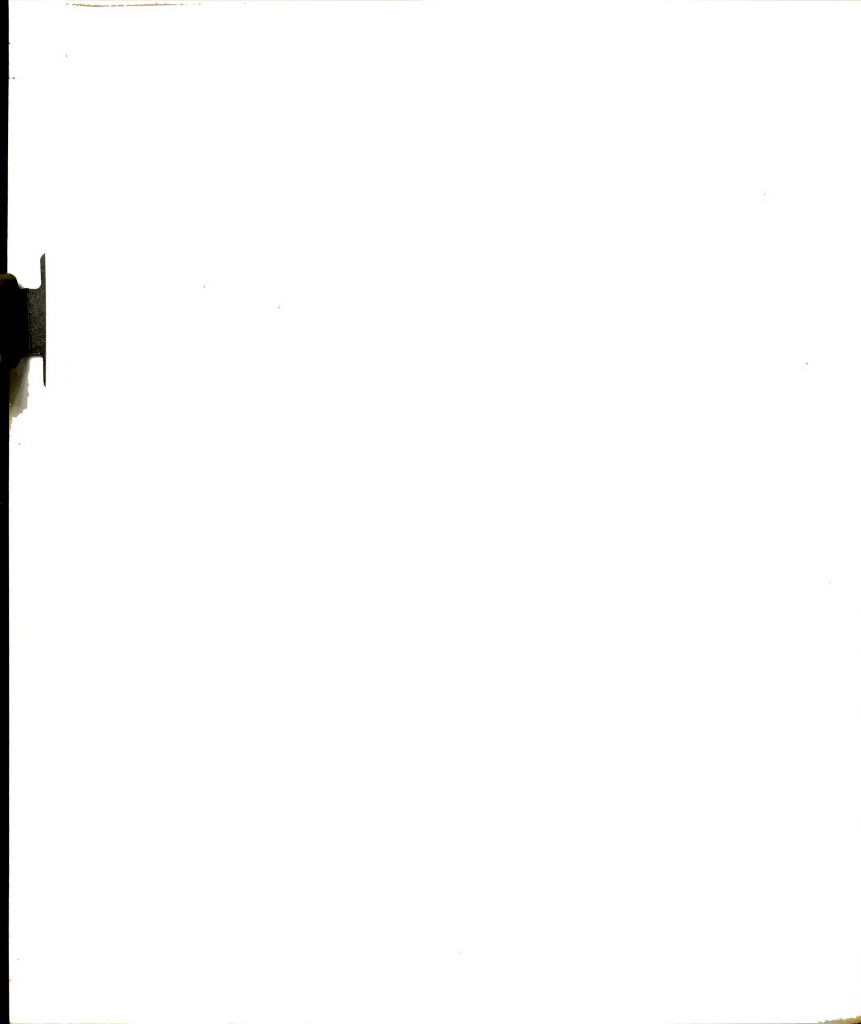
6. Magnet Wire (Fort Wayne, Indiana)--manufactures insulated aluminum and copper magnet wire for transformers, motors, controls, coils, generators and similar electrical devices.

7. Metal and Plastics (Andrews, Indiana)--manufactures brass and steel fittings, hose lines, flexible connectors and supplies for appliance, plumbing, machine tool and other industries; aluminum billet casting and extrusions for construction and general industry; and extruded plastics and molded parts for the appliance, utility, construction, communication and other industries.

8. Power Conductor (Marion, Indiana)--manufactures insulated aluminum and copper transmission, distribution and high voltage cable for utilities, power companies and municipalities.

9. Wire and Cable (Fort Wayne, Indiana)--manufactures electrical cable and wire for construction, mining, mobile home and other industries.

10. Wire Assembly (Detroit, Michigan)--manufactures electrical wiring systems for automobiles and for marine and



transportation industries in the United States, Canadian and European markets.

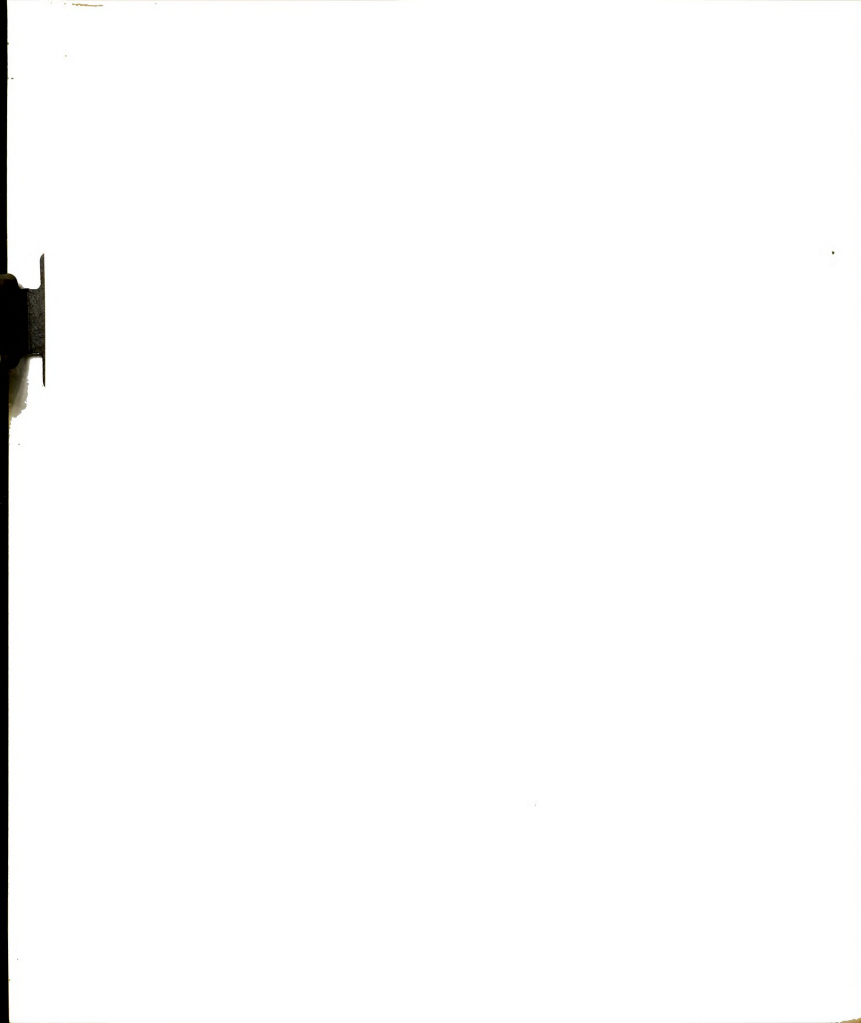
11. Essex/Casco (Belton, South Carolina)--manufactures and markets automatic electric blankets and heating pads, plus associated lines of consumer, therapeutic and health products through drug, pharmacy and housewares outlets.

In addition Essex owns the Transport Motor Express, Inc., a major commercial truck line, serving midwestern states through a network of freight terminals.

Financial Information

Company sales for the year ending December 31, 1971, totaled \$593.03 million, slightly higher than the \$588.51 million in 1970. While there was only a slight increase in sales, the rise in the company's profits was marked; after-tax profits in 1971 were \$30.78 million compared to \$23.62 million in 1970, an increase of 13.0 percent.

One measure of a company's performance is its "cash flow," which is the amount of money available for the payment of dividends, new acquisitions, new investments in present plants, increased wages and benefits for employees, and other purposes. This figure is the sum of after-taxes profits plus reserves for depreciation. In 1971 this figure was \$32.02 million, and it has been in a steady decline since 1967. Perhaps the most valid measure of a company's profitability is its rate of return on its net worth, or



shareholders' equity. The return of 1971 profits of \$30.78 million amounted to 13.7 percent, which is well above the national average of 9.1 percent for all corporations. However, since the figures used in the table for previous years are adjusted to reflect acquisitions and mergers, it is not possible to calculate accurately how well Essex International fared in previous years (see Table 1).

The most important financial and managerial activities of Essex International in recent years were its expansion through mergers and acquisitions of other companies. This expansion was of a horizontal, vertical and conglomerate nature, in which more than 25 on-going concerns were absorbed. Despite this tremendous growth and diversification, the company continued its centralized mode of operation, which was particularly reflected in its labor relations activities as is explained in the next section.

Management Practices in Labor Relations

The major characteristics of management practices at Essex International can be classified into two categories:

1. Maintenance of a centralized decision-making system on labor relations policies.
2. Development and maintenance of management domination in the collective bargaining process. The



Table 1.--Essex International, Inc. Financial Analysis 1965-1971.
(In Millions of Dollars)

Year	Sales	Profit After Taxes	Profits as a Percentage of Net Worth	Net Worth (Shareholders' Equity)	Depreciation	Cash Flow
1965	\$345.95	\$17.06	n.a.	\$ 99.76	\$ 6.63	\$23.69
1966	439.54	27.66	n.a.	124.80	7.94	35.60
1967	404.30	31.89	n.a.	151.54	9.82	41.39
1968	482.90	30.78	n.a.	171.52	8.94	39.32
1969	552.27	28.36	n.a.	193.58	10.14	38.11
1970	588.51	23.62	n.a.	205.04	11.58	35.20
1971	593.03	30.78	13.7	223.69	11.24	32.02

Sources: Moody's Industrial Manual (New York: Moody's Investors Service, 1973), p. 144; See also "Essex International, Incorporated, Contract Analysis" (n.p.: Industrial Union Department, AFL-CIO, Collective Bargaining Section, 1971), p. 4. (Mimeographed.)



combination of these two factors produces the desired results for the company, namely, preventing unions' attempts to establish coordinated bargaining.

Maintenance of a Centralized
Decision-Making System on
Labor Relations Policies

Since the early 1960's, the company has consistently developed detailed corporate guidelines for each and every location where collective bargaining takes place. The personnel and industrial relations department of the corporation, headed by a vice-president, prepares in detail all the provisions of the company offer. After the preparation of the offer by the corporate office, local management is briefed, and subsequently, the offer is presented to the union. In the majority of cases which were surveyed, the thrust of the negotiation was determined by the people from the corporate headquarters with local management being silent participants. Indeed, in some of the more crucial negotiations, the corporate vice-president himself participated and made the decisions. In all cases, union negotiators reported that local management could not make an independent decision concerning any of the important issues of the collective bargaining negotiations before securing approval from the corporate headquarters. This centralization of decision making has reflected itself in some significant areas:

a. Wages and fringe benefits--It has been a consistent feature over the years for Essex International to pay lower than average wages. The average hourly pay of a production worker at Essex International in 1962 amounted to \$1.95,¹ while the average hourly earnings of a production worker in manufacturing payroll in the United States in the same year was \$2.40.² The average top rate of the hourly worker represented by A.I.W. at the Logansport, Indiana, plant of Essex International was, in 1971, \$2.84,³ while the gross average hourly earnings of the production worker in manufacturing was \$3.56 in the same year.⁴ This factor, coupled with comparable low fringe benefits, made it possible for the company to reach favorable agreements by offering minor economic benefit improvements. The company's ability to "squeeze out" favorable contracts became evident on the

¹"Essex Wire Corporation; An Analysis Prepared for the I.U.D.--Essex Wire Corporation Committee Meeting at Chicago, Illinois, Chicago-Sheraton Hotel, October 28, 1962" (n.p.: Industrial Union Department, AFL-CIO, Research Section--JET, 1962), p. 9C. (Mimeographed.)

²U.S., Department of Labor, Bureau of Labor Statistics, Handbook of Labor Statistics 1967 (Washington, D.C.: Government Printing Office, 1968), p. 148.

³1969-1972 Agreement Between R-B-M Controls Division Essex International, Inc. of Logansport, Indiana and The International Union, Allied Industrial Workers of America, AFL-CIO, and Its Affiliated Local Union No. 668 (n.p.: [1970]), pp. 75-79. (Mimeographed.)

⁴U.S., Department of Labor, Manpower Report of the President (Washington, D.C.: Government Printing Office, 1973), p. 191.



issue of pension plans. Until 1965 there were no pension plans for the hourly unionized workers in any of the Essex plants. When the first pension plan was agreed upon in one of the plants in 1965, more and more local unions wanted to secure this benefit for their members. During the following years, the company has been willing to offer the pension plan to other locals, but not without demanding a significant price from the local unions in return. The company sought to spread, as much as possible, the expiration dates of the different contracts it has with the different local unions so that any attempts at coordination among unions would be frustrated. Thus, the company demanded contracts for three to five years in exchange for pension plans.

b. Renegotiating contracts before their expiration date--Ready to make use of economic offers in order to stop any attempts at coordination, and given the comparatively low wages, the corporation made it a habit to try to renegotiate contracts at the different locals well before their expiration dates. In order to frustrate the union's attempts to bring the dispersed expiration dates closer together, the corporation approached different local unions six months and sometimes a year before their contracts were due to expire and offered them a minor wage increase of 10 to 15 cents payable as soon as such a contract is signed in return for a new and longer contract. The local union representatives, having a very low-paid constituency, had a



difficult time resisting the offer, and thus, accepted the new contract, which served only to widen the dispersion of the expiration dates (see Appendix A).

Development and Maintenance
of Management Domination in
the Collective Bargaining
Process

As was mentioned earlier, Essex International has spread its operation over more than 130 locations, most of them in small towns in the Midwest. Their plants are usually small, with only a handful of plants having more than 1,000 employees. In some cases, the company has two or more plants which produce the same products so that in case of a strike production can be moved from one plant to another.

Another method by which Essex maintains its domination at the bargaining table is through the union recognition process. In order to prevent the concentration of too many employees of the company within one international union, and thereby make that union more powerful at the bargaining table, the company made it a practice to recognize a different international union every time it opens a plant. This was done by giving advance notice to certain unions of the opening of a new plant. This practice created a situation whereby 12 international unions (13 before the merger between the United Steelworkers and District 50) have local unions with Essex International, and none of them with a domineering position (see Appendix A). Over and above all



those factors is the fact that the corporate management is openly committed to oppose any attempts at union coordination, which are intended to bring balance at the bargaining table. A labor union official alleged that the vice-president of the corporation in charge of personnel and labor relations said:

Coordinated bargaining at Essex International will never succeed because we have paid low wages all along, and as soon as the company will feel that coordinated bargaining makes any significant progress we will grant wage increases on a selective basis enough to break the unions' unity.¹

The Attempts of the Unions to Coordinate
Their Bargaining

The frustration which the local unions encountered with low wages, low fringe benefits and the imbalance at the bargaining table made them realize that something had to be done to counteract management policies.

The idea of the need for coordinating the efforts of the different unions started to develop in 1962. At that time, Local 668 of the Allied Industrial Workers of America in Logansport, Indiana, went on a prolonged strike, lasting for nine months, from August, 1962, until May, 1963. The strike was marked by violence and by the fact that the company hired some 985 non-union workers to replace the striking workers. The reasons for the union strike were twofold:

¹From an interview given to the author by a union representative on July 10, 1973.



1. The union had achieved the union shop clause through previous bargainings and management wanted to eliminate it.

2. The company refused to grant any wage increases at a time when the union felt the company could afford it and the workers deserved it.

Under threats of plant closure, threats of firing the strikers, and violent actions at the picket line, the workers returned to work without achieving the goals which they set for the strike. The conflict continued long after the strike was settled because of unfair labor practices in which the company engaged by not reinstating some of the strikers. The issue was brought before the Twenty-Fifth Region of the National Labor Relations Board in Indianapolis, Indiana, and in November, 1963, the Board made its final decision:

The company has or will, with the exceptions noted below, offer reinstatement to their former or substantially equivalent positions with accumulated seniority throughout the period from August 11, 1962 to reinstatement for purposes of job tenure, lay off and recall to each of the employees listed as alleged discriminates in the complaints and amended complaints in the above cases, to each existing job in the plant.¹

The Board also decided that:

The company shall pay the total sum of One Hundred Thousand Dollars (\$100,000.00), to be distributed among the reinstated employees and the employees eligible for

¹The Settlement Agreement of the NLRB Cases Numbers 25-CA-1620, 25-CA-1705, 25-CA-1753 and 25-CA-1796, p. 2.



reinstatement pursuant to this agreement in the proportions and in the manner directed by the Regional Director of the Twenty-fifth Region.¹

At the beginning of 1964 another strike occurred at Essex, this time in Hillsdale, Michigan, where the plant was organized by the International Union of Electrical, Radio and Machine Workers (I.U.E.). The local union at Hillsdale appealed for financial support from other local unions of Essex International in order to carry on the struggle against the company. With memories fresh in their minds the workers of Local 668 of the Allied Industrial Workers of America in Logansport, Indiana, decided to aid the Hillsdale strikers financially. They also decided to send a delegation of local representatives and the regional representative to Hillsdale to investigate the possibility of coordinating the efforts of local unions both in and out of the A.I.W. vis-à-vis the company. As a result of this trip, a decision was made to call a meeting of all the local unions within Essex interested in coordinating their efforts against the company. On April 3, 1964, a meeting was called in the U.A.W. Hall in Hillsdale, Michigan, and representatives of local unions of the following internationals participated: Allied Industrial Workers of America; International Association of Machinists and Aerospace Workers; International Union of Electrical, Radio, and Machine Workers; International Union,

¹Ibid., p. 5.

United Automobile, Aerospace and Agricultural Implement Workers of America; and International Brotherhood of Electrical Workers. At this meeting an organization by the name of Intra-Council of Essex Wire Workers was established with the following purpose:

To exchange all information about contracts, strikes, etc. . . . and feed work through our respective research departments to gain as much knowledge about the Essex Wire Corporation across the country as possible. It was also suggested copies of all information should be forwarded to the I.U.D. in Washington. A request has been made to the I.U.D. for a conference of all Essex Wire plants.¹

In an attempt to explain the need for the establishment of this organization the minutes of this meeting conclude:

All the plants appeared to be dealt with the same Essex Wire manners: threats of pay cuts, wage freeze, plant movement, low wages and few benefits. All five international unions were eager to talk over their respective problems and all unions were very interested for information.²

In April, 1966, the Intra-Council of Essex Wire Workers adopted a constitution which defined the goals of the organization as follows:

The purpose of this council shall be to meet periodically to exchange mutually helpful ideas on working conditions and wage rates in plants owned and controlled by Essex International and to make recommendations for plans of action to secure living wages, pensions, group insurance programs and better working conditions for employees in the Essex chain.

If it is requested, each local or unit of an amalgamated local in the council, if financially able,

¹Intra-Council of Essex Wire Workers Minutes, Hillsdale, Michigan, April 3, 1964. (Mimeographed.)

²Ibid.

is expected to donate to a local or locals who are on a sanctioned strike.¹

But the hopes of the original founders of the Council did not materialize. The meetings of the Council, which grew to include all the organized plants of Essex and which met every three months, did not result in much headway in the direction of coordinated bargaining. These meetings, scheduled at a different central location each time, involved substantial monetary expenditures for the participating local unions but did not produce more than exchange of information. The main topics discussed at these meetings were: management attitudes in the different plants, the status of employment, and exchange of information about the nature and level of the contract settlements achieved by the different unions. Invariably, at each and every meeting a motion would be passed by the participants to focus on the principle of union coordination and a pledge to do more in the future to achieve this goal. Driven to frustration by the lack of achievements, and the financial burden, the Council voted and approved on January 22, 1972, a constitutional amendment which reduced the number of its meetings from four per year to two meetings per year.

The first attempt by the Industrial Union Department of the AFL-CIO to coordinate the activities of the unions involved, took place on February 19, 1964. At this meeting,

¹"Constitution and By-Laws of the Intra-Council of Essex International Workers," April, 1966.

representatives from 38 locals, belonging to seven international unions, heard and discussed a report from the I.U.D. coordinator. He also presented to the participants a limited comparative analysis of about 30 collective bargaining contracts. This analysis included plant locations, the organizational status of each plant, expiration dates and some comparison of wages and fringe benefits. The participants at this first meeting represented three levels of union officials: the local union, the regional office (regional representatives) and the international union. The discussion at that time centered around common expiration dates as a first step toward coordination. There was no discussion about other bargaining demands or any other advanced form of coordination.

This first meeting of the unions immediately drew sharp criticism from Frank L. Gallucci, then Vice-President of Essex Corporation in charge of personnel and industrial relations. A union official reminisced that Gallucci blasted the unions for trying to destroy collective bargaining and vowed that the corporation would do its best to frustrate these attempts. Threats of plant closure and transfer of production, offers of small wage increases and other pressure tactics applied by management frustrated the unions' goal to achieve common expiration dates for their collective bargaining agreements. Additional attempts to revive the coordination efforts were made by the I.U.D. at

the request of the Intra-Council of Essex Wire Workers in 1967, but again, these efforts did not succeed.

In 1970 a new initiative was taken by I.B.E.W. and U.A.W., who asked the I.U.D. to revive the coordinated committee at Essex International. A committee of international union representatives was convened on January 28-30, 1971, at which time analyses of 50 collective bargaining contracts were presented by the I.U.D. At the meeting of the local representatives which followed the president representatives' meeting, a plan of action was discussed. This time the discussion centered around concrete issues of coordinated bargaining:

Discussion ensued concerning program of collective bargaining goals which should be considered for coordination during 1971. The IUD Coordinators suggested a program which would include:

1. a. Life insurance--a minimum of \$5,000.
- b. AD&D--\$5,000.
- c. S&A benefits equal to \$60.00 per week payable the first day of accident, 8th day of illness for a period of 26 weeks, and 6 weeks in the event of pregnancy.
- d. Hospitalization--full semi-private coverage for 365 days.
- e. Miscellaneous hospital charges to be paid in full on a customary and reasonable fee basis.
- f. Surgical benefits--full payment on a customary and reasonable basis.
- g. Major Medical--
 - (i) \$20,000 maximum per disability.
 - (ii) \$50 deductible per year with a maximum of 2 deductibles per family unit.
 - (iii) Co-Ins.--85% company paid--15% employee paid.
- h. A paid prescription drug program.
- i. Dental coverage.
- j. All insurance to be provided on a non-contributory basis.
2. A modern non-contributory pension program.

3. Cost-of-living clause providing a 1¢ per hour wage increase for each .3% change in the Consumer Price Index without restriction on the amount of such increases with adjustment on an upward only basis.
4. Ten paid holidays.
5. A vacation schedule calling for 1 week after one year, 2 weeks after 3 years, 3 weeks after 10 years, 4 weeks after 20 years, and a vacation bonus equal to two weeks pay for each week of time off.
6. Expiration date to fall in any of the following 4 months: May, June, July or August in either 1972 or 1973.¹

But even this discussion, though more specific than ever before, did not advance the status of the coordination effort. The agreed-upon proposals became guidelines for the different locals then in the process of bargaining with the company, but, in fact, each local settled for what it was capable of securing from the company as a result of its own negotiations. In the following year, 1971, the I.U.D.-Essex International Committee decided on a new approach:

"To try to coordinate certain product lines of Essex within themselves. The product lines selected are: (1) Wire and Cable, (2) Magnetic Wire, (3) Appliances, (4) Harness."²

Also, in 1971, the goals of collective bargaining were set in a less detailed fashion. Moreover, a major emphasis was given to the goal of achieving common expiration dates in 1974. But even these new initiatives were doomed to fail

¹Memorandum to I.U.D.-Essex International Committee, from Earl H. Kipp, Coordinator, Collective Bargaining Section, March 2, 1971, Allied Industrial Workers of America, Research Department files, Milwaukee, Wis.

²Memorandum to I.U.D.-Essex International Committee, from Earl H. Kipp, Coordinator, Collective Bargaining Section, September 1, 1971, A.I.W., Research Department files.

because of management commitment against coordinated bargaining. In the following year the company continued its policy of renegotiating contracts before their expiration dates in order to frustrate the efforts at achieving a common expiration year. Ironically, the president of the Intra-Council of Essex Wire Workers, who was supposed to be a leader in this effort to achieve common expiration dates, led his local early into negotiations with the company and extended its contract beyond the 1974 target year. Shortly after this episode, this union official joined the management team by accepting a position as a personnel director in one of Essex International's plants.

The company also continued its practice of granting recognition to new internationals in their new plants (by 1972, 14 internationals had local unions in Essex International). As a result of pressure put on the Industrial Union Department by several international unions and by the Intra-Council of Essex Wire Workers, the I.U.D. Coordinator sent, on October 10, 1972, the following letter to all presidents of the international unions involved in the Essex committee:

Discussion with several of the members of the President's Committee indicates the need for a thorough review of the IUD-Essex International Coordinated Bargaining situation. The year 1973 can be of great significance in respect to this committee as better than a quarter of all units have contracts which must be negotiated during the year.

There have been certain changes in the bargaining strategy of the Company that have resulted in contracts

being negotiated earlier than expected and for lengthy periods of time. Because of these reasons, I am calling a President's Committee meeting for 10:00 A.M., Monday, December 11th in New Orleans, La.¹

The discussion at this meeting centered around the problem of the lack of commitment to coordinated bargaining of the local unions and the need to educate the local officials and membership to the merits of coordinated bargaining. A suggestion was made to publish a newsletter which would be made available to all local unions and their members. This idea was, however, tabled by the Allied Industrial Workers' representative (the reasons for this action will be discussed later in this chapter). Union participants also discussed the need to block the management practice of recognizing new unions each time a new plant opened, but it was apparent that very little could be done since it involved unions which did not participate in the meeting. At the time of this writing the efforts to establish a viable coordinated bargaining at Essex International Inc. were very much at a standstill.

Summary and Evaluation

The unions' attempts to coordinate their bargaining at Essex International is probably one of the best examples of a complete failure to achieve their goals even though this is an excellent example of a situation where unions

¹A letter addressed to Gilbert Jewell, President of Allied Industrial Workers of America, from Earl H. Kipp, Coordinator, I.U.D.-Collective Bargaining Section, October 10, 1972, A.I.W., Research Department files.



needed to coordinate their bargaining. The reasons for the failure are manifold. First and foremost has been management's commitment to oppose this kind of effort. Essex International demonstrated that, given a low-paid working force combined with an appropriate labor relations policy, a company can prevent the establishment of coordinated bargaining. Another reason for the failure was the lack of a dominant union which would have led the coordination drive. In this company there are 14 international unions representing a multitude of local unions, but none of the internationals really holds a leading position when it comes to the number of employees they represent. This factor can possibly be considered a reason for the difficulties in establishing a viable coordinated bargaining program; a strong leading group can probably be a catalyst in the formation of a nucleus of a successful effort. The various international unions and the I.U.D. coordinators realized that a viable program could not be established in the existing situation, and consequently were unwilling to commit themselves fully to this venture. A vivid example of this reluctance is the case of tabling of the motion to establish a newsletter which was supposed to increase the workers' support for coordinated bargaining. The people who opposed the newsletter did so because they did not want to raise the expectations of the union members in a situation where those expectations could not be fulfilled.



In spite of the failure to achieve coordinated bargaining, this continuous effort has had its limited achievements. The most important achievement is the exchange of information which was produced through the meetings. The different local unions were able to learn the company's policies in the different plants, the level of wages and benefits achieved by other local unions, and generally became more informed of what to demand and expect in their own negotiations with the company. Moreover, some union leaders believe that the threat of coordinated bargaining caused the corporation to establish a pension plan, improve the insurance plans and grant larger wage increases. But the costs associated with this effort were big; aside from the emotional costs associated with frustration resulting from the lack of success, there were also the economic costs. First are the costs involved in the periodic meetings of the Intra-Council and I.U.D. councils traveling expenses, the cost of time-off from work for the representatives and other incidental expenses. In addition, there were some costs involved from the unsuccessful attempts to achieve the goals of coordination, such as in the case of a local union of the United Brotherhood of Carpenters and Joiners of America, at Monticello, Indiana, that attempted to achieve a contract that would expire in the target year.¹ The local union tried to negotiate this provision and when

¹See item 6 in the quotation on page 54.



it did not succeed at the negotiation table it struck, but the steadfastness of the company on the issue forced the workers to return to work without achieving its desired goal.

In assessing the achievement of this effort so far and its future, one I.U.D. coordinator concluded that it would take the efforts of the entire labor movement and its resources, of the kind demonstrated in the G.E. case, if coordinated bargaining is ever to be achieved at Essex International.¹

¹From an interview with Earl Kipp in Detroit, Michigan, on September 5, 1973.



APPENDIX
CHAPTER II

APPENDIX A

ESSEX INTERNATIONAL, INC.

PLANT LOCATIONS, ORGANIZATIONAL STATUS, SIZE OF
BARGAINING UNIT AND CONTRACT EXPIRATION DATES

Contract Expiration Dates	Organiza- tional Status	Plant Location	Size of Bargaining Unit
<u>1973</u>			
2/1	IAM D.# L.#1553	Rockford, Ill.	130
2/4	IAM D.#117 L.#1424	Reading, Mich.	300
2/5	IAM D.# L.#2245	St. Thomas, Ont.	85
2/6	USA #13664	Flora, Ind.	35
2/17	IBT #327	Nashville, Tenn.	n.a.
2/31	IAM D.#28 L.#825	Lancaster, Ohio	260
3/15	IUE #287	Bridgeport, Conn.	535
4/6	UAW #1663	Elwood, Ind.	255
5/4	UAW #417	Troy, Mich.	200
5/21	IBEW #1921	Wauseon, Ohio	430
6/1	IAM D.#28 L.#1628	Zanesville, Ohio	1,200
6/1	IBEW #2288	Darlington, Wis.	80
6/8	IUE #810	Hillsdale, Mich.	125
6/16	UAW #524	Fenton, Mich.	135
7/21	IUE #112	Easton, Pa.	215
8/1	IUE #708	Lexington, Ohio (Mansfield)	410

Appendix A.--Continued.

Contract Expiration Dates	Organiza- tional Status	Plant Location	Size of Bargaining Unit
8/24	IBEW #1752	Dekalb, Ill.	215
9/7	IBEW #2015	Danbury, Conn.	350
9/15	IBT #315	Richmond, Calif.	n.a.
9/30	IBEW #786	Los Gatos, Calif.	135
10/31	IUE #837	Ft. Wayne, Ind.	50
11/7	IBEW #1031	Chicago, Ill. (Jensen)	90
11/23	IBT #249	McKees Rock, Pa.	135
12/31	IBEW #1710	Los Angeles, Calif. (Chatsworth)	200
<u>1974</u>			
1/1	IBEW #1031	Chicago, Ill. (Bunker-Ramo)	125
1/15	IBT #	Ft. Wayne, Ind.	n.a.
1/21	IBEW #1270	Tiffin, Ohio	130
1/23	AIW #270	Peru, Ind.	245
2/8	IBEW #2252	Hollywood, Fla.	200
2/9	IMAW #120	Coldwater, Mich.	n.a.
2/10	IAM D. L.#2450	New Market, N.H.	30
2/19	URW #851	Topeka, Kansas	75
3/1	IBT #929	Conshohocken, Pa.	n.a.
3/20	UAW #692	Muncie, Ind.	300
3/25	AWIU #112	Boonville, Ind.	60
3/31	USA #7030	Ingersoll, Ont.	280

Appendix A.--Continued.

Contract Expiration Dates	Organiza- tional Status	Plant Location	Size of Bargaining Unit
4/1	AIW #184	Ft. Wayne, Ind.	130
5/17	UAW #875	Union City, Ind.	75
5/31	IUE #763	Lima, Ohio	170
7/2	IBEW #1112	Jonesboro-Marion, Ind.	540
9/23	AIW #509	Vincennes, Ind.	120
10/21	AIW #305	Fowler, Ind.	115
10/30	IBEW #1080	Lancaster, Ohio	450
11/19	UAW #1497	Lafayette, Ind.	80
12/5	IMAW #120	Quincy, Mich.	n.a.
<u>1975</u>			
2/16	UAW #943	Goshen, Ind.	150
3/1	IAM D.#90 L.#716	Lafayette, Ind.	300
3/1	ICWU #604	Jeffersonville, Ind.	75
3/4	IAM D.#39 L.#982	Berrien Springs, Mich.	250
3/21	UAW #1373	Kendallville, Ind.	90
4/14	IBEW #1975	Wabash, Ind.	290
4/23	IAM D.#59 L.#2117	Kenton, Ohio	260
5/1	UAW #1383	Dunville, Ont.	525
5/28	AIW #473	Decatur, Ill.	125
6/17	UAW #441	Ligonier, Ind.	400
12/1	IBT #235	Anaheim, Calif.	125

Appendix A.--Continued.

Contract Expiration Dates	Organiza- tional Status	Plant Location	Size of Bargaining Unit
12/3	AIW #668	Logansport, Ind.	715
12/15	IBEW #1578	Sycamore, Ill.	150
<u>1976</u>			
11/30	IBEW #1623	Zanesville, Ohio	1,200
<u>1977</u>			
1/1	AIW #307	Andrews, Ind.	210

Source: A.I.W., Research Department files, n.d.

CHAPTER III

COORDINATED BARGAINING AT EATON CORPORATION: THE STRUGGLE FOR UNION COMMITMENT

This case will examine the repeated effort of unions to reach the elusive stage of total commitment toward coordinated bargaining. This case is an excellent illustration of how the lack of such commitment led to repeated failure to achieve the goals of the coordinated bargaining committee. This case will also examine the impact of the development of different stages in the life of a conglomerate on the positions and actions that unions undertake.

Because of strong management opposition to coordinated bargaining and interunion rivalry, efforts were centered around minimal goals, in order first to establish successful results and eventually to enlarge both the scope of the goals and number of participants. As will be clarified later, this strategy never overcame the first hurdle, because of the inability of the union leadership to estimate accurately the importance and magnitude of the interunion conflicts among the participants.

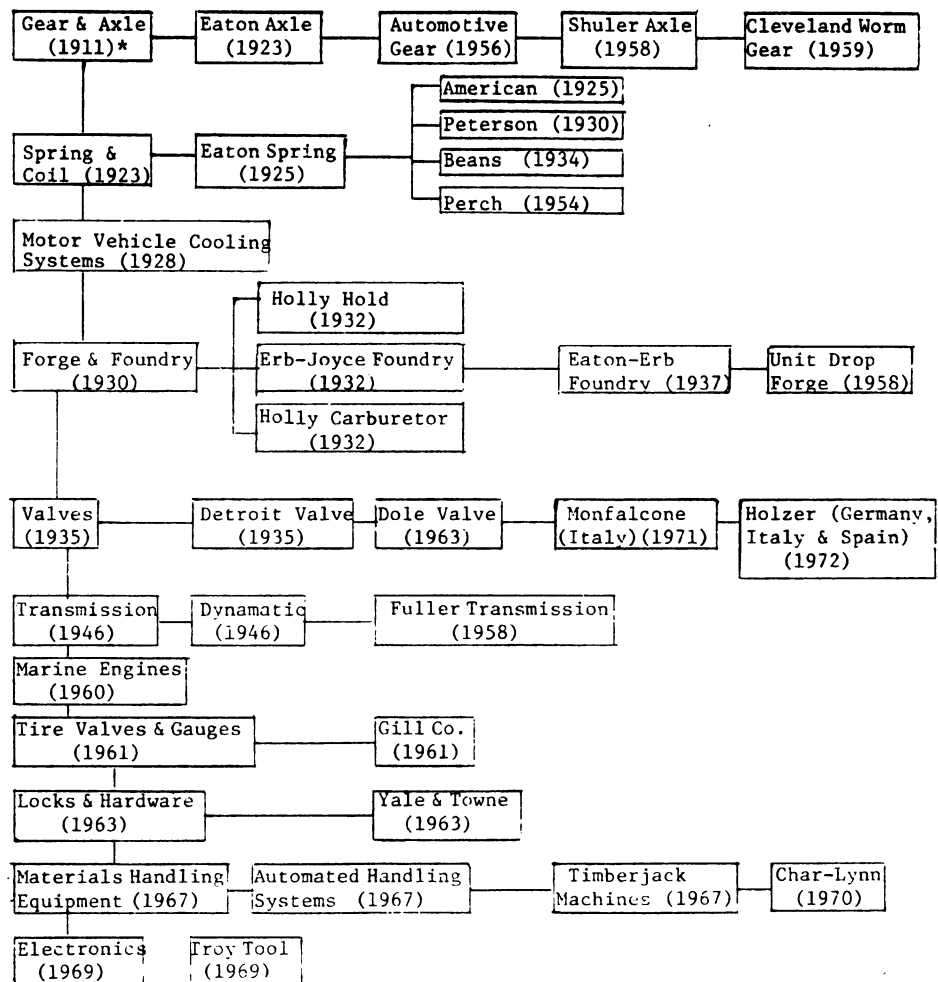
The Company

The Eaton Corporation was incorporated in Ohio on August 28, 1916, as the Torbensen Axle Co. with several intervening name changes until the adoption of the present name on April 21, 1971. Eaton Corporation is a relative newcomer to the conglomerate fold and maintains a leading position as supplier of parts for heavy-duty trucks, other trucks and cars. An active and vigorous acquisition program and rapid expansion abroad will undoubtedly lead to further growth in the near future (see Figure 1). In 1972, Eaton Corporation ranked 125th among the leading 500 industrial corporations in the United States, according to Fortune Magazine, and employed in 1972, 45,335 employees.

The company manufactures about 4,000 products in the following categories: truck and off-highway vehicle components; locks and hardware; automotive and controls products; material handling equipment; power transmission systems and general products for industrial and agricultural equipment.

Major industries served by Eaton are: appliance, automotive, aviation, building, basic metals, food and beverage, farming and logging, hydraulic, material handling, metalworking, mining, plumbing and heating, power transmission, textile and trucking. The major sales income breakdown among Eaton Corporation's lines of business in 1971 is described in Table 1:

Operating
Divisions



*The numbers in parenthesis indicate year of acquisition.

Source: Moody's Industrial Manual, 1973, pp. 1093-94.

Figure 1.--Eaton Corporation: Product Extension Through the Major Acquisitions.

Table 1.--Eaton Corporation: Net sale and pre-tax income by line of business.

Line of Business	In Millions of Dollars		In Percentage	
	Net Sales 1972 1971	Pre-Tax Income 1972 1971	Net Sales 1972 1971	Pre-Tax Income 1972 1971
Vehicle & vehicle components	871 734	101 79	71.2 70.8	76.5 76.7
Industrial power transmission systems and components	127 108	16 11	10.4 10.4	12.1 10.7
Security products and systems	74 72	3 4	6.1 7.0	2.3 3.9
All other products	151 122	12 9	12.3 11.8	9.1 8.7
Totals	1223 1036	132 103	100 100	100 100

Source: Moody's Industrial Manual, 1973, p. 1094.

Total sales increased in 1972 by \$188 million over the same period in 1970, which is a modest 18 percent, while net income increased from \$57 million in 1971 to \$70 million in 1972, an increase of 22 percent. It is interesting that both sales and profits are at the highest point in Eaton's history and it looks like 1973 will bring new records (see Table 2).

Eaton's financial well-being is attested to not only by its increased net income in 1972 but also by the rate of return on the net worth of stockholders' equity. For all industries in the United States in 1971, the average return on stockholders' investment was 9.1 percent. Eaton's return was 11.8 percent, obviously much better than average among all industries in the United States.

Another test of a company's financial soundness is the ratio of assets to liabilities. While the ratio for all manufacturing corporations in the United States was 2.2, Eaton's ratio was 2.72 in 1972.

Another indicator of Eaton's economic position is the great amount of capital expenditures which, in 1970, amounted to \$55 million, in 1971 to \$59 million, and in 1972, capital expenditures were \$55 million. Most of the company's expansion is through acquisitions and joint ventures, primarily in business outside the United States which accounts for more than a quarter of its



Table 2.--Eaton Corporation: Comparative financial analysis 1967-1972.

Year	Net Sales	Net Income	Total Stockholders' Equity	Ratio of Current Assets to Current Liabilities	Net Income as a Percent of Net Worth
1967	\$ 750,664,387	\$31,778,022	\$312,703,479	2.69	10.16
1968	889,826,346	49,198,454	361,770,204	2.32	13.59
1969	1,054,309,158	60,887,080	413,214,387	2.04	14.73
1970	997,433,972	47,263,706	447,555,750	2.11	10.56
1971	1,035,662,000	57,040,000	481,521,000	2.96	11.85
1972	1,223,069,000	70,392,000	524,341,000	2.73	13.45

Source: Moody's Industrial Manual, 1973, pp. 704-706.

sales.¹ Another big expansion was announced in 1973 with the entry of the corporation into the automotive service center market, scheduled for early 1974. Present schedules call for the opening of 16 service centers in the central part of the United States by mid-1974 and a total of 50 by the end of 1974. The company authorized expenditures of up to \$13 million through 1975 for this venture.

Management Practices

The changes in management practices which unions face as a result of the establishment of a conglomerate corporation are exemplified in the case of Eaton Corporation. Those changes are related to the transfer of the ownership from the local level to a large corporate body. This transfer of ownership through mergers or acquisitions is not merely a transfer of assets, but is accompanied by a change in management outlook toward the particular operating unit.

Prior to the acquisition stage the particular plant was the main concern, and in most cases it was managed by the local owners. This meant that at the bargaining table the local union faced local management which made all the decisions about the operations of the plant. With the transfer of the ownership the particular operating unit becomes part of a larger business entity and its operation

¹"Eaton Corporation to Post Sharp Earnings Gains in Quarter and Half," Wall Street Journal, July 20, 1972, p. 21.



is but a part of broader considerations. Because of this change and because the main concern of conglomerates centers around financial considerations, the major decisions are transferred from the local level to the headquarters level. The union can no longer settle all issues with local management because some of the more important issues are decided at the headquarters level.

Furthermore, whatever balance of power was established at the bargaining table between management and union prior to the acquisition is changed with the transfer of the ownership.

An example of the ramifications of these changes is shown by the development of labor-management relations at the Fuller Transmission Division of Eaton Corporation in Battle Creek, Michigan. In 1958, Eaton acquired Fuller Transmission, a subsidiary of Shuler Axle Company and a division of Unit Drop Forge Company. Fuller Unit Drop Forge and Shuler Axle are all Eaton properties today, and each is operated as a separate division. Before the acquisition, Fuller Transmission was a locally owned plant, organized by Allied Industrial Workers local union in 1947. As a result of a strike which took place in 1947, a balanced relations between management and the union was established. The plant has always been on an incentive system with high-paying jobs, but the system was considered a relatively inefficient one. Nevertheless, the company remained a profitable operation. After purchasing Fuller Transmission,

Eaton maintained the same management and permitted the loose incentive standards to continue while an educational process began in which the membership was made aware of how real incentive systems work. The company did that by training, at its own expense, union time-study men. The result was that in 1960 certain readjustments were accepted by the local union which affected incentive rates without changing contract language. In 1963, the incentive system was entirely rewritten by both the union and the company to their satisfaction.

The turning point in the relationship came in 1966 when Eaton appointed the labor relations director from the corporate headquarters to be plant manager at Fuller Transmission. In the contract negotiations of that year, the company rejected some union demands which normally would have been considered inconsequential issues; they related to contract language on vacation and bereavement pay. As a result of this rejection, the membership voted to strike, and did so for 30 days. Despite the pressure, the company would not yield to union demands, and the employees returned to work without achieving their demands. Because of this incident, management seemingly established for itself a superior position at the bargaining table. According to the international representative of the union, the plant has generated a large number of arbitration cases compared with other plants in the same industry.

Most of these involved incentive pay issues and discharge cases. Union representatives also reported that management representatives made repeated threats to transfer the operations from the plant in Battle Creek to two other plants in Tennessee and Iowa that produce the same heavy-duty transmissions. Other reports stated that from the beginning of contract negotiations the headquarters industrial relations director is on the scene and an active participant in negotiations. Since 1966, the union has tried, among other things, to change the pension plan in order to improve the security of its members in case the company makes good its threats to close the plant, but the company stands fast against this change. This issue of the change in the pension plan will be discussed in more detail later since it became the focal point of the coordinated bargaining committee. Under the new conditions the local union no longer can effectively fulfill its mission; the major decisions are no longer made by local management, but rather, by the corporate management. The balance of power, which the union leadership perceived prior to the acquisition, no longer exists because the union is now faced with an economic giant. The local union leadership perceives that the economic power which it alone possesses is no longer sufficient to balance the power of Eaton Corporation at the bargaining table.



The Efforts to Establish Coordinated
Bargaining

The first serious attempt to establish coordinated bargaining at Eaton Corporation was made by the I.U.D. in 1967 at the request of the United Automobile, Aerospace and Agricultural Implement Workers of America (U.A.W.). On June 14, 1967, representatives of the U.A.W., Allied Industrial Workers of America (A.I.W.), International Association of Machinists and Aerospace Workers (I.A.M.), United Steelworkers of America (U.S.A.) and of I.U.D. met in Washington, D.C., to examine the possibilities of establishing a program of coordinated bargaining at Eaton. The impetus for this meeting at that time came from the fact that during the last quarter of 1967, working agreements covering some 7,500 Eaton workers expired (see Table 3). This was a significant factor since it meant that half of the unionized maintenance and production workers had their contract expiration dates very close to each other.

The participating international union representatives discussed the establishment of such a coordinated bargaining committee with considerable apprehension stemming from fear of domination by the U.A.W. if such a venture were launched. The fear of domination by U.A.W. was based on two facts:

1. U.A.W. had more than half of the total number of workers involved in this coordinated bargaining committee.



Table 3.--Contract expiration dates at Eaton Yale and Towne in 1967.

Plant Location	International Union and Local Number	Number of Employees in the Bargaining Unit	Contract Expiration Date
Forrest City, Ark.	USA #5681	450	2/28/67
Gallatin, Tenn.	USA #5034	700	5/21/67
Cleveland, Ohio	MESA #21	1936	8/1/67
Kenosha, Wis.	IAM #34	550	9/1/67
Roanoke, Va.	USA #4505	50	9/1/67
Cleveland, Ohio	UAW #263	472	9/7/67
Battle Creek, Mich.	UAW #196 ^a	1400	10/29/67
Milwaukee, Wis.	UAW #407 ^a	300	10/29/67
Cleveland, Ohio	UAW #307 ^a	240	10/29/67
Cleveland, Ohio	UAW #625 ^a	325	10/29/67
Detroit, Mich.	UAW #368 ^a	528	10/29/67
Marshall, Mich.	UAW #220 ^a	700	10/29/67
Warren, Mich.	UAW #190 ^a	61	10/29/67
Chicago, Ill.	UAW #53 ^a	850	10/29/67
Lackawanna, Pa.	USA #2267	179	10/29/67
Vassar, Mich.	AIW #564	480	11/1/67
Saginaw, Mich.	AIW #433	900	11/2/67
London, Ontario, Canada	UAW #27	350	11/15/67
Richmond, Ind.	IAM #2143	375	12/31/67

Source: Memorandum from R. W. Humphreys, Administrative Assistant to the President of A.I.W., to Carl. W. Griepentrog, President, Allied Industrial Workers of America, July 1, 1967, A.I.W., Research Department files.

^aUnder a U.A.W. master agreement.



2. The majority of the labor contracts involved in this venture traditionally followed the pattern established in the auto industry as negotiated by U.A.W.

The U.A.W. representatives at this meeting assured them that such domination would not be attempted by their union if coordination was established. After the fears of the participants were alleviated, they decided to attempt a full coordination among all the local unions whose contracts expired in the last quarter of 1967.

On July 27, 1967, local union representatives, regional representatives and international officers of all the unions involved in collective bargaining with Eaton Yale and Towne met in Cleveland, Ohio, to lay the groundwork for the coordinated bargaining effort. Two major obstacles were evident in this meeting:

1. The contract of the I.A.M. local union from Kenosha, Wisconsin, expired in September, and in order for the Kenosha local to get the expiration date in line with the majority of the group it had to stall its negotiations with the company.

2. The A.I.W. local union from Saginaw and the regional director of this local did not participate in this meeting and later expressed disinterest in participating in the coordinated bargaining effort. In defense of their stand, these officers argued that the coordinated bargaining was a U.A.W. show of strength. This argument and an

old interunion rivalry which still persisted in Saginaw between U.A.W. and A.I.W. led to the latter's decision not to participate. Under considerable pressure from the A.I.W. international president and his assistant, this local finally agreed to participate, but as it turned out, not for long.

The first problem was solved temporarily by the Kenosha local union agreement to participate in the coordinated bargaining committee with a proviso that under any coordinated settlement achieved, its members would get retroactive benefits.

Plans for full, coordinated bargaining were made during the months of August and September. When the company was approached by the coordinated bargaining committee to bargain for all the units, the company refused. In the meantime, the Kenosha local tried to stall its negotiations, but management would not stand for it and the local went on strike. They did so in order to keep the agreement among the unions so that all locals could put pressure on the company at the end of October when most of the contracts expired.

Negotiations with the company on the U.A.W. master agreement started in October, and simultaneously the other unions started their negotiations. In the negotiation committee of the U.A.W. team representatives of all the other international unions participated, and it seemed the unions would accomplish the common goals which they set for themselves. A few days before the contract deadline, and



without prior notice, the A.I.W. local from Saginaw, under the leadership of the regional director, announced that it had reached an agreement with the company. The unity among the unions had been broken; one by one the rest of the locals followed suit, and signed their contracts with the company. The coordinated bargaining failed, and hardest hit was the local union from Kenosha which had to bear the cost of a strike.

The failure of the unions to achieve coordination in the 1967 negotiations did not eliminate the reason that led unions to attempt coordination. Yet the blow dealt to mutual trust by one of the leading local unions left severe scars on this effort for several years.

After the failure of the 1967 attempt, the president of A.I.W. commissioned the research director of his union to conduct a study to evaluate whether A.I.W. should form an independent council of their local unions employed by Eaton Yale and Towne Corporation. The study, completed in early 1969, showed that A.I.W. had at that time eight local unions with about 3,300 members under contracts with Eaton Yale and Towne. This analysis showed that the contract expiration dates were spread over a period of two years, and more important, that the contracts were significantly different in some of their provisions, especially in the area of pension and insurance. The recommendation of the research director was that the establishment of an A.I.W. council,



which would attempt to negotiate a master agreement for all the local unions, could be beneficial for the membership. In August, 1969, a meeting of eight locals and the regional directors was called in Milwaukee by the international president of A.I.W. At this meeting all the representatives agreed to the establishment of such a council and entrusted the union president to approach the company to discuss the possibility of negotiating a master agreement covering pension and insurance for all A.I.W., Eaton Yale and Towne local unions. At a meeting of top management and the leaders of A.I.W. which took place on December 4, 1969, the issue of negotiating with an A.I.W. union council was completely rejected by the company on the grounds that it would impair management flexibility. As a result of this management decision, the functions of the A.I.W. council remained limited and consisted mainly of exchange of information.

Because of a decline in key segments of the capital goods and automobile industries, Eaton suffered sharp declines in profits in 1970 (see Table 2). This factor led the company to announce the closure and transfer of production in a few locations. The first such closure took place in August, 1971, following a union strike at a plant in Cleveland which was organized by A.I.W. This closure and the announcement of further closures in the near future reactivated a concern which unions had for quite some time over the issue of pensions benefits in case of



plant closure. Traditionally, Eaton Corporation had a system of establishing independent pension plans for each of its operations. Normally this kind of arrangement would have been satisfactory since the plans were actuarially sound. However, when the company started to discontinue operations, they proved to be disadvantageous to the workers. The closure of an operation and the closure of the pension plan with it meant that most of the workers did not receive all their pension benefits accrued during the years of work at Eaton. This situation was possible since the company is not required by law to maintain 100 percent reserves against its liabilities in a pension plan. Thus, workers who thought that they were accumulating pension rights found themselves in a situation where only part of those rights could be realized in time of plant closure, even though Eaton Corporation remained in business elsewhere. In order to prevent such unexpected losses the unions started to demand that all the separate pension plans be put in a common pension fund for the entire corporation. If no plant closed, this change would not have caused any consequential cost for the company. But in case of a company decision to close one of its plants, the workers of this plant would be able to draw from the common pension fund 100 percent of the earned pension rights.

Faced with the grim results which the workers of the A.I.W. local in Cleveland suffered and the impotence of

the A.I.W. council to convince the company to establish a common pension fund for all the A.I.W. locals, the president of A.I.W. asked the I.U.D. to investigate the possibility of reactivating the coordinated bargaining committee. It took the I.U.D. almost nine months to assemble the necessary information and the agreement of the major participating unions for such a meeting which took place on June 27, 1972. The meeting was attended by 40 local union delegates and staff representatives from the following six international unions: Allied Industrial Workers of America (A.I.W.), International Association of Machinists and Aerospace Workers (I.A.M.), International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America (I.B.T.), International Molders and Allied Workers Union (I.M.A.W.), United Automobile, Aerospace and Agricultural Implement Workers of America (U.A.W.) and United Steelworkers of America (U.S.A.). Considerable discussion took place on the I.U.D. economic presentation prepared for this occasion and on the major issues of pension and insurance. At the end of the meeting the delegates expressed their unanimous recommendation to establish a presidents' committee which will make plans for an effective coordinated bargaining committee. The memories of the 1967 fiasco were not easy to overcome; the presidents' committee met repeatedly to try to hammer out a program of coordination which would be both acceptable and workable



for the participants. On July 10, 1973, the presidents' committee met in Washington, D.C., and tentatively agreed to start a very narrowly defined program of coordination in the fall of that year.

In order to understand the events of the 1973 coordinated bargaining effort, it is necessary to review the events as they unfolded from the vantage point of A.I.W. Local Union 433 in Saginaw, Michigan. The Eaton plant and the local union there are over 30 years in operation. The plant employs today some 800 maintenance and production workers, but in the past it employed more than 1,200 workers. The local contract negotiations traditionally followed the auto industry pattern. In addition, the local union operated traditionally under the shadow of a big and powerful U.A.W. council which had more than 8,000 members working in the auto industry in town. The old officers of the A.I.W. local still remember the interunion feud which they had had with the U.A.W. in the not so distant past. Indeed, the interunion rivalry can be considered the major factor in the decision of the regional director to pull out of the coordinated bargaining effort in 1967.

The situation changed to some extent in the 1973 negotiations. The regional director who made the decision in 1967 retired, although his brother became the president of the local union. Another important change which



occurred in this local union since 1967 was that three out of six elected committeemen of this local were young people who provided a balance vis-à-vis the other three committeemen who were older and biased against the U.A.W.

On the labor-management scene important changes also occurred. In 1972, Eaton Corporation appointed a new general manager who immediately started to introduce substantial changes in the plant. The main reasons for those changes were claims that the plant operations were inefficient, causing the plant to lose business to competitors:

Unfortunately, we were recently advised by TRW that we will be losing approximately 25 percent of their service lifter business because our prices on certain parts were not competitive. Every effort was made to save this business but apparently our major competitor's prices were just too attractive. We have enjoyed 100 percent of the TRW service lifter business for many years, and the loss represents a substantial amount of sales which will be difficult to replace.¹

Thus, the general manager concluded his letter to the plant employees:

. . . The TRW loss again points out that unless we keep all of our costs under control, the retention of these jobs beyond the two year period will be in jeopardy. In the months ahead you will be seeing an all-out effort to reduce costs in all areas to an absolute minimum. I can assure you that no customer will pay us for waste or inefficiencies. A major area of concentration will be in the reduction of scrap. In 1972 our actual scrap exceeded the scrap allowed in our selling price by almost \$1,000,000.

¹Letter from A. W. Schulz, General Manager, Eaton Corporation, Precision Products Division, to the employees, January 17, 1973, A.I.W., Research Department files.

Unless we can improve this performance considerably, our future could be materially affected.¹ [Emphasis added.]

The barrage of letters from the general manager to the workers continued throughout the first half of 1973 with the same main theme:

In my letters to you during the past several months, I have tried to focus attention on the problems we face at this division. Though this year's high level of production may make our problems appear to be insignificant, they have prompted an extensive evaluation by corporate and division management.

Simply stated, these studies reveal we are on a downhill slide. Our excessive operating costs are permitting our competitors to take away business we used to enjoy. Unless we make dramatic changes on a broad scale, further loss of business will definitely occur. We have no intention of letting that happen.²

The threats and rumors of possible plant closure persisted and increased as the time for contract negotiations approached.

With this background the committeemen from this local came to the I.U.D.-Eaton Coordinated Bargaining Committee meeting on September 4, 1973, in Detroit, determined to establish a coordinated bargaining program which will secure a greater measure of job security for its members. One man was conspicuously absent from this meeting in the Saginaw delegation--the president of the local. The coordinated bargaining committee, which was attended by some 40 local union representatives, regional directors and

¹Ibid.

²Letter from A. W. Schulz to the employees, August 15, 1973, A.I.W., Research Department files.

international union officers from five unions, decided unanimously to adopt a limited program of coordination for the forthcoming negotiations. The program called for two similar bargaining demands to be inserted in the demands of each of the participating local unions:

1. That all money from the existing pension fund be placed in one central pension fund for the entire corporation.
2. Should the plant for which this agreement is made be closed, the members of that bargaining unit would be given preferential hiring rights to another Eaton Corporation plant.

The original group of local unions that was supposed to participate in this effort were the eight U.A.W. local unions which had a master agreement with Eaton, and two A.I.W. locals, one from Vassar, Michigan, and the other from Saginaw, Michigan. The original intent was to try to persuade the M.E.S.A. local from Cleveland, which was absent from this meeting, to join the effort; but this attempt did not succeed.

The participants of the Detroit meeting also called on their international union presidents to attempt to meet with the corporate management in order to negotiate the above two issues on a national basis. The response of the corporation to this demand from the international union president came, as expected, in the form of a flat "no."

At the opening of negotiations in mid-September the company rejected completely both demands drafted by the coordinated bargaining committee. At the bargaining table in Saginaw, the company brought one of its vice-presidents who made it clear to the union representatives that, if the union struck because of the issues of central funding, the company would have to close the plant. In the introduction to management's contract proposal, the company explained:

The 1973 negotiations between the Management of the Saginaw plant, Valve Division, and Local #433 of the Allied Industrial Workers, AFL-CIO, present a very real challenge to both parties to arrive at a joint settlement that will provide job security for all Saginaw employees. Our objective throughout these negotiations will be to jointly make the changes necessary to return this plant to its former position of prosperity, while continuing to provide fair and equitable treatment for all employees.

We are too familiar with the results of other companies faced with similar problems. The evidence is close to home--within our own corporation. Detroit Spring, Chicago Automatic Truck, Dearborn Marine, Cleveland Stamping, and others have fallen, due to their inability to compete. Locally, there is evidence of the same kind. Lufkin Rule is painfully fresh in the minds of many former employees now working in our plant. We do not intend to let that happen here.¹

The pressure on the Saginaw local union and its regional director increased as negotiations approached the expiration date. There were strong indications that the other members of the coordinated bargaining committee were

¹Letter from A. W. Schulz to the employees, September 20, 1973, A.I.W., Research Department files.



going to adhere to the agreement made on September 5 in Detroit and strike if necessary. On November 4, 1973, the company made its final proposal to the local union which did not include anything on the central funding for pension or preferential hiring as was originally demanded by the union. The regional director and the three older committeemen, including the president of the local union, decided that the company proposal was good enough, and that the threat of plant closure in case of a strike was very serious, and therefore planned a ratification meeting on November 6. The international officers of A.I.W. tried to intervene in this decision in order to postpone the ratification meeting by 24 hours. This postponement was needed in order that U.A.W. receive its company offer so that the threat of a common strike would bring a change in management's offer. The international union officers' intervention did not change the local decision.

The contract offer was brought for membership ratification on November 6, 1973. At this meeting, the split between the older committeemen and the young ones became evident. The contract was proposed for ratification by the president of the local and the regional director. The ratification of the contract was also supported in a fiery speech made by the now retired previous regional director, who, even though ruled out of order, blasted the entire coordinated bargaining effort and especially U.A.W. The

only supporters of rejecting the offer were the three young committeemen. Thus, the contract was ratified by a secret ballot, 600 to 158 votes. The coordinated bargaining effort collapsed with the action of the Saginaw local union; soon afterward, the rest of the local unions accepted the corporate offer.

The company offer which was ratified called for substantial improvements, among them:

1. Wages--17¢ per hour in the first year and 15¢ in the second and third years.
2. Vacation--one additional holiday in the first year and another one in the second year, bringing the total number of holidays to 14 per year.
3. Dental care beginning in the second year, an estimated value of 6¢ to 8¢ per hour.
4. Improvement in insurance and pension benefits.

Similar contracts were signed by the rest of the coordinated bargaining committee. This contract was hailed by some union leaders as a substantial achievement since it was considerably better than the one signed by the U.A.W. in the auto industry, and which was traditionally followed by Eaton Corporation. Those union leaders who praise the achievements of the negotiations argue that, even though the coordination did not achieve its goals to establish common funding for the pension plans and preferential



hiring, the pressure on the company by the unions resulted in a substantially better contract.

Summary and Evaluation

The repeated failure to achieve the goals of this coordinated bargaining committee can be attributed to the lack of ability of the committee leadership to learn from its past experience. If these leaders would have analyzed the reasons for the failure in 1967, they could have realized that any effort which included the A.I.W. local in Saginaw and the U.A.W. local unions as major participants creates a very unstable coalition. The instability of such a committee could not be improved even by a full commitment from the international unions. The fact that a substantial number of workers had common contract expiration dates led the coordinated bargaining leaders to believe that it would be easy to establish a coordination program to be expanded later for the rest of the local unions.

Notwithstanding the failure of the unions to achieve the goals of their endeavor, it seems clear that those efforts will continue in the future. This determined drive to establish coordinated bargaining at Eaton Corporation is preimposed on the unions by management actions.

As discussed earlier, Eaton Corporation created two main problems for unions in recent years:

1. Increased centralization on decision making with respect to collective bargaining.

2. The uncertainty in job security due to changing financial considerations.

Due to those problems local union officers have found themselves in situations where they could not carry out their collective bargaining functions effectively at the local level. As demonstrated earlier, more and more crucial decisions on collective bargaining issues are made by the company headquarters officers and not by local management. Thus, if unions want effectively to represent their constituency they have to deal with the policy makers at the headquarters level. Since the headquarters officers make their specific policies by analyzing the total company objective, unions have to create a balance by presenting the total labor force policies vis-à-vis the company.

Eaton Corporation's decision to oppose vehemently the establishment of a central fund for all the pension plans is a premeditated decision to maintain management flexibility on financial issues connected with continued operation of its plants. On the other hand, unions' demand to establish national bargaining on the issue of central fund for pension attempts to impose restrictions on this flexibility in order to insure job security for the union members. Every time unions fail to achieve their goal, the leadership will have to appeal to the rank-and-file for added support in the struggle with management. This process of defeat and repeated appeal for increased



membership support might result in the escalation of the magnitude of the demands which the union leaders make at the bargaining table.

CHAPTER IV

COORDINATED BARGAINING AT GLOBE-UNION INC.: INFORMAL NATIONAL NEGOTIATIONS

This case is an example of an effort which was partially successful mainly because of the determination and commitment of the major unions involved in this endeavor. As will be shown later, the struggle of the unions to achieve genuine coordinated bargaining has not yet been accomplished and the effort still continues. It is significant to note that the efforts to establish coordinated bargaining were not successful until the largest local union negotiating with Globe-Union Inc. came to realize that it was in its interest to join and was willing to commit itself to these ideas.

The Company

The company was incorporated under Delaware law on April 2, 1928, as the Union Battery Co. of Delaware. The present name was adopted on August 21, 1936, when wholly owned subsidiaries, Globe-Union Manufacturing Co. of Wisconsin, Illinois and Washington, were absorbed.

Globe-Union Inc. is one of the giants in the auto battery manufacturing industry. It was principally known,



until 1972, as a producer of replacement batteries and special purpose batteries. However, electronic and semiconductor components, solar cells and specialized ceramics have become a significant part of its product line. In order to combat problems in the electronics industry, the company has emphasized and produced new and improved products and has become more involved in the field of micro-electronics (see Table 1).

Table 1.--Globe-Union Inc. Total sales by product categories.
(In millions of dollars)

	Nine Months Ended Sept. 30		Twelve Months Ended Dec. 31			
	1972	1971	1971	1970	1969	1968
Battery Products	94.1	68.5	102.8	90.6	72.7	64.9
Electronic Products	37.1	31.5	42.2	38.8	46.1	42.2
Total Sales	131.2	100.0	145.0	129.4	118.8	107.1

Source: Globe-Union Inc., Report for the 9 Months Ended September 30, 1972, p. 2.

The leading customer for the company's storage batteries is Sears, Roebuck and Co., among other distributors and manufacturers. When Globe-Union Inc. purchased the Ford Motor Company battery manufacturing plant in Owosso, Michigan, Ford Motors became Globe-Union's second largest customer with sales of about 3.2 million batteries annually,



both for original equipment and replacement market requirements.¹ The electronics and semiconductor components are sold in various markets. The electronics product category markedly improved its sales with the acquisition of U.S. Capacitor Corp. of Burbank, California, in 1970.

As of December 31, 1971, the company owned and operated 23 plants and facilities in 14 states and abroad. In addition, Globe-Union Inc. has interests and subsidiaries in Hong Kong, Canada, England, Northern Ireland and Taiwan. The company employed in 1972, 9,710 employees out of which 60-65 percent were organized by six international unions. Most of the company's plants are small operations, with the exception of one in Milwaukee, Wisconsin, which employs more than 1,600 employees (see Table 2).

Sales for the year ending September 20, 1972, totaled \$176,196 million, which is 26 percent higher than for the comparable period of 1971 and established an all-time high for the company (see Table 3). Similarly, the net earnings increased in 1972 by 15 percent over the similar period of 1971. Perhaps the most valid measure of a company's profitability is its rate of return on its net worth, or shareholders' equity. Beginning in 1968, the

¹"Globe-Union Seeking to Buy Ford Facility That Makes Batteries," Wall Street Journal, October 28, 1971, p. 42.



Table 2.--Globe-Union, Inc. Plant locations, unionization status, size of bargaining unit, and contract expiration dates.

Location and Division	Unionization Status	Size of Bargaining Unit	Contract Expiration Dates
<u>Battery Division</u>			
Atlanta, Ga.	U.A.W.	273	4-1-75
Bennington, Vt.	U.A.W.	215	7-30-72
Dallas, Texas	U.A.W.	288	n.a.
Florence, Ky.	A.I.W.	111	2-10-74
Fullerton, Cal.	U.A.W.	228	4-19-75
Geneva, Ill.	I.U.E.	215	11-13-74
Louisville, Ky.	U.A.W.	407	7-1-74
Middletown, Del.	U.A.W.	285	4-1-75
Middletown, Del.	I.B.T.	27	3-9-75
Milwaukee, Wis.	A.I.W.	1,610	11-21-75
Milpitas, Cal.	Not organized	13	
Oregon City, Ore.	I.A.M.	140	2-1-76
Owosso, Mich.	U.A.W.	500	9-15-73
Tampa, Fla.	I.B.T.	137	1-1-75
Texarkana, Ark.	U.A.W.	60	n.a.
<u>Electronics Division</u>			
Burbank, Cal.	Not organized	n.a.	
Cleveland, Ohio	Not organized	n.a.	
El Monte, Cal.	U.A.W.	400	n.a.
Ft. Dodge, Iowa	I.U.E.	412	7-1-74

Table 2.--Continued.

Location and Division	Unionization Status	Size of Bargaining Unit	Contract Expiration Dates
Menomonee Falls, Wis.	A.I.W.	845	11-21-75
Milwaukee, Wis.	A.I.W.		
Sioux City, Iowa	Not organized	n.a.	
W. Lafayette, Ind.	C.J.A.	367	3-19-74

Source: "Negotiations National Program Proposals, IUD-Globe Union Coordinated Bargaining Committee, May 1, 2, 3, 1972" (n.p.: Industrial Union Department, AFL-CIO, Collective Bargaining Section, 1972), pp. B1-B2. (Mimeographed.)

Key to Union Abbreviations:

A.I.W.--International Union, Allied Industrial Workers of America

C.J.A.--United Brotherhood of Carpenters and Joiners of America

I.A.M.--International Association of Machinists and Aerospace Workers

I.B.T.--International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America

I.U.E.--International Union of Electrical, Radio and Machine Workers

U.A.W.--International Union, United Automobile, Aerospace and Agricultural Implement Workers of America



Table 3.--Globe-Union Inc. and Subsidiaries--Ten year financial summary (In thousands of dollars).

	Twelve Months ^a Ended Sept. 30		Twelve Months Ended December 31									
	1972	1971	1971	1970	1969	1968	1967	1966	1965	1964	1963	
Net Sales	\$176,196	\$140,387	\$145,009	\$129,382	\$118,861	\$107,180	\$94,116	\$99,054	\$87,179	\$77,514	\$73,315	
Net Earnings	4,102	3,551	3,531	2,597	2,430	1,738	1,040	4,166	3,218	2,188	1,144	
Capital Expenditures	20,731	7,485	9,674	4,790	6,339	2,867	11,309	3,846	3,485	2,080	2,965	98
Net Worth	65,279	39,524	40,893	37,992	36,335	35,050	34,374	27,351	24,313	22,009	20,645	
Net Earnings as a % of Net Worth	6.2%	8.0%	8.5%	7.0%	6.6%	4.8%	3.0%	11.5%	13.1%	9.9%	5.5%	

Source: Globe-Union Inc., Report for the 9 Months Ended September 30, 1972, p. 11.

^aIn 1972 the company changed its fiscal year from a calendar year basis to a 12-month period ending September 30. The change was made to accommodate the highly cyclical aspects of the automotive battery business with its disproportionate sales in the fall and winter months.



company showed a steady annual increase from 4.8 percent return on investment to 8.4 percent in 1971, with the company, predicting that this trend will continue in the future. The most significant indicators in this company's financial position are found in the tremendous shareholders' equity growth and its capital expenditures. The net worth of Globe-Union in 1972 increased by 65 percent over 1971, which is the biggest single increase in the company history. This was made possible through sales of debentures and convertible preferred stocks. This increase in the shareholders' equity was necessary for the unprecedented expansion which the company undertook in the last couple of years. This expansion was marked by the purchase of the Owosso plant and the expansion and modernization of the existing plants in 1972. The company planned and implemented an even greater amount of capital investment for the year 1973, including at least three more new battery plants.

On June 14, 1956, the company acquired the net assets of Wico Electric Co. and sold it in May, 1967. In May, 1967, it acquired the semiconductor division of Hoffman Electronics Corp. In July, 1969, Data Automation Sciences Inc. (a wholly owned subsidiary of Globe-Union Inc.) acquired Mid-West Data Control Inc. In December, 1969, it acquired 40 percent of Compania General de Electronica S.A., Mexico City. In September, 1970, Globe-Union acquired U.S. Capacitor

Corp. of Burbank, California. Also in 1970, the company acquired, through 50 percent owned subsidiary Centralab Ltd., U.K. Stability Capacitors Ltd. The most significant purchase in recent years was the acquisition of the Ford Motor Company battery manufacturing plant in Owosso, Michigan, in 1972. Also in 1972, it acquired an additional 44 percent of Compania General de Electronica, S.A. in Mexico City and a minority interest in Accumulatorenfabrik Sonnenschein GmbH., a West German battery manufacturer.

Management Practices

It has been a consistent practice of Globe-Union's management to maintain a centralized decision-making system on labor relations issues. Throughout the years, the manager of the labor relations department of the corporation has himself conducted the negotiations with the unions at each and every plant of the corporation. The participation of local management at the local negotiations was no more than a token participation since all the issues of the negotiations were prepared by the corporate personnel. This policy of centralization reflected itself even in dealing with local grievances which reached higher stages; in such cases, lawyers and representatives of the labor relations department of the corporation took charge in order to secure results which would reflect corporate needs and policies.

Another characteristic of the company's labor relations policy until 1972 was a complete refusal to grant



union security to the unions with whom it negotiated. Repeated strikes in the early 1950's and early 1960's on the issue of union security did not produce any change in the management position. Finally, the last characteristic of management policy was the determined effort to hinder the development of coordinated bargaining. As will be shown later, some of these management policies have changed since 1972, under the pressure of the union's efforts.

The Efforts to Establish Coordinated Bargaining

The first attempt at establishing coordinated bargaining among the unions of Globe-Union Inc. took place in 1964. These first efforts were initiated by local unions belonging to U.A.W. The main issues that concerned the unions at that time were the comparatively low wages which were paid in some locations, poor fringe benefits and lack of union security clauses. These early efforts were doomed to failure because of two reasons:

1. The strong management resistance to this effort,
and
2. The reluctance of the local union in Milwaukee to cooperate with the other unions in such an endeavor.

As mentioned earlier, management is and always was determined to hinder any attempt to establish coordinated bargaining among the unions with which it negotiated. Thus,



the attempt by the unions to sit and discuss problems confronting all the locations was rejected outright by management. But the more fundamental reasons for the failure of those early efforts can be attributed to the reluctance of the members of the biggest local union in Milwaukee. As Table 2 indicates, the A.I.W. local union from Milwaukee is by far the largest local among all the local unions at Globe-Union Inc. In addition, this local is among the oldest locals with membership which has the highest seniority in the company, thus the highest paid wages and the highest fringe benefits. Given those facts, it was clear that a successful coordinated bargaining committee would have to include this particular local. Yet the Milwaukee local was reluctant to enter this venture because it was not clear to them what they stood to gain from such participation. In addition, the leadership of this local was quite uneasy about the fragile majority which the local had among the workers of the plant (because of the lack of a union security clause, the union has only 50-70 percent of the plant organized).

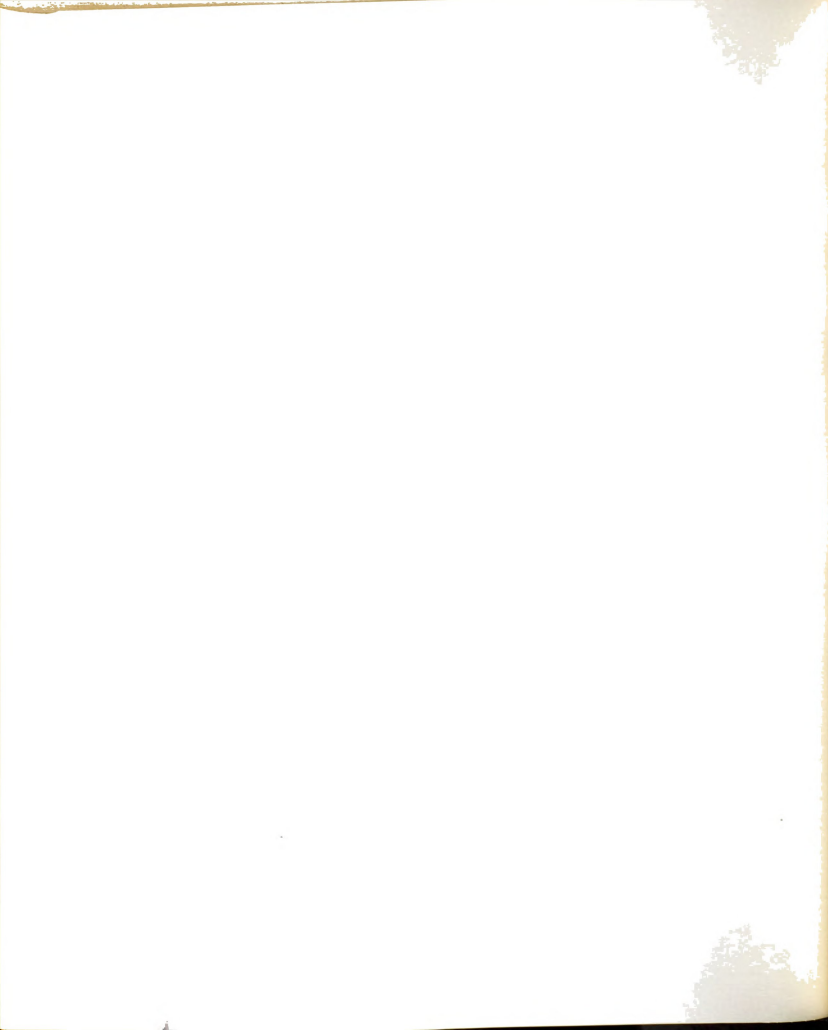
Three years later, in late 1967 and early 1968, the effort to establish coordinated bargaining was renewed. Having learned from the experience of 1964, the coordinators tried hard to secure the cooperation of the A.I.W. local from Milwaukee. It took the special intervention of the international president of A.I.W., who appointed his assistant



to convince this local to join the coordinated effort. In addition, there had been further erosion of the majority status of the union in this plant. As a result of these factors, the local was finally willing, somewhat reluctantly, to participate in the effort to establish coordinated bargaining.

In order to persuade management to modify its position vis-à-vis coordinated bargaining, a flurry of about 12 grievance strikes were initiated by different local unions, during the period 1967-1969. The initiation of the strikes was made possible because of a clause in most of the plants' collective bargaining agreements permitting the union to strike over an unresolved grievance. The goal of these strikes was to bring the expiration dates of the different local unions closer to each other.

In preparation for the 1969 negotiation, the A.I.W. local from Milwaukee agreed to participate fully in the coordination effort. Arrangements were made that representatives from all the international unions which have collective bargaining agreements with Globe-Union Inc. would be present and participate in the 1969 Milwaukee negotiations. The delegates from the different international unions were introduced at the first negotiating session as representing the A.I.W. local from Milwaukee. This meeting did not last long since management walked out in protest of the presence of this "enlarged delegation" at the A.I.W. local's negotiations.



After prolonged consultations with the corporate attorney, the management delegation returned to the bargaining table and agreed to resume negotiations under protest. The chief management negotiator asserted that the resumption of negotiations did not constitute management's recognition of the coordinated bargaining committee; it was done, rather, in light of the 1966 United States District Court decision in the G.E. case (which determined that a local union has the right to choose its own bargaining committee).¹

The major achievement for the unions came after a few months of hard bargaining in the form of a verbal agreement on the establishment of a "most favored nations" clause. This clause would establish for the first time in the history of this corporation that, if any superior terms in the areas of pension, insurance, welfare and union security provisions would be negotiated by a local union in the corporation, they would be extended to other locals as well. This "most favored nations" clause became part of the contract of all the plants involved in the 1972 round of negotiations.

Inspired by this partial victory and with renewed hopes for new attitudes which started to surface with the appointment of a new manager of industrial relations by the corporation, the coordinated bargaining committee started

¹McLeod v. General Electric Co., 257 F. Supp. 690 (S.D.N.Y. 1966).

in 1971 to plan its strategy for the 1972 round of negotiations. On December 8, 1971, the I.U.D.-Globe-Union International Presidents' Committee met in Florence, Kentucky, to develop a national program for the 1972 negotiations. On December 9 and 10, 1971, the full coordinated bargaining committee, which included representatives from six locals of four international unions, discussed and adopted a ten-point program which was prepared by the Presidents' Committee:

1. That the next two contracts to be negotiated-- AIW Local #350 in Florence, Kentucky, expiring February 10, and CJA Local #2601 in West Lafayette, Indiana, expiring March 19--be negotiated for only a one-year period. (The reason for this will be self-explanatory after the other recommendations are outlined.)
2. That a full coordinated bargaining committee meeting be scheduled in May 1972, this to be a working committee to help develop and formulate a national program of common contract provisions, and pension, insurance and welfare programs.
3. That the negotiating committee for each local union be present at this meeting and be prepared to present a complete contract proposal. (Should a local union not be able to send its entire committee, it is recommended that some one be present who has authority to commit his local union to these programs.)
4. That working committees be established as follows: Pension, insurance, welfare, and general contract.
5. That these working committees will be charged with the responsibility for incorporating the demands of each local union into a national program.
6. That the International Presidents' Committee be charged with the responsibility of contacting the corporate executives of Globe Union to discuss and explore these national programs on pension, insurance and welfare.
7. That, if the corporation refuses to discuss and explore this national program, the over-all program as developed by the coordinated bargaining committee will then be jointly presented as each local union contract opens for negotiations.
8. That the International Presidents' Committee will meet jointly as part of each local union's bargaining committee at the various locations whose contracts expire in 1972.



9. That each local union be responsible for getting its membership's approval for this national program. It has been recommended that, for the purpose of these future negotiations, each local union negotiating committee or its representative receive standing approval from its membership to attend these meetings whenever the need arises and that the International Presidents' Committee also be available when needed.

10. The coordinated bargaining committee suggested that a closer network of communication be put into operation between the various international unions and that this network be handled through the IUD Coordinator.¹

As was suggested in point 9 of the above memorandum, the program was to be taken back to the local membership for approval and endorsement, and returned to the coordinated bargaining committee in order to formulate the common approach toward the company. On May 1, 2 and 3, 1972, the I.U.D.-Globe-Union Inc. Presidents' Committee and the full I.U.D.-Globe-Union Coordinated Bargaining Committee met once again. At this meeting the local representatives brought with them the approval of their constituency for the December, 1971, program, and a common letter was drafted which was supposed to be presented to management by each local at its negotiations.

In addition, the coordinated bargaining committee drafted specific demands to be made in the areas of insurance, pension, welfare and union security. As in the previous round of negotiations in 1969, the center of attention was the A.I.W. local from Milwaukee. Once again the "flying

¹Memorandum from John R. Ciparro, Coordinator, to I.U.D.-Globe-Union Coordinated Bargaining Committee, December 15, 1971, A.I.W., Research Department files.



circus"¹ appeared at the negotiating table of the A.I.W. local, and once again management asserted its position of willingness to negotiate under protest. After two sessions of negotiations, at which union demands and management offers were presented, management agreed to meet with the International Presidents' Committee on November 9 and 10, 1972, in order to discuss pension, insurance and welfare programs. Some headway was achieved at those meetings, but the Presidents' Committee pressed for additional improvements and, therefore, an additional meeting was scheduled for November 17, 1972, at which time final agreement was reached between the Presidents' Committee and management on the level of improvement of pension, insurance and welfare. Those improvements were immediately included in the agreement of the A.I.W. local from Milwaukee and it was ratified on November 26, 1972 (see Appendix B).

Another very important achievement which the local union from Milwaukee was able to secure at those negotiations was maintenance of the membership union security clause and improvement in the check-off clause:

Any employee in the bargaining unit who is a member of the union on or after the sixth day following the effective date of this provision (when an agreement is signed) shall remain a member in good standing for the duration of this agreement as a condition of employment. An employee shall be deemed a member of

¹"Flying circus" is the name given to the group of union delegates representing different unions that travels from negotiation to negotiation to reinforce and participate with the local bargaining committee.



the Union in good standing unless he fails to tender the periodic dues uniformly required. The Union agrees to "save harmless" the Company regarding action taken by the Company in order to comply with the terms of this provision.¹

Obviously, those achievements were soon shared by the rest of the local unions through the "most favored nations" clause.

The next major effort which was undertaken by the I.U.D.-Globe-Union Coordinated Bargaining Committee started on March 8, 1973, in New Castle, Delaware, and was connected to the negotiations of a U.A.W. local. The major issue in these negotiations was the issue of health and safety in the plant. The main concern of the negotiators was the lead poisoning which plagued the battery industry. At issue was the transfer of 11 workers in the battery plant in Middletown to lower paying jobs because they were disabled with lead poisoning. After much negotiations between the company and the coordinated bargaining committee under the direction of the Federal Mediation and Conciliation Service, an agreement could not be reached and the local union membership voted 167 to 22 to go on strike. The strike lasted for five weeks, one of the longest strikes in the country over health and safety issues.² During the

¹"Collective Bargaining Agreement between Globe-Union Inc. and Allied Industrial Workers of America Local 322 Milwaukee, Wis.," ratified on November 26, 1972.

²"In Globe-Union Case--Lead Poisoning at Issue," State News & Daily Eagle, August 3, 1973, p. 4.



strike the local union appealed to the members of the coordinated bargaining committee for financial and other assistance, which was granted generously by the other local unions. The letter of gratitude which the Middletown local sent after the strike to all the coordinated bargaining committee participants reflects the importance which they placed on this assistance in achieving their goals:

I hope this letter will convey the gratification that Local 1516 U.A.W. and its members have for the I.U.D. Presidents' Committee and all the local unions involved in coordinated bargaining with Globe-Union Inc. for your participation in our negotiations and assistance to our strike at Middletown, Delaware. This type of togetherness only evolves from sincere effort and hard work of people whose desire is for "just cause" for the labor movement in today's environment.

We may not have obtained all the goals that were placed on the negotiating table, but improvements were made in 95% of our issues and the health and safety gains marks a "giant step" with Globe-Union for the unions right to protect its members against lead absorption and unsafe working conditions within the plant.¹

The improvements in the area of health and safety which were achieved (see Appendix C) and which are considered the strongest health and safety language of any battery plant contract in the nation,² would, in due time, be included in the agreements of the rest of the locals through the "most favored nations" clause. With most of

¹Letter from James T. Birch, Jr., President of U.A.W. Local 1516, Middletown, Delaware, to John R. Ciparro, I.U.D. Coordinator, April 23, 1973, A.I.W., Research Department files.

²"Globe-Union Case," State News and Daily Eagle.

the collective bargaining negotiations completed, the International Presidents' Committee and the coordinated bargaining committee met again on June 1 and 2, 1973, to review the entire coordinated national program for pensions, insurance and hospital--surgical--medical benefits. The I.U.D. coordinator presented an analysis of the benefit programs. Included in this analysis was a comparison of the programs prior to 1972 negotiations, the coordinated bargaining program for 1972, the benefit improvements negotiated in 1972-73, and the present benefits of the U.A.W. local in the newly acquired plant in Owosso, Michigan. In reviewing the benefits of the U.A.W. in Owosso, Michigan, the coordinated bargaining committee noted several provisions which gave greater protection to the membership than those negotiated with Globe-Union Inc. by other international unions. The reasons for this difference in benefits resulted because the local contract in Owosso was negotiated as a part of the Ford Motor Division package. The coordinated bargaining committee was anxious at this time to have the representatives from Owosso participate in the coordinated bargaining effort with an eye to the possibility of achieving the same benefits through the "most favored nations" clause. The Owosso local, which was preparing for their own negotiations in September, 1973, declined the invitation, stating that they did not feel any need for coordinated bargaining at that time. (At the time of this writing, no progress had been made to persuade the U.A.W.



local from Owosso, Michigan, to join the coordinated bargaining effort.) At this meeting the delegates were also informed that, as a result of discussions between the Presidents' Committee and the corporation, the corporate representatives had agreed to meet with the coordinated bargaining committee on July 26 and 27, 1973, for the purpose of opening discussions on the national pension, insurance and hospital--surgical--medical program.

After a thorough discussion on the above subjects, the company's reaction was that it would want to continue to meet with the international unions to discuss and negotiate the above programs, but not in the context of official national bargaining. The unions strongly advanced their position that these are proper topics for national bargaining, and the corporation agreed to take the matter under advisement. But the most important topic of this meeting was the surprise announcement of the corporate representative that the company planned to discontinue its profit sharing program as of September 30, 1973. The justification which was given for this decision was:

This plan became effective in 1949, for the prime purpose of providing for your future security through your savings and the Company Contributions. These funds were to be used to supplement your retirement income or to meet the needs of unforeseen serious emergencies. Since that time, through improvements in our non-contributory retirement plans and increased social security benefits made possible through our mutually increased contributions, the need to supplement retirement benefits is less urgent.

Since the mid-sixties the savings feature of the plan has ceased to be important for most employees. Prior to that time, partial withdrawals averaged less

than two per week and complete withdrawals were almost unheard of. Now we are processing over fifty withdrawals per week, and the number of complete withdrawals has caused us to request Internal Revenue Service approval for permission to reopen the plan on three separate occasions. Because the original purpose of the Profit Sharing Plan no longer exists, the need to continue the plan is questionable.¹

The initial reaction of the International Presidents' Committee and the local union presidents who were in attendance was strong opposition to the company's announcement on the grounds that this would place an undue burden on the participants, as well as potential participants, that it would take away benefits presently enjoyed by the members, and that it would cut back on future income of union members. At the end of the meeting the company suggested that its proposal to discontinue the profit sharing program might be replaced by other benefits.

A new meeting was arranged on August 9, 1973, between the coordinated bargaining committee and the corporate representatives to discuss further the company's profit sharing plan and the proposal to replace it with a greater contribution by the corporation to the insurance and pension plan. This issue became the greatest challenge to the existence of the coordinated bargaining committee since its establishment. The unit that was going to be most affected by the corporate proposal was the A.I.W.

¹Letter to all salaried employees from William H. Fernholz, Manager of Benefits and Services, Globe-Union Inc., July 27, 1973, A.I.W., Research Department files.

local from Milwaukee. Not only that this local had the largest number of members who participated in the profit sharing plan (see Table 4), but it also had the largest number of members with 25 or more years of service who were not going to benefit from the replacement benefits which the corporation offered, since they were receiving them already anyway. On the other hand, the other locals would seem to benefit from such a change since their membership had less of a stake in the profit sharing plan and many less members with 25 or more years of service. As a result of this peculiar situation, the A.I.W. delegation to the August 8-9, 1973, coordinated bargaining meeting was a very tense and pessimistic one. Indeed, one of the A.I.W. delegates confided to the author that he saw no chance that the coordinated bargaining committee would support the A.I.W. position to reject the corporate offer. Moreover, the A.I.W. delegation was determined to fight the corporate decision even if they would have to do it alone. And so, they came prepared with their attorney's opinion, which stated in part:

The Union and Company executed a labor contract on November 29, 1972, and which labor contract is to remain in effect until at least November 21, 1975. Although the labor contract does not expressly make mention of the Profit Sharing Plan there is a letter dated November 22, 1972, signed by Edward A. Ross on behalf of the Employer and which was sent to the Union and attached to the labor contract.

It is my opinion that the Profit Sharing Plan is clearly a matter that falls within the terms of "... wages, hours, and other terms and conditions of employment. . ." as that phrase is used in Section 8(d) of

Table 4.--Globe-Union Inc., Profit sharing plan by participation classes.

Plant Location & Int'l Union	Size of Local	Number of Participants by Class ^a					Total No. of Employees w/ 25 or More Yrs. Service	No. of Employees w/25 or More Yrs. Service Participat- ing in Profit Sharing Plan
		Total Par- ticipants in Plan	Class I	Class II	Class III	Class IV		
Atlanta, Ga. UAW	273	91	37	16	17	21	14	12
Birmingham, Vt. UAW	215	85	55	25	2	3	1	1
Dallas, Tex. UAW	288	127	62	30	19	16	5	5
Florence, Ky. AIW	111	21	9	12	0	0	0	0
Fullerton, Cal. UAW	228	97	66	14	7	10	4	4
Geneva, Ill. IOE	215	86	48	17	13	8	1	1
Louisville, Ky. UAW	407	153	93	29	13	18	9	9
Middletown, Del. UAW	285	112	51	25	29	7	0	0
Middletown, Del. IBT	27	0	0	0	0	0	0	0
Oregon City, Ore. IAM	140	35	20	5	3	7	2	2
Tampa, Fla. IBEW	137	41	18	12	9	2	3	2
Texarkana, Tex. UAW	60	22	21	0	1	0	0	0
El Monte, Cal. IBEW	400	80	15	65	0	0	0	0
Milwaukee, Wis. AIW	1610	826	167	146	167	346	118	109
Fort Dodge, Iowa IUE	412	138	68	19	30	21	0	0
West Lafayette, Ind. CJA	367	81	55	26	0	0	0	0

Source: Memorandum from John R. Ciparro, I.U.D. Coordinator, to I.U.D.-Globe-Union International Presidents Committee and Local Union Presidents, August 16, 1973, A.I.W. Research Department files.

^aClass I equals 1 unit value of contribution by the company; Class II equals 2 units; Class III equals 3 units; Class IV equals 4 units. The cost to the company per unit value in 1972 was 28¢ for each \$1.00 contributed by a participant. Therefore, participants in Class I received 28¢ from the company for each \$1.00 invested. Class II received 56¢ for each \$1.00; Class III received 84¢ for each \$1.00, and Class IV received \$1.12 for each \$1.00 invested.



the National Labor Relations Act. This being the case it would be my opinion that the Employer cannot unilaterally terminate the Profit Sharing Plan without first negotiating with the Union about this matter.

In conclusion I believe the Union should inform the Employer that while it is always willing to listen to what the Employer has to offer that absent a mutual agreement the Union is not agreeable to modifying the contract of which the Profit Sharing Plan is part until November 21, 1975, and that if the Employer does proceed to terminate the Plan the Union will take all action necessary to restore these benefits to the employees.¹

But to the surprise of the A.I.W. delegation, the entire coordinated bargaining committee unanimously decided to present the corporation with the following statement of position:

Based on the reports of the local unions and the information received, the position of the unions is that they are opposed to the company's proposal to discontinue the Profit Sharing Plan.²

The company immediately questioned the union representatives as to why they were opposed to the company's proposals. The unions replied that their memberships did not agree with the discontinuance of this program and that this was the reason for the stated position. A furious company's delegation left the meeting without any new meeting arranged. A union caucus followed the company delegation's departure at which it was decided that, should the company attempt to contact the individual local unions and

¹Letter to Norbert Kane, Regional Representative, Region 9, Allied Industrial Workers of America, from Kenneth R. Loebel of the Law Offices of Goldberg, Previant & Uelman, August 7, 1973, A.I.W., Research Department files.

²Memorandum from John R. Ciparro, August 16, 1973, A.I.W., Research Department files.



seek to negotiate, discuss or explore their proposed changes in the Profit Sharing Plan, the local unions would take the following position:

That, having met collectively with corporate representatives should the company desire to meet further on this subject, they would be willing to meet collectively with corporate representatives but not on an individual basis.¹

Further discussion ensued among the participants on the following issues:

1. The Owosso negotiations and how the "most favorite nations" clause regarding pension, insurance and welfare would be affected by the Owosso contract, should one be consummated.

2. What effect this proposed program would have on the salaried employees, should the company go ahead with their plans to discontinue the Profit Sharing Plan, in light of the fact that one unit of salaried employees is organized by U.A.W., and

3. What legal steps could the unions take in case that the corporation unilaterally decides to discontinue the Profit Sharing Plan.

In the week that followed, the company contacted the I.U.D. coordinator and suggested that it had a new offer, and therefore, a new meeting should be convened. On August 23-24, 1973, another meeting of the coordinated bargaining committee and company representatives took place in

¹Ibid.



Milwaukee, Wisconsin. At this meeting the corporation offered to "buy back" the Profit Sharing Plan and, in addition to their original offer which was to provide hospital, surgical and medical premium coverage for all active employees with three or more years of service, they offered this time to eliminate the three-year requirement for pension credit. After much consideration by the bargaining committee it was agreed to bargain with the corporate representatives on their demands for a "buy back" of the Profit Sharing Plan. At the collective bargaining session which took place on August 24, 1973, proposals and counter-proposals were made by unions and management, and finally the unions made the following demands:

1. Health, surgical and medical premium for all active employees with more than one year of service to be fully paid for by the company.
2. The elimination of the three year requirement for pension credit and that all monies for pension, both past and future, be added to the pension program in addition to the company's present contribution for pension benefits.
3. National recognition be given to negotiate a national program for pension insurance, hospital, surgical and medical benefits.¹

The company agreed to the first two demands presented by the unions, while on the national recognition, the company agreed to pursue the issue on an informal basis as in the past, that is to say, to meet jointly with all the

¹Memorandum from John R. Ciparro, I.U.D. Coordinator, to I.U.D.-Globe-Union International Presidents' Committee and Local Union Presidents, August 30, 1973, A.I.W., Research Department files.

unions and try to develop and negotiate a national program for pension, insurance and welfare benefits, with either party having the right to withdraw should agreement not be reached.

The local unions agreed to hold their union membership meetings on September 7-9, 1973, in order to allow their total memberships the opportunity to vote on the acceptance or rejection of the above proposal, and notify the company on the membership vote through the I.U.D. Coordinator. The proposal was later approved by the membership, for an estimated cost to the company of about \$425,000 compared to \$225,000, the estimated cost of the original company's proposal, and compared to \$224,177, the total company's contribution to the profit sharing plan in 1972.

Summary and Evaluation

Significant headway was made by the unions in this short and intensive period of the struggle to achieve coordinated bargaining. These achievements are both economic and non-economic. In the area of the non-economic achievements the most important one was the ability to develop a viable cooperation among the different unions. This case is a good example of the kinds of factors which facilitate the development of such a cooperation. The first facilitating factor is the unions' composition. As can be observed from Table 2, there are only six international unions which have locals with Globe-Union Inc., and among



these internationals two of them, with almost equal number of members, organized the majority of the hourly employees of this corporation. This fact alone made it easier to bridge the differences among unions, since it was easier to convene meetings and to respond to challenges with the necessary speed. The second facilitating factor was the commitment of both U.A.W. and A.I.W. international unions to the idea of coordinated bargaining and their willingness to commit their resources in order to succeed in such an endeavor.

This short experience showed how a majority of the participating unions could commit themselves to sacrifices in order to help a sister union attempt to achieve its goals, and how this very local bowed at the final stages to the needs and wishes of the majority. This kind of behavior could not be expected until 1969 when the local unions started to harvest the first fruits of the coordinated bargaining.

The third important factor was the nature of the strategy followed. The participants did not attempt to achieve everything in one battle, but rather undertook a few issues at a time. This strategy is realistic from the point of view of the ability to achieve those goals, and at the same time did not lead to disillusionment of the participants which frequently occurs when a calamity happens. The fruits of success encouraged the participants to continue their struggle for what they believed to be just.



As important as the cooperation among the unions is the change in the management attitude toward coordinated bargaining. Even though the company had not recognized the coordinated bargaining committee as a national bargaining agent for all the workers of the corporation, it seems that the corporation came to realize that there was something to be gained in bargaining with the coordinated bargaining committee. Judging from the initial position of the A.I.W. local in Milwaukee toward the abolition of the profit sharing plan, it is clear that it was more advantageous from the management's point of view to deal with the coordinated bargaining committee rather than with each local union separately. Furthermore, it would probably be safe to assume that, if the issue had come to a legal confrontation before the NLRB or the courts whether or not coordinated bargaining was exercised at Globe-Union with management consent, the company's argument that it met with the coordinated bargaining only on an informal basis would not hold much water. Despite the fact that management tried to protect itself by accepting only an informal basis of modus operandi, the NLRB and the courts would not view it as a satisfactory reason, if the company would try to discontinue the practice.

In the area of economic achievements the coordinated bargaining committee can claim credits for improving the pension, insurance and welfare benefits. The health and safety improvements were another breakthrough which it



achieved. The maintenance of membership clause is a very significant achievement which undoubtedly helped reduce the anxiety which some locals experienced as a result of the dwindling majority in their units. Probably the most significant achievement of the coordinated bargaining committee was the establishment of the "most favored nations" clause. This clause was particularly helpful to those units with lower wages and fringe benefits and established an excellent vehicle for further improvements. In order to arrive at those achievements the participating local unions had to pay a considerable price. In addition to the monetary burden connected with the numerous meetings, the union membership had to undertake a considerable number of strikes in order to strengthen coordination. Another price which the local unions had to pay was the surrender of some of their autonomy to other bodies, such as to the international union, the I.U.D. coordinator and the Presidents' Committee. It should be noted immediately that the rank-and-file had at all times control over such transfers of authority and autonomy through their voting system, which they frequently exercised. The work of the I.U.D.-Globe-Union Coordinated Bargaining Committee is not done. In fact, it will probably never be done but it seems that the stage is set for real coordinated bargaining in this corporation.

APPENDICES

CHAPTER IV



APPENDIX A

BARGAINING POSITIONS OF LOCAL UNIONS
WITH GLOBE-UNION, INC.

Globe-Union, Inc.
900 East Keefe Avenue
Milwaukee, Wisconsin 53212

Gentlemen:

The purpose of this letter is to explain certain positions which our Union plans to take in negotiations this year with respect to the Milwaukee, Wisconsin bargaining unit. It is our belief that we are entitled, under Section 7 of the National Labor Relations Act, to exercise our economic power at this plant not only in support of our demands at this plant, but also in sympathy and support of fellow employees when they are in negotiations at other plants of your Company. We believe that this entitlement is established by the following legal decisions, among others: Houston Insulation Contractors Association v. NLRB, 386 U.S. 664, 698-99 (1967); NLRB v. Peter Kohler Co., 130 F.2d 503, 505-06 (2d Cir., 1942); NLRB v. General Drivers, 224 F.2d 205, 210 (5th Cir., 1955); NLRB v. City Yellow Cab Co., 344 F.2d 575, 582 (6th Cir., 1965), enforcing 144 NLRB 994; Texas Foundries, Inc., 101 NLRB 1642, 1683.

It is our desire and intention, in our negotiations with you at this plant, to preserve this right. By signing a contract with an unlimited no-strike clause we would be waiving our Section 7 right to strike in sympathy and support of our fellow employees at other plants. Accordingly, we will propose, as one of our demands, that the no-strike clause in the new agreement contain an exception permitting the employees to strike in sympathy and support of their fellow employees at other plants of the Company, a demand held to be a mandatory bargaining subject in AFL-CIO JOINT NEGOTIATING COMMITTEE for Phelps Dodge v. NLRB, 79 LRRM 2939 (3rd Cir., 1972). Our desire for this clause should in no way impede bargaining. We will be happy to negotiate on all issues and, if the Company agrees to our requested modified no-strike clause, to sign a new agreement.

For similar reasons, it is our desire to have in our new contract a termination date common with that to be provided in the other contracts to be negotiated by you this year. We believe our right to seek such a common termination date is established by the decisions in U.S. Pipe and



Foundry Co. v. NLRB, 298 F.2d 873 (5th Cir., 1962) and AFL-CIO Joint Committee for Phelps Dodge, supra. The mechanics of our proposal are spelled out in our bargaining request.

Additionally, it is our desire that our agreement contain a "most favored nations" clause, extending to the employees in this bargaining unit any superior terms and conditions provided to employees in other bargaining units of the Company during the life of our new agreement. This clause, too, has been held to be a mandatory bargaining subject. AFL-CIO Joint Negotiating Committee for Phelps Dodge, supra; Dolly Madison Industries, 182 NLRB No. 147, 74 LRRM 1230 (1970).

Of course, each of the above proposals, like any other proposal, is one about which we are prepared to bargain with you.

In order that there be no misunderstanding about our position, I want to emphasize what our proposals do not entail:

1. We are not demanding that the Company negotiate jointly for this and other plants. While we believe joint negotiations would be convenient and useful, we are prepared to bargain in the narrower units adhered to in the past if the Company so insists. Of course, we reserve our right to designate the persons who will represent the Union in negotiations for each bargaining unit. General Electric Co., 173 NLRB No. 46.
2. We will not, in any bargaining meeting, attempt to bargain on behalf of employees at other plants. Of course, as you know, your employees have many common interests even though employed at different plants, and it is entirely expectable that some of the demands made in our negotiations will be the same or similar to those made in negotiations at other plants.
3. While we are hopeful that other unions will elect to make demands similar to those outlined at the beginning of this letter, we are not parties to any pact which would surrender our autonomy in any respect. Our Union, as bargaining agent, is fully authorized to negotiate its own agreements, and we require neither the approval nor the prior consent of any other union to conclude our negotiations.

We have set forth our position at length to assure that there will be no misunderstandings in the forthcoming negotiations. Our negotiators are being instructed not to make any of the

demands which we have indicated above will not be made. Accordingly, any such demands, if made, are unauthorized, and we would appreciate your notifying the undersigned promptly if you encounter any such departure from these instructions so that correction can be accomplished promptly.

If you have any questions regarding any of the matters discussed in this letter, we would be happy to discuss them with you. Please feel free to contact the undersigned to arrange a meeting for that purpose.

Yours very truly,

Bargaining Demands

1. There shall be no strikes in the bargaining unit covered by this agreement during the life of this agreement. Provided, however, that this no-strike clause shall not be effective during any period in which employees are conducting a lawful strike in any other bargaining unit of the Company, and the employees covered by this agreement shall be free to strike during any such period in sympathy with and in support of such other employees.

2. The Union has expressed a desire that the termination date of this agreement be the same as the termination dates in other agreements negotiated by the Company in 1972 and 1973. The Company agrees that the termination date of this agreement will be the same as the termination date of the agreement for each other bargaining unit open for negotiations in 1972 and 1973 in which the bargaining agent likewise requests common termination dates. The Company, in complying with this provision, shall establish a termination date which is no later than 30 September 1974.

3. When, during the term of this agreement, the Company negotiates an agreement covering any other bargaining unit of the Company, the Union shall have the right, upon demand, to have any provision of said agreement incorporated into this agreement.¹

¹Letter drafted by the I.U.D.-Globe-Union Presidents' Committee, May 3, 1972, A.I.W., Research Department files.



APPENDIX B

MILWAUKEE BENEFIT INCREASES, EFFECTIVE DECEMBER 1, 1972

Life Insurance

Accidental Death and Dismemberment--Benefits will be equal to the amount of life insurance in force.

Retiree Life Insurance--Maintained policy will be increased from \$1000 to \$1500.

Health and Accident Insurance

Accident and Sickness Weekly Benefits--Increase maximum benefit per disability from 26 weeks to 52 weeks, less 50% primary social security benefit.

Alcoholism and Drug Addiction--Delete insurance exclusions relating to these disabilities, provided that accident and sickness benefits shall be payable for such disability only when the insured is hospital confined.

Hospitalization--Definition shall include "a hospital for alcoholics."

Major Medical--If less than the \$50,000 maximum per disability is available at the beginning of a calendar year, the maximum shall be increased by either \$2000 or the amount needed to restore the full maximum value, whichever is less.

Mental Illness--Major medical benefits shall be payable for physician charges for professional visits incurred when the insured is not hospital confined as follows:
50% of the charges up to \$500 per calendar year with a one time \$50 deductible.

Retiree Group Insurance--Provide free hospital, surgical and major medical coverage for each employee retiring at age 62 or later. Such coverage to continue until age 65.

Long Term Disability--Benefits will be payable for drug addiction or alcoholism when the insured is confined in hospital. Benefits will be offset by 50% of primary social security benefit payable, instead of present 100% primary social security offset. Benefits shall be payable based on length of service as follows:



ServiceMaximum Benefit Period

Less than 5 years

Number of years service to next highest year.

Over 5 years

To age 65

Increase benefits schedule \$10 per week in each insurance class.

Nursing Homes--Benefits will be payable up to 75% of the standard semi-private room rate in the last hospital in which insured was confined if the insured has been hospitalized at least three days, has been admitted to the convalescent facility within fourteen days following discharge from hospital and the admission is for further treatment of a disability for which the insured received in-patient hospital services. Major Medical benefits for such convalescent facility services will be payable for not more than sixty days per disability.

Retirement

Vesting--Change 10 years and age 45 to 10 years and age 40.

Actuarial Reduction--Change standard actuarial reduction to 5/12 of 1% per month times number of months participant retired prior to age 65.

Profit Sharing

Consider alternative methods to determine class participation for employees who re-enter the plan.

Re-enrollment--Reopen Profit Sharing plan to those employees who had a prior complete withdrawal, otherwise done in connection with termination of employment, to begin participation as a new depositor, effective January 1, 1973, with previous service credited only to accomplish waiting period. Election may be made within 60 days after January 1, 1973.

Class IV Participation--A participant will be eligible for Class IV when full years of service combined with full years of age equal 65.

Group Insurance

Coordination of Group Insurance Benefits Available to an Employee's Dependent from Two or More Group Insurance Plans--Consider methods to provide insurance payments when there is an impasse between two group carriers as to who will pay benefits first. Possible method which may be implemented, if there is no legal impediment, would be:

If, after the end of a 45 day period starting with the submission of the dependent's claim to the Globe-Union insurance carrier, no payment has been made, the employee may request Globe-Union's insurance carrier to make full payment in accordance with policy provisions. Such payment shall be made upon the employee and dependent assigning their rights to that amount which should have been paid by the second carrier to the Globe-Union carrier. In no case shall such assignment impede the employee or dependent from collecting any amount from the second insurance carrier which would be payable in excess of Globe-Union's insurance benefits. The employee will also agree to reimburse Globe-Union's insurance carrier, through payroll deduction, for any amount which is received from group insurance carriers which would exceed 100% of the medical charges incurred.¹

¹Letter from John Zalusky, Research Director, Collective Bargaining, Allied Industrial Workers of America, to Elmer Ray Garner, President, Local 530, A.I.W., December 7, 1972, A.I.W., Research Department files.



APPENDIX C

THE HEALTH AND SAFETY PROVISIONS NEGOTIATED
AT GLOBE-UNION

- "1. An International Union Industrial Engineering representative will be admitted to the plant to review appropriate industrial engineering matters upon reasonable prior notice.
2. Our Safety Committee shall include Local Union representation to be selected by the Union. The Safety Committee will hold regular meetings, make periodic inspections and submit appropriate recommendations to the Plant Manager.
3. An employee's medical records shall be made available, upon request of his doctor, as promptly as practical.
4. The Company agrees that a high priority should be placed upon proper training to all employees involved in working around machinery that could become hazardous to themselves or to other employees.
5. The commitment in Mr. Thomas' letter of 8/25/72 that the Union Safety Representative will be, upon request, permitted to review the blood lead test results of any employee will be adhered to. In addition, the union will be notified of cases where the blood lead is in excess of 70 micrograms.
6. When it becomes necessary to transfer an employee because of his blood lead level, where possible the employee will be placed in an opening or junior job for which he is qualified and which job has the same or greater earnings opportunity as the job from which he was transferred.

Section 42 shall be revised as follows:

"Section 42. In cases of occupational disease pertaining to lead absorption, as determined by the Company Doctor, and for periods during which workmen's compensation weekly benefits are paid, the Company agrees to make up the difference between such compensation and the average hourly earnings, as computed in Section 38. for a period not to exceed eight (8) weeks."

The following language will be added to the contract:

"The Company and the Union will cooperate in the continuing objective to eliminate accidents and health hazards. The Company shall continue to make necessary provisions for the safety and health of its employees at the plant during the hours of their employment.

An employee or group of employees who believe that they are being required to work under conditions which are unsafe or beyond the normal hazard inherent in the operation in question shall have the right to contact their immediate supervisor who will attempt to eliminate the hazard and then inform the safety committee. The safety committee will take the action deemed necessary on the hazard complained about, notifying the Plant Engineer or Plant Manager and corrective action will be instituted.

A safety grievance when filed, shall be processed under the time limits set forth in the grievance procedure of this Agreement, with the chairman of the safety committee, who in turn will have copies made and distributed to the safety committee members. The safety committee, as a body, will recommend action on the item complained about, either at its next regular monthly meeting or it may recommend special temporary relief to a situation prior to the next safety meeting.

The safety committee referred to above will be a continuously constituted body throughout the term of this Agreement and shall always have a membership of equal management personnel and union member personnel, of which one (1) shall be the Local Union President or his designated representative, in addition to the Plant Manager, Personnel Manager, or their delegated representative who will be the permanent chairman of the safety committee.

Minutes of the safety meetings will be maintained by management with copies made available to all members of the committee within seventy two (72) hours.

It is the Company's intention to encourage the Company physician to give a written report concerning any employee's physical condition upon request of same by the employee through the employee's personal physician. In order for a written Company physician's report to be made available, a written request must be submitted by the employee's personal physician addressed to the Company's physician.



The Company agrees to inform the safety committee of the names and natures of substances used in the plant, exposure to which may be unhealthful or dangerous, and upon request of the Union Safety Representative to reveal the names and natures of any substance or compound used in the plant.

A Company paid physical, not to exceed once each year unless otherwise necessary, shall be given to any employee whose blood-lead level exceeds 80 micrograms %.

When there is a dispute between the Company doctor and an employee's personal physician regarding the employee's lead absorption status, such dispute shall be referred to a mutually agreed upon doctor, competent in occupational disease medicine, for final determination (costs incurred in retaining the third doctor shall be shared jointly by the Company and the Union)."¹

¹Letter of commitments from Globe-Union Inc. to Local 1516, UAW, Middletown, Delaware, April 6, 1973, A.I.W., Research Department files.



CHAPTER V

COORDINATED BARGAINING AT GENERAL ELECTRIC CO.:

THE BIG LEAP FORWARD

Both management and labor at G.E. consider coordinated bargaining to be the most innovative change to have occurred on the collective bargaining scene in the last decade. This effort has been closely watched by leaders of the business world, leaders of organized labor and students of labor relations for possible clues as to the future development of collective bargaining in this country and around the globe. The effort has been contested in courts, praised by labor unions, criticized by management and debated by academicians. In this chapter the history of this coordination will be outlined, the achievement and pitfalls evaluated, and in addition, the role which A.I.W. played in this effort will be examined.

The Company

General Electric Co. was incorporated in New York on April 15, 1892, when it acquired all the property of Edison General Electric Co., Thomson-Houston Electric Co. and Thomson-Houston International Electric Co. Since its incorporation General Electric proceeded to become, by



way of mergers, acquisitions and self-development, the largest and most diversified manufacturer of electrical and electronic equipment in the United States. The company has been primarily engaged in developing, manufacturing and marketing a wide variety of products used in the generation, transmission, distribution, control and utilization of electricity and related technologies. General Electric classifies its products and services into six major categories: consumer goods, industrial power equipment, industrial components and systems, aerospace, international operations and a wholly owned credit and finance corporation.

As of December 31, 1972, General Electric operated about 210 manufacturing plants located in 32 states in the United States and Puerto Rico, and about 80 manufacturing plants located in 22 other countries.

In 1972, the company employed approximately 369,000 people world wide, of which 300,000 work in the United States. Approximately 50 percent of United States employees are represented for collective bargaining purposes by a total of about 325 different local collective bargaining units. However, a large majority of these employees are represented by local unions affiliated with the International Union of Electrical, Radio and Machine Workers (I.U.E.) and United Electrical, Radio and Machine Workers of America (U.E.).



Financial Information

General Electric's sales for the year ending December 31, 1972, totaled \$10,239 million, which is 32 percent higher than in 1967. The increase in profits was even more impressive: In 1972 the net earnings of the corporation were \$530,000 million compared with \$351,389 million in 1967, an increase of 47 percent. Another significant indication of the company's financial position is its investment in plants and equipment, over \$581 million in 1970 compared with \$530 million in 1969, an increase of 9.5 percent. The excellent financial situation of this corporation is apparent from the earnings of its shareholders. While an average share earned in 1967 \$2.00 in dividends and stocks splits, an average stock earned in 1972 \$2.91, an increase of 45 percent. In the same period the total compensation which the company paid its employees increased by 35 percent, from \$3,081 million in 1967 to \$4,168 million in 1972 (see Table 1).

Management Practices

Despite the fact that General Electric is one of the largest and most diversified corporations in the world, it maintains one of the most centralized decision-making processes in the area of labor relations. General Electric's contemporary labor relations philosophy was formulated in 1947 by Lemuel R. Boulware, vice-president for employee and plant-community relations. Under the direction of Boulware,

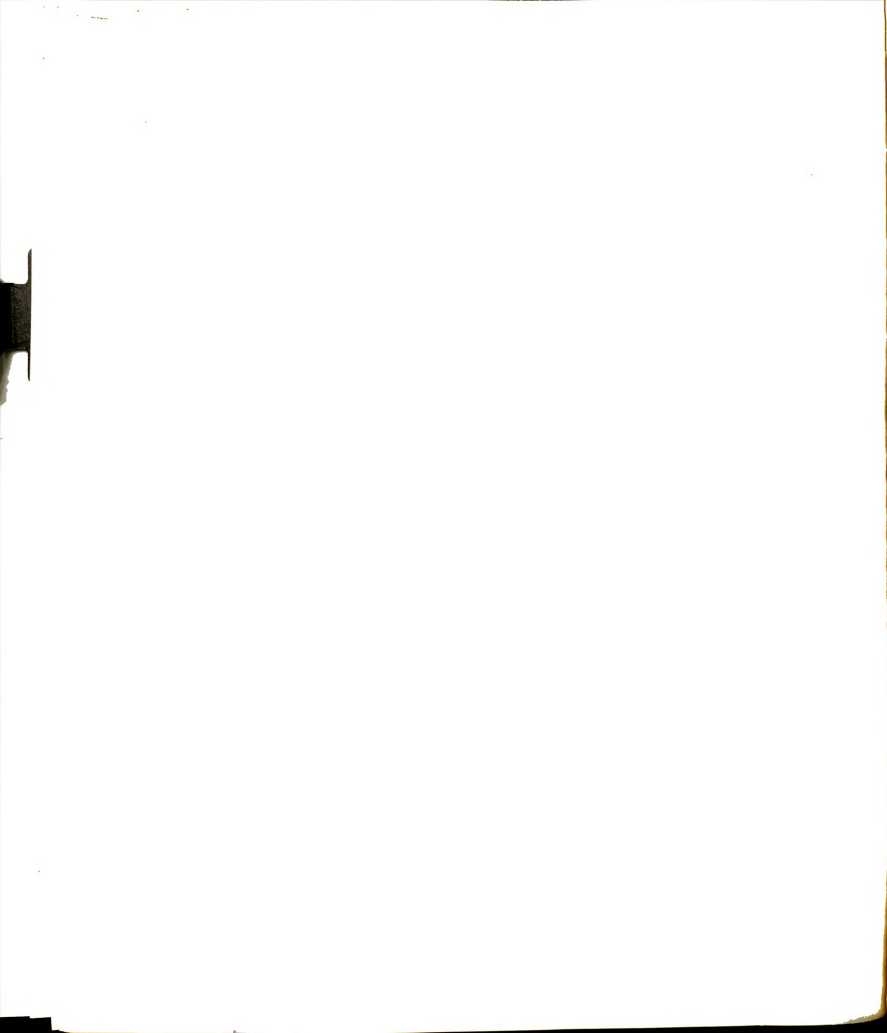
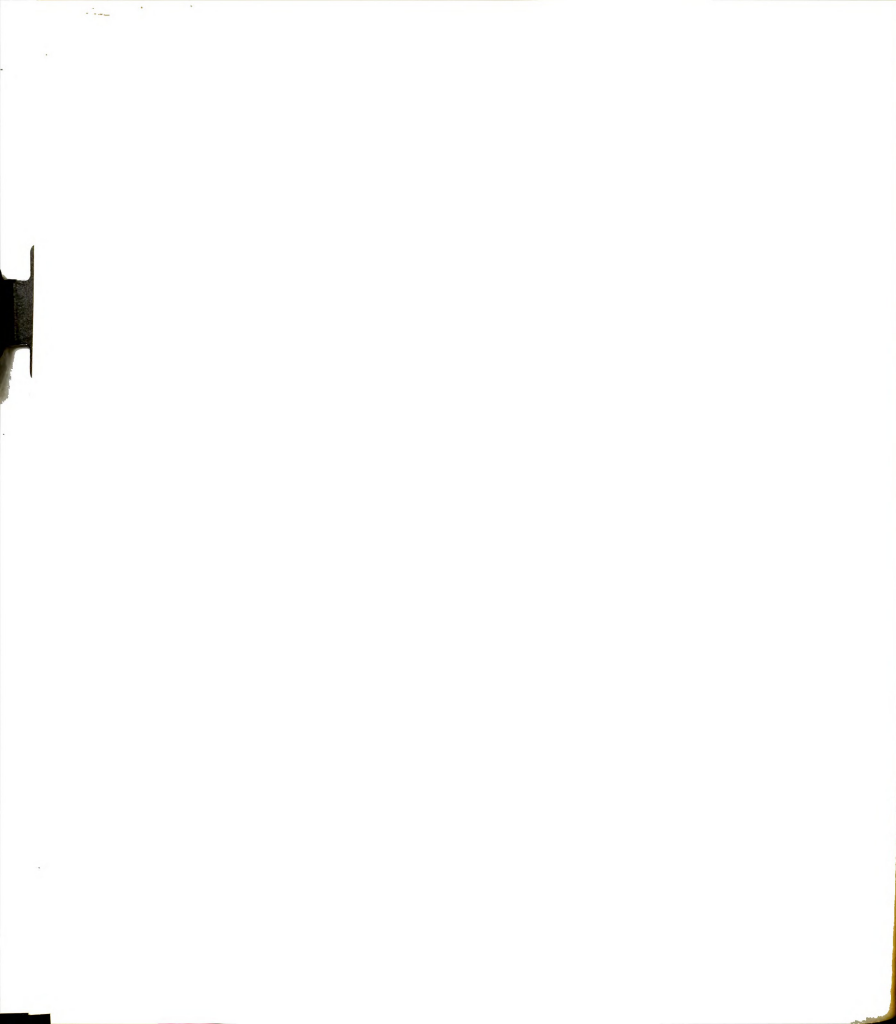


Table 1.--General Electric Company: Comparative financial data, as of December 31.
(In thousands of dollars)

	1967	1968	1969	1970	1971	1972	% Increase of 1972 Over 1967
Total net sales	7,741,233	8,381,633	8,447,965	8,726,738	9,425,300	10,239,500	32
Net earnings	361,389	357,107	278,015	328,480	471,800	530,000	47
Earnings on ave. shares ^a	2.00	1.98	1.54	1.81	2.60	2.91	45
Total employees	3,081,700	3,366,300	3,510,800	3,776,400	3,885,300	4,168,400	35
Plant and equipment expenditures	561,700	514,700	530,600	581,400	n.a.	n.a.	

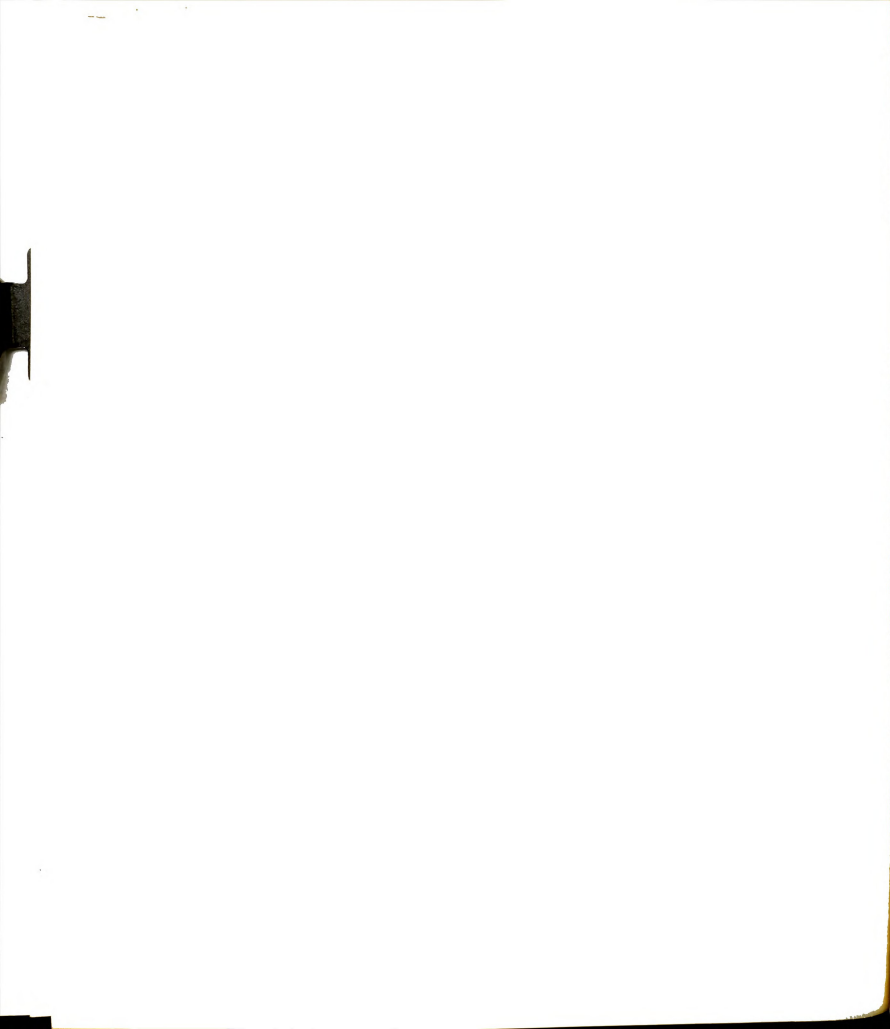
Source: Moody's Industrial Manual, pp. 1391-1396.

^a Adjusted data for stock splits and stock dividends.



an employee relations function was established at the corporate level with status equal to manufacturing, marketing, engineering and finance functions. The role of the employee relations service was to provide general consulting service to all departments, divisions and services on all employee relations, including union relations. It supplied publications to all employees on labor relations matters and provided all the communications needs for the operating departments on employee-related issues. The head of the employee relations service represents the company at the national level in union relations, and his staff interpret union contracts, negotiate national agreements and conduct national-level grievance operations. Its employee relations research and planning service analyzes employee relations trends, conducts applied research in the field of labor economics and provides information to company divisions on employee relations matters. The philosophic basis on which Boulware reshaped the labor relations at General Electric consisted of three aspects:

1. The Company, within its appropriate sphere, tries to give every employee the opportunity to fulfill personal needs and wishes; to this end, it especially emphasizes the day-to-day relationship between every employee and his supervisor.
2. General Electric makes great efforts to determine, and to grant voluntarily, all that is merited in pay and benefit boosts and other adjustments for everybody employed by the Company.
3. We try to act first and use words second, communicating our actions completely all year long



to employees on everything affecting their relationship with General Electric.¹

Using this philosophy, Boulware formulated the method by which the company would conduct collective bargaining negotiations:

We resolved to prepare for coming negotiations by the steady accumulation of all facts available on matters likely to be discussed.

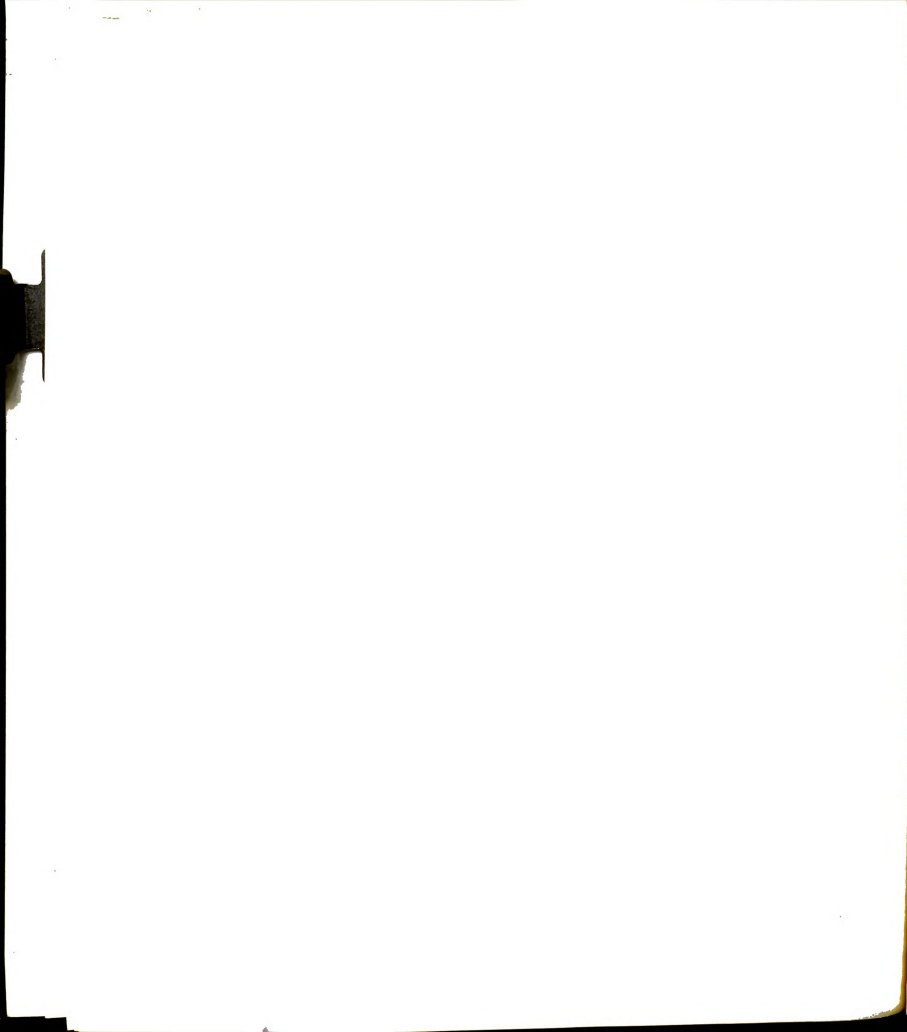
We would then add to, discard or revise these facts on the basis of any additional or different facts we learned from union or other sources during negotiations as well as before. Then at the appropriate time, and when seemingly all the available significant facts were in and had been fully discussed, we would offer what the facts from all sources seemed to indicate was fully up to all that was right in the balanced best interests of all--with nothing held back for future jockeying.

We have freely admitted we do not regard the threat or the actuality of a strike as being the kind of fact that ought to change what we honestly think is right. We decided at the same time that we should and would publicize our offers when made. We would keep our employees and neighbors advised of the course of negotiations--including any changes in our offers in response to union representations or by reason of any other development.²

In addition to the "take it or leave it" system of collective bargaining which Boulware initiated, and which the NLRB later ruled as bad faith bargaining, he conceived and implemented a campaign of discrediting those

¹"The History and Development of . . . Our Employee Relations Philosophy and Union Bargaining Approach," Relations Reviews [General Electric], Supplement (May, 1969), p. 3.

²"One Ten-Year Effort," an address by Lemuel R. Boulware, Vice-President, General Electric Company, before the Pittsburgh Personnel Association, Pittsburgh, February 14, 1957, p. 5. (Mimeographed.)

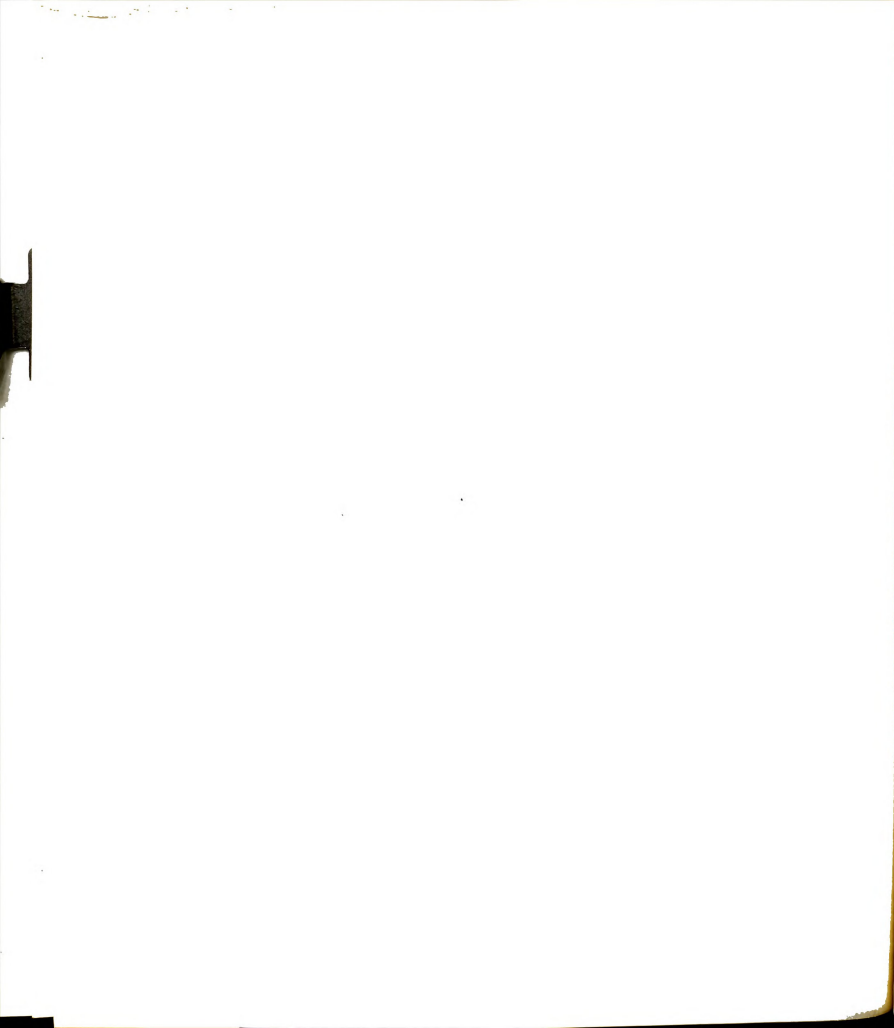


union leaders who, in his opinion, pressed for "unsound proposals" at the bargaining table.

The second problem we faced was the regrettable and distasteful, but vitally necessary task of doing our part to correct any unwarranted confidence in any undeserving union officials and in any unsound proposals by them . . . certain of these union officials were too often regarded as friends of the worker and public even when sponsoring ideas and action quite contrary to the best interests of employees and public.¹

Another important feature of the labor management relations at General Electric are the three national agreements which the company has with the following international unions: International Union of Electrical, Radio and Machine Workers (I.U.E.); United Electrical, Radio, Machine Workers (U.E.) and Pattern Makers League of North America. These national agreements usually cover such subjects as general wage increases, employee benefits, arbitration, etc. Local supplements covering local working conditions not covered by the national agreements are later negotiated by local labor and management officials. Those three national agreements cover 75 percent of the unionized employees of General Electric. Furthermore, in recent years it became a tradition that the national agreement signed by I.U.E. be viewed as a pattern setter for the rest of the unions. Another characteristic of management practices, alleged by the different unions to be the most harmful to union effectiveness, are the whipsawing

¹Ibid., p. 3.

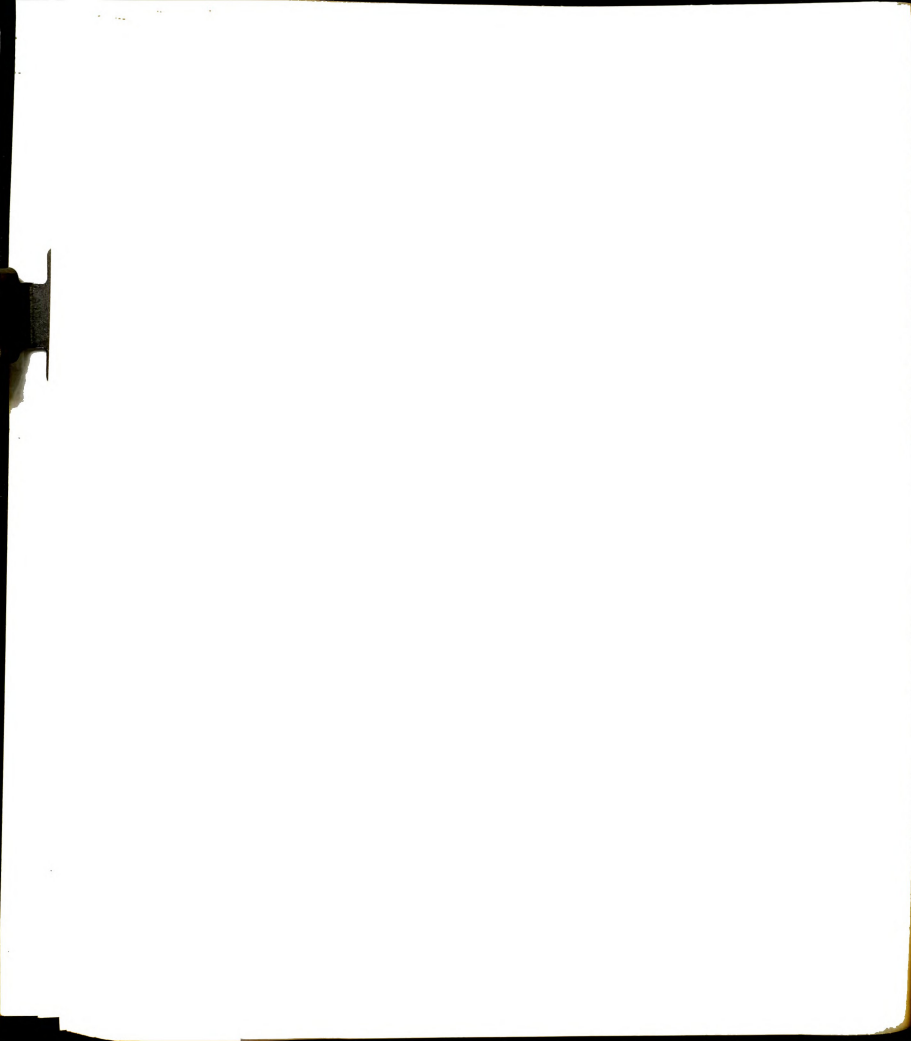


and divide and conquer tactics. Union leaders allege that these tactics have been used most frequently by management in its relations with I.U.E. and U.E., as well as in other situations.

The Efforts to Establish Coordinated Bargaining

The tremendous economic power which General Electric possessed and the frustration which unions suffered as a result of management practices led the union leadership to realize that only a concerted effort might reestablish the balance of power at the bargaining table.

The I.U.D. made the first attempts at coordinating the bargaining of the different unions in 1958. This attempt, as well as the second one in 1960, failed, mainly because of the lack of preparation and commitment of the participants. Other important reasons for the failure were the political struggles between the two major unions, I.U.E. and U.E., and the shaky internal situation of the leadership of I.U.E. at that time. With the change of leadership in I.U.E. following the election of Paul Jennings as president, and after a period of consolidation, Jennings, who was not involved in the interunion rivalry as much as his predecessor, revived the idea of inter-union coordination in 1965 in preparation for the 1966 collective bargaining. This time, the basic groundwork was prepared much more thoroughly, which meant first and



foremost that the full commitment of the participants was secured. On September 20, 1965, the presidents of six AFL-CIO international unions met in Washington and agreed to coordinate pension and insurance bargaining activities. The presidents of the American Federation of Technical Engineers; International Association of Machinists; International Brotherhood of Electrical Workers; United Automobile, Aerospace and Agricultural Implement Workers; International Union of Electrical, Radio and Machine Workers and Allied Industrial Workers of America formed the Coordinated Bargaining Committee (C.B.C.), chaired by AFL-CIO president George Meany. In October a seventh union joined the C.B.C., the Sheet Metal Workers International Alliance. Before the end of 1965, the potential of coordination as a tool in collective bargaining had become apparent, and the committee decided to broaden its scope to include the full range of negotiations. Once this decision was reached, the unions established common goals. They also included on each negotiating committee members of the unions within the C.B.C., pooled their resources, shared staff personnel and obtained additional technical help from the I.U.D. The steering committee of the C.B.C. started its work by establishing a number of subcommittees to draft contract proposals to be presented by all C.B.C. unions to G.E. and Westinghouse. These committees were:



1. National bargaining goals: This committee, aided by eight subcommittees of its own dealing with specialized bargaining areas, was charged with developing the national bargaining goals and recommending them to the steering committee.

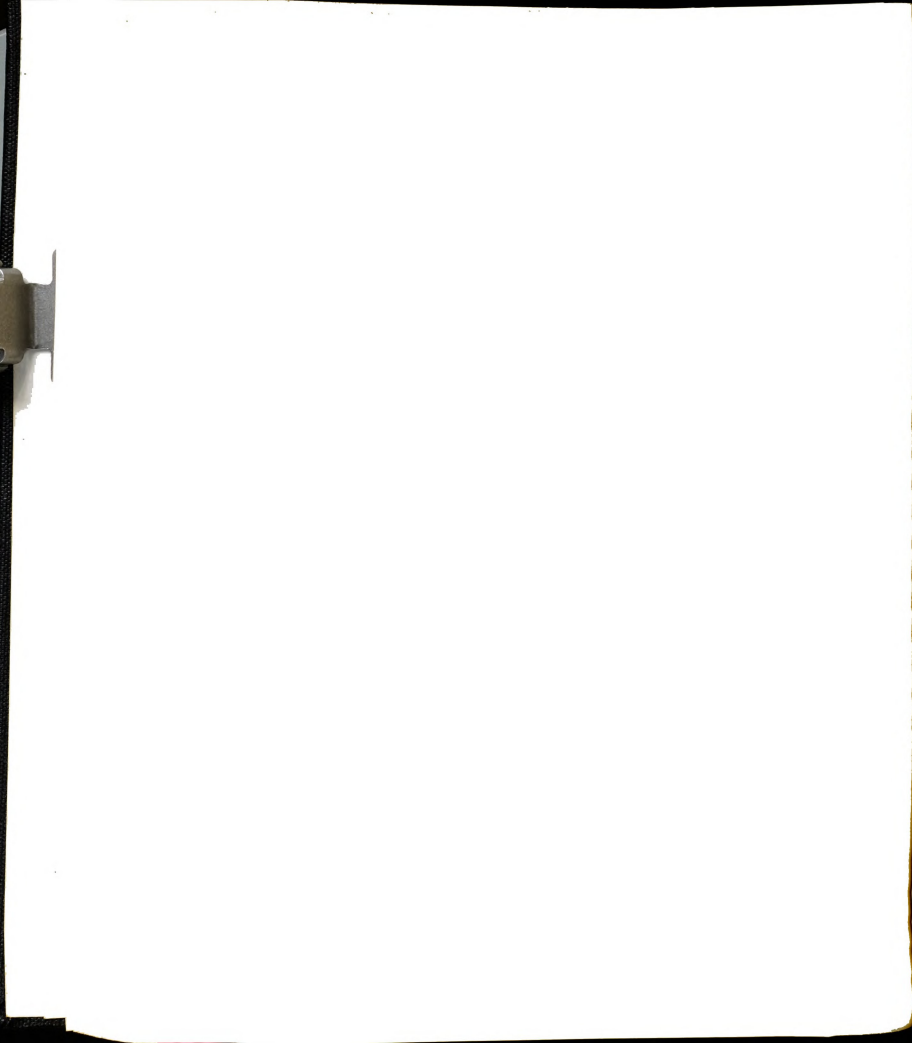
2. Legal: The legal committee was charged with the responsibility of guiding the steering committee on legal problems, reporting on all relevant litigation and coordinating activities of the C.B.C.'s legal departments.

3. Economic: This committee was responsible for researching and analyzing economic data, including G.E.'s financial operations and data relating to wage differentials.

4. Publicity and education: This committee was responsible for membership educational programs, training and direction of regional coordinators, establishment and operation of a teletype network and other internal communications, preparation of materials for mass meetings, planning and staffing grass roots meetings and creation of commercial advertising and press relations.

5. Employment and income security: This committee had responsibility in such areas as the income extension plan, job protection and transfers, subcontracting and restrictions on overtime.

6. Wages and cost-of-living: This committee was concerned with hourly base wages, cost of living, incentive



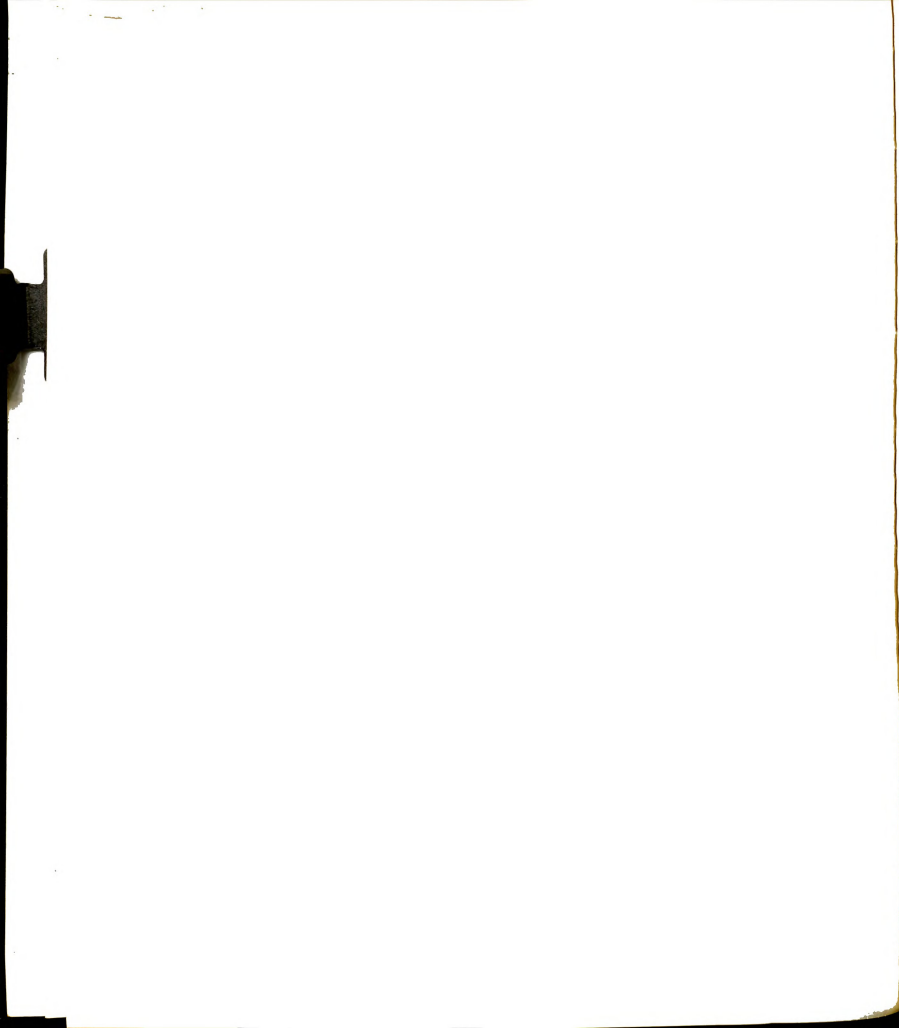
systems, elimination of wage differentials, vacations, holidays and overtime rates, bereavement pay, personal and sick time and military pay differentials.

7. Salary: In addition to the areas covered by the wage and cost-of-living committee, the salary committee was also charged with the responsibility for educational and retraining programs and any other conditions particularly affecting salary workers.

8. Pensions and insurance: This committee was responsible for establishing goals and programs in these areas.

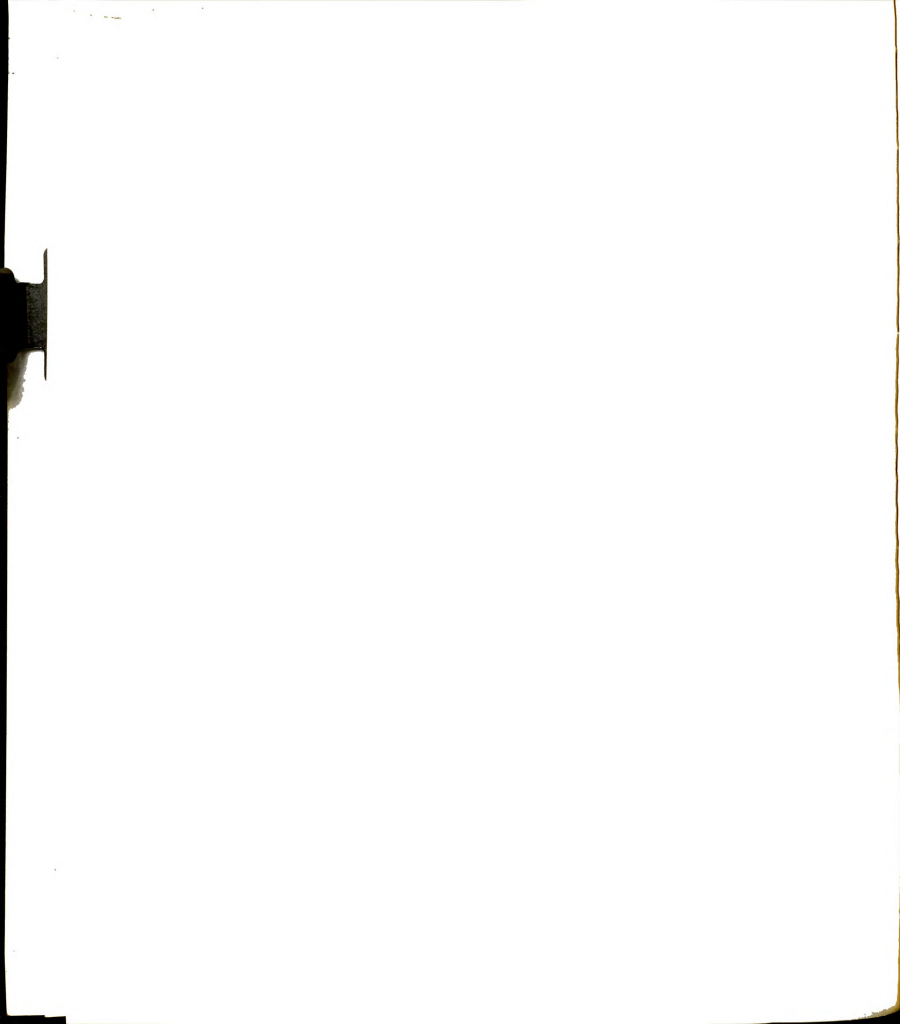
9. Contract language: This committee was responsible for the non-economic goals, such as union recognition and union shop, non-discrimination, credited service, probationary period, leave of absence for union officials, arbitration, training program, educational program and job posting and bidding.

On March 15, 1966, after lengthy preparatory work, 325 delegates, representing the membership of 150 locals, gathered in Washington, D.C., to adopt the national bargaining goals. Those goals included substantial wage increases with a catch-up on past wage shortfall, improved holidays and vacations, improved income and employment security plans, arbitration, union shop, automation provisions, a program of retraining, and improvements in the pension and insurance plants. Although they were not yet



affiliated with the C.B.C., the Carpenters and Joiners of America and the Plumbers and Pipefitters union sent representatives to this conference.

Before the end of 1966, the C.B.C. had grown to eight unions with the addition of the American Flint Glass Workers. On May 17 the first of 18 grass roots meetings was held in Columbus, Ohio. Others were held in the south, far west, northeast and midwest, with the final meeting in Fort Wayne, Indiana, on June 30. The purpose of the meetings was to explain and gain support for the national bargaining goals agreed upon at the March 15 conference. The meetings were aimed primarily at local union officers and shop stewards, and the emphasis was on questions and discussions from the delegates. Meanwhile, the C.B.C. presidents had proposed that they and the president of G.E. meet to lay the groundwork for the 1966 negotiations and that those meetings be informal and no-commitment meetings. The proposal was dismissed by management on the grounds that such meetings would be a departure from the procedures defined in the collective bargaining agreements. After some discussion, G.E. finally agreed to have its negotiating team, headed by Philip Moore, meet with the I.U.E.'s negotiating committee. They met at G.E.'s New York headquarters on May 4, 1966. But the meeting ended before it had even begun because the management team walked out. The reason given by the



management team for this walkout was the presence on the I.U.E. team of several new committee members who were also associated with other AFL-CIO unions representing G.E. workers. Because of this refusal to bargain, I.U.E. filed charges with the NLRB, asking that G.E. be required to bargain. I.U.E. cited the American Radiator case, 155 NLRB No. 69 (1965), in which the Board ordered management to deal with Standard Allied Trades Council's negotiating committee, which included representatives from I.U.D.

During the month of July an extensive public relations campaign was mounted by the company to establish the evils in the introduction of coordinated bargaining. One example declared:

Why We Do Not Accept Coalition Bargaining

For many months we have been trying to make it clear that for many good reasons--affecting the Company, employees, the public, and unions--we oppose the idea of bargaining with a coalition of unions. Summing it up, here are the reasons:

1. We are convinced that the basic strategy of the union coalition is to present a "united front" for unanimously rejecting any Company proposals (no matter how good) in favor of forcing a broad-scale strike. The purpose of this strike would be to test whether General Electric can be forced to enlarge its offer solely to avert or end such a strike. This could be a very expensive experiment which would benefit no one.
2. For many years General Electric has stood firmly for the principle of negotiating in a forthright manner which holds nothing back simply to be able to make last minute, strike-threat concessions. In this year's negotiations we intend to bargain in the same way because we believe it really serves everyone best in the long run.
3. In the end, the coalition stands as little more than an outright-strike-broadening and strike-lengthening effort, and we do not see how that can be good for anyone.



4. Various aspects of preliminary "coordinate" bargaining--such as unions pooling research and information, improving communication with one another and with their membership, analyzing the long-range impact of their demands and strategies, etc.--are not basically a concern to General Electric provided these are not merely instruments for enforcing strike discipline on locals whether they want to strike or not.

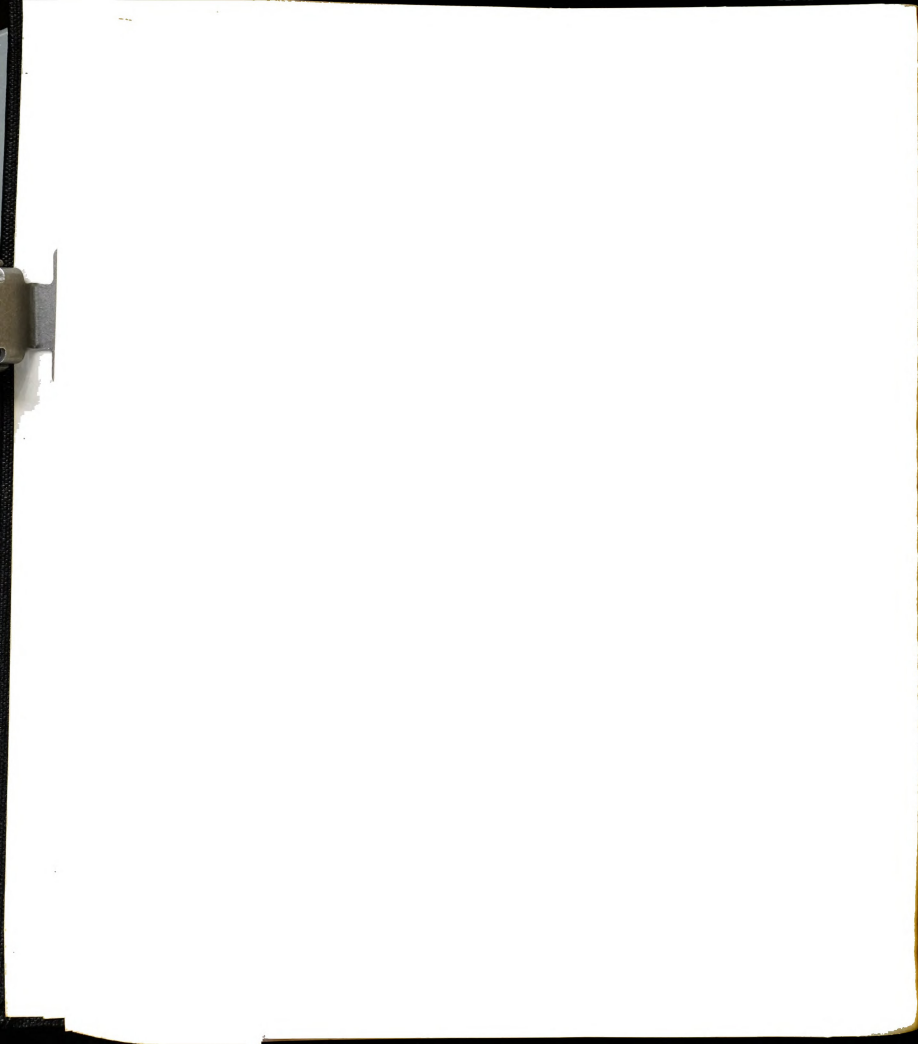
5. Beyond the immediate concern of a 1966 strike we are also concerned with the obvious longer-range strategy of the coalition to bring about conditions for industry-wide bargaining in the electrical industry. Here again it is clear that an industry where strikes have been rare and where wages and working conditions are good needs no new instrument for imposing industry-wide strikes or economic settlements that would impair growth and competitive health in world-wide markets. No other industry is more exposed today to the disciplines of the international market place.

6. Coalition officials have made no secret of the fact that they are intent on shattering the wage guidepost even though it has been endorsed by the public as a means to avoid further domestic inflation.

7. It is also clear that the strike-bound coalition intends to turn its back on the negotiating table in favor of seeking a settlement through government intervention. This is damaging to the whole collective bargaining process and encourages the excesses already evident in such debacles as we have seen in other negotiations.

8. By trying to centralize negotiations that have been traditionally localized, the coalition inevitably would submerge the varying needs and concerns of employees in more than 100 different General Electric businesses. This risks the now common danger of inviting local strikes even after national strikes are settled. This has been happening in other industries where big unions have centralized their bargaining and overlooked the concerns of their local memberships. In some of these industries there is already a trend away from such centralized bargaining.

9. Lastly, but perhaps the very best reason for rejecting coalition bargaining, is the fact that traditional relationships rather than the new coalition experiment have provided a 33-year bargaining history of sound and peaceful contract settlements which is unmatched by any other major manufacturing concern. In sharp contrast with earlier years, this year's bargaining picture is already badly clouded by the



coalitions' unwillingness to engage in normal pre-negotiations meetings and the coalition's new course of local strikes, NLRB charges, law suits, and other tactics. What the coalition has done so far, toward constructive collective bargaining is evidence enough that we must reject the course of the coalition.¹

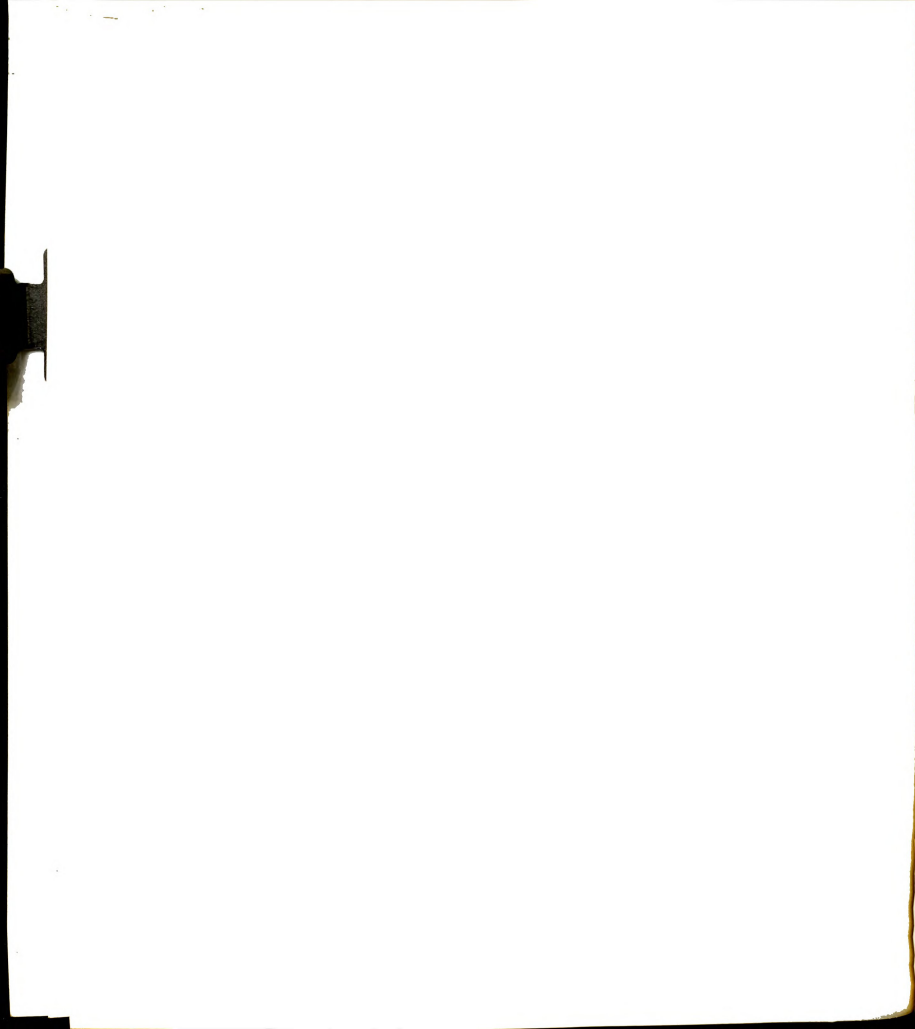
During July, G.E.'s lawyers were in court seeking ways to avoid an injunction that would require the company to bargain with an I.U.E. negotiating committee that included representatives of other unions. The court action was the result of an NLRB complaint that G.E. was committing unfair labor practices by refusing to bargain with the I.U.E. committee. The Board asked the court to order G.E. to meet, confer and bargain collectively in good faith with I.U.E. and its constituent locals. The Board declared:

. . . the issuance of a temporary injunction is necessary for the protection of the public interest and for the preservation of the status quo.²

On August 18, 1966, Judge Marvin Frankel of the United States District Court for the Southern District of New York issued an order directing the company to bargain with the I.U.E. negotiating committee. The G.E. bargaining team decided to return to the bargaining table under protest

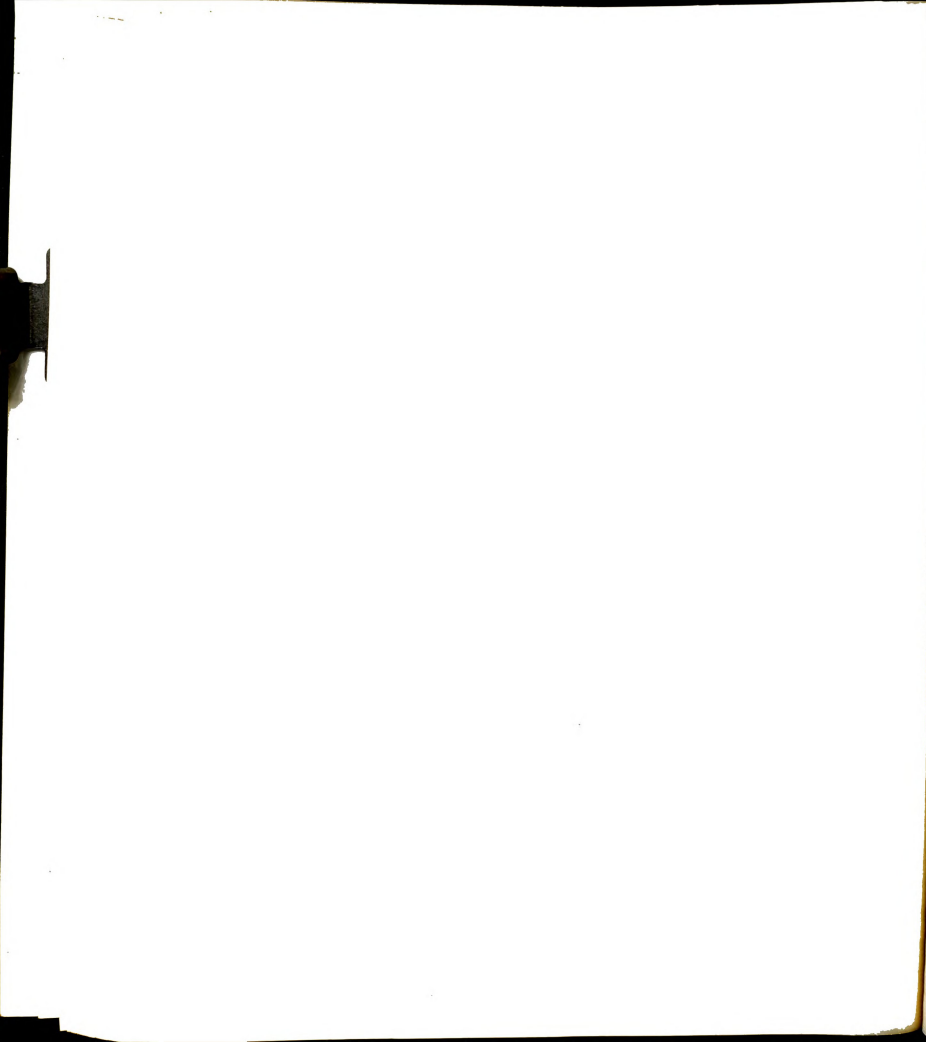
¹"Why We Do Not Accept Coalition Bargaining," Employee Relations News [General Electric], No. 66-28 (July 25, 1966), p. 1.

²"Brief for the National Labor Relations Board" in Ivan C. McLeod v. General Electric Company, 62 LRRM 2809, before the United States District Court for the Southern District of New York, August, 1966, as reported in Daily Labor Report, August 12, 1966, p. D-5.



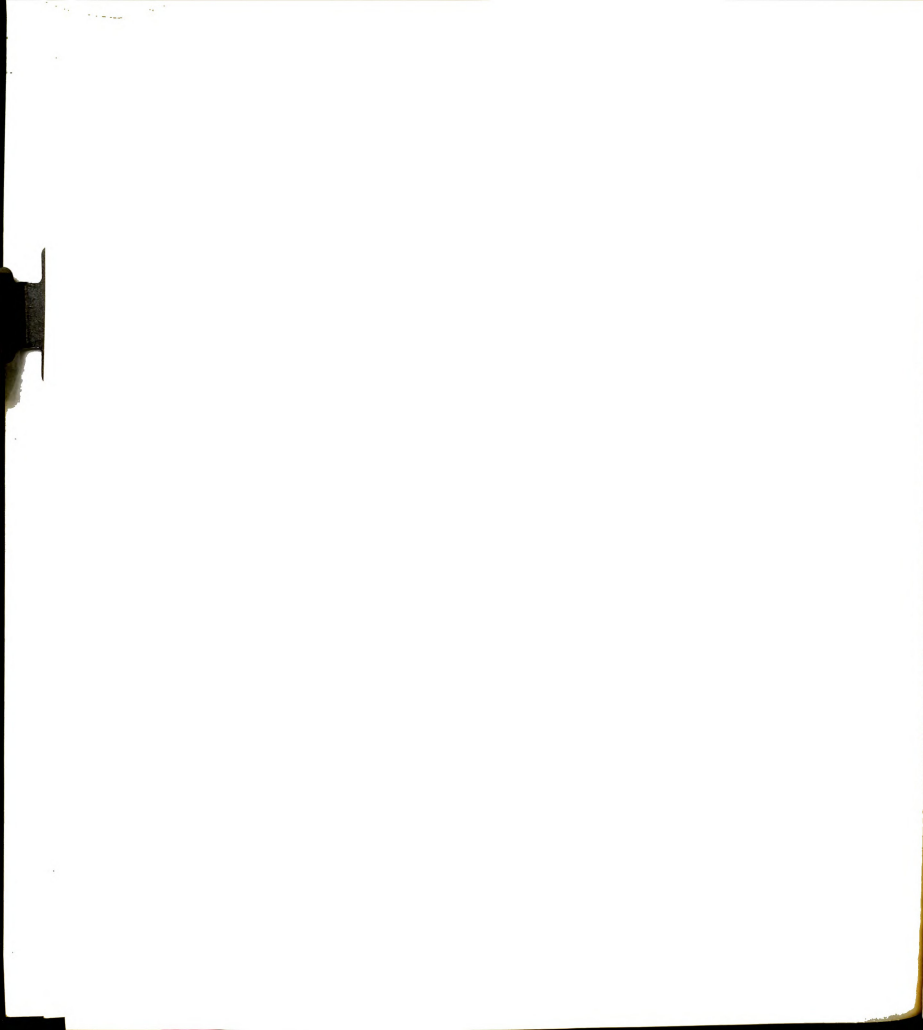
and proceeded to appeal Judge Frankel's order to the U.S. Court of Appeals. On September 20, 1966, the Court of Appeals reversed Judge Frankel's decision, but on the following morning Justice John M. Harlan of the Supreme Court reinstated Judge Frankel's order. From August 23 until September 14 the union's collective bargaining proposal was discussed at the bargaining table. This proposal included the following major areas:

1. Inclusion of a standard cost-of-living clause.
2. Nine paid holidays.
3. Upward revision of the company's wage offer, including a cents-per-hour minimum.
4. Higher increases for skilled trades workers, applied over a wider range of jobs.
5. Modification of the pension offer to eliminate those instances in which it would mean a loss rather than a gain to workers.
6. A start on a definite program for eliminating geographic wage differentials.
7. Improvements in three phases of social insurance-- financing payment of deductibles and provisions for sickness and accident pay.
8. Stronger contract protection in several areas, including arbitration of grievances, union security and released time for workers on union business.



G.E. made its first counter-proposal on September 22, recommending a 38-month contract and completely ignoring the most important union demand for a cost-of-living clause. The union rejected the company's proposal, and on September 27 management presented a new proposal calling for a 42-month contract, with an additional three cent cost-of-living increment, application of an additional holiday a year earlier and an adjustment for the skilled trades. On September 28 the I.U.E.-G.E. conference board unanimously rejected the last offer.

With the company refusing to budge on its last proposal and time quickly running out, the Federal Mediation and Conciliation Service announced that it was intervening in the dispute. From September 29, when federal mediators first entered the scene, until late on the night of October 1, union negotiators participated in almost constant talks with the company and members of the conciliation service. With the talks still deadlocked, a recess was declared in order that the I.U.E.-G.E. conference board could meet. The conference board once again reaffirmed the position it had taken in Washington on September 28, and again unanimously rejected the company offer, voting to strike. Later that same afternoon, when talks resumed, the company produced a fourth proposal. This proposal would have advanced by three months the date of the three-cent adjustment and a one-cent increase in the



minimum. On October 2, just four hours before the strike deadline, the C.B.C. unions received a request from President Lyndon Johnson asking that they refrain from striking for two weeks because of national defense reasons. The President's request for a two-week stay of strike actions voided the use of a Taft-Hartley injunction which the government was contemplating. The President appointed three Cabinet members to work with federal mediators and the parties involved in order to work out a settlement. On October 14, three days before the new strike deadline, a tentative agreement was reached when G.E. moved on cost-of-living, paid holiday, minimum wage increases and early retirement issues. Two days later, the I.U.E.-G.E. conference board accepted the agreement by a 45,000 to 11,600 vote. Within the same period all of the C.B.C. affiliates had voted overwhelming approval of the pact. With the exception of scattered strikes over local issues, the 11-union committee concluded agreements similar to that of I.U.E. and hailed it as the best settlement up to that time ever achieved by G.E. unions. The highlights of the settlement were:

Benefits: The value of the wage benefit gains in the I.U.E.-G.E. settlement came to nearly \$2,500 for the average G.E. worker over the three-year life of the agreement.

Cost-of-living: The total possible increase for living cost rises during the life of the agreement was 3.5 percent.



Skilled trades increases: Skilled and salaried workers received additional increases up to ten cents an hour and retroactive to October 3, 1966.

Pension: Early retirement and disability improvements and increases on pensions benefits.

Vesting rights: Employees who leave G.E. for any reason after ten years of service have a right to receive a pension.

Holidays: Ninth paid holiday starting in 1968 rather than 1969 as G.E. first offered.

Vacation: Beginning in 1967, two weeks paid vacation after two years of service rather than five.

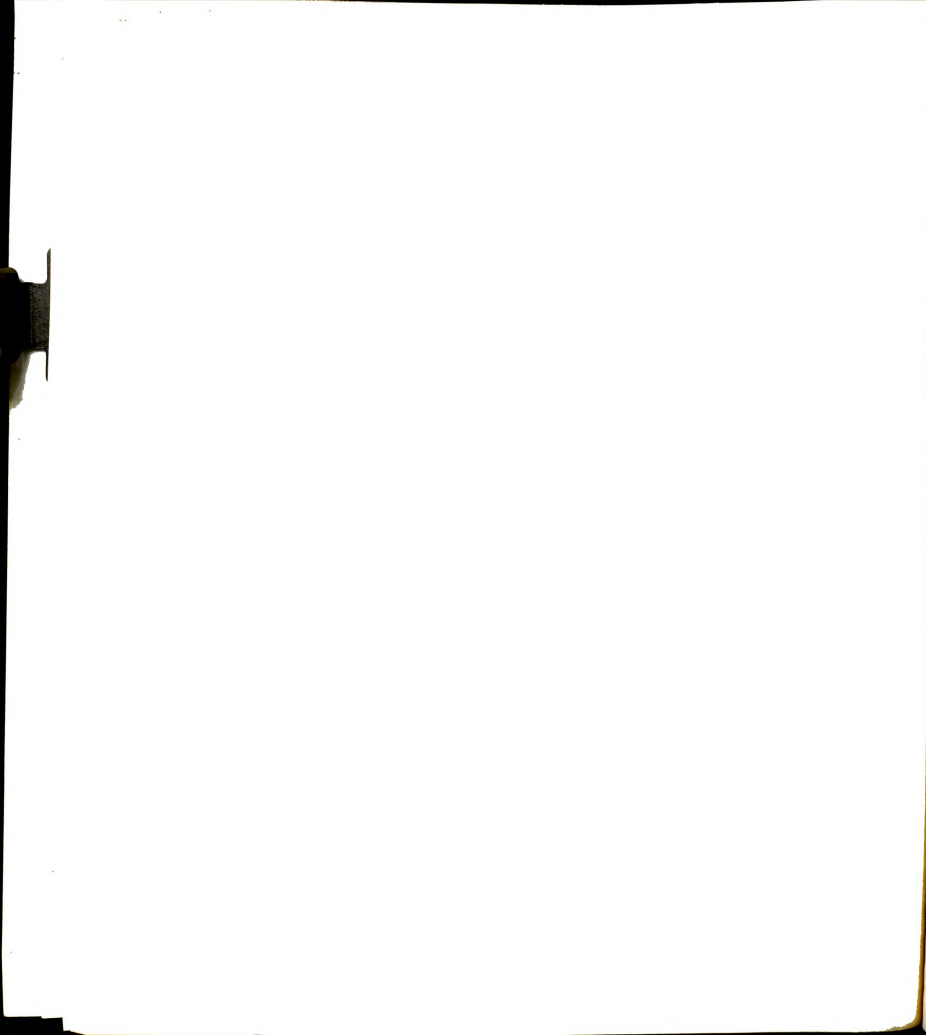
Layoff income: Employees returning from layoff rebuild credits for "Income Extension Aid" at four times the normal rate of one week's pay for each year of service.

Retraining: A separate series of credits established for paying tuition expenses while on layoff without reducing Income Extension Aid benefits.

Maternity benefits: Maternity medical expenses treated like other medical expenses.

Dental surgery: For employees and their dependents.

Dependent children: Medical insurance extended to cover an employee's dependent unmarried children, regardless of age, where dependent is either disabled or still going to school.



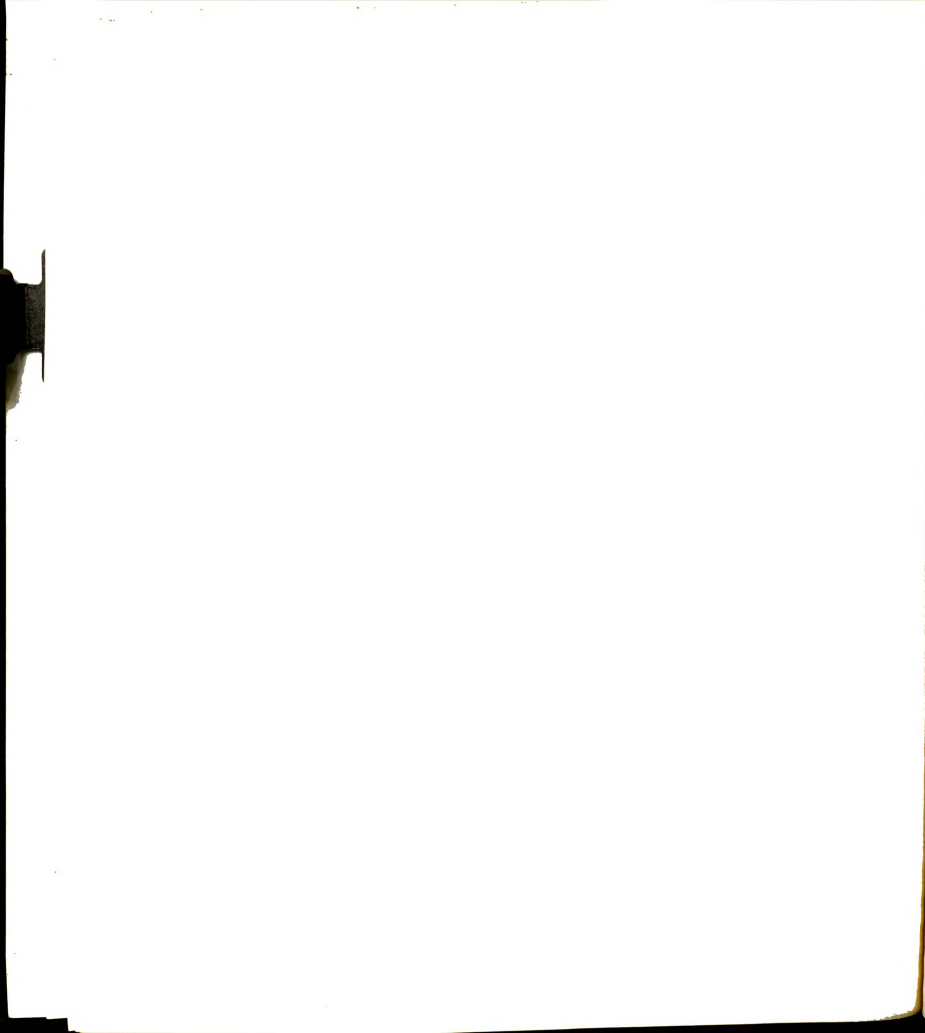
Medical maximum: The limit on lifetime benefits increased from \$25,000 to \$100,000.

Pensioner's insurance: Eight dollars a day in hospital while medicare payments are available and \$30 per day after medicare benefits run out, \$10 a day for nursing home care after medicare runs out.

Savings and security: On a personal option basis, employees may give up part of their wage increase to participate in a savings program, investing up to 6 percent of pay in a combination of G.E. stocks and U.S. savings bonds with the company matching such savings on a 50 percent basis up to 3 percent of pay.

Plans for greater unity and for cooperation in other areas of mutual concern were made by the Steering Committee of the C.B.C. following the conclusion of the negotiations. These areas included, among others, coordination of information and resources for solving important grievances, enforcement of contracts and coordination on organizing. As a direct result of those meetings a Coordinated Organizing Committee was formed, composed of the organizing directors of all the C.B.C. unions. This was the prelude to the 1969 negotiations.

The C.B.C. subcommittees completed a major portion of their preparations in the first few weeks of 1969. On March 6, a national conference was held in Washington, D.C., with more than 500 delegates from unions throughout the country in attendance. At this conference the proposed

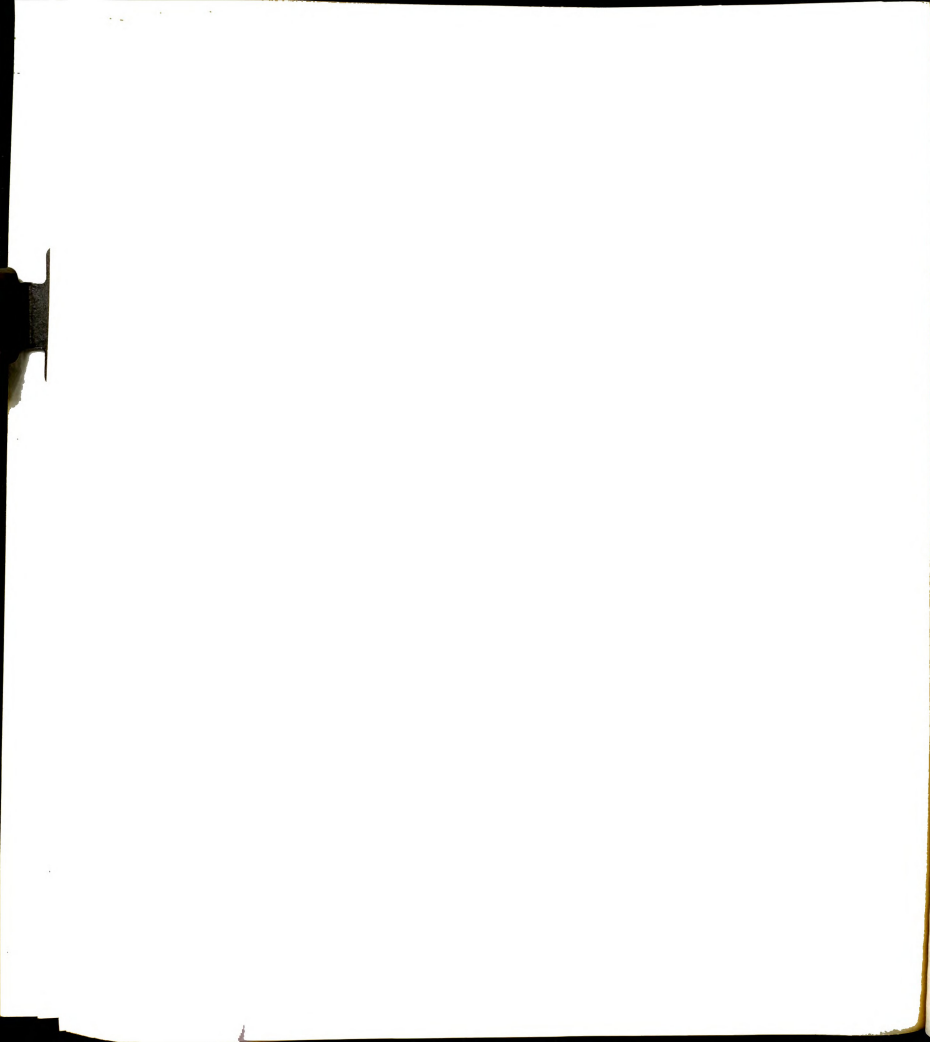


bargaining goals were presented to the delegates, who approved them. Following the conference, and in order to gain full participation from all members affected by the forthcoming negotiations, the Steering Committee prepared and distributed a questionnaire to all 200,000 C.B.C. members asking them to indicate their own priorities and also to include any demands which the committee may have overlooked. Meanwhile, the C.B.C. membership continued to grow with the entrance of the Firemen and Oilers Union and the Teamsters.

Negotiations with G.E. were originally scheduled to begin on August 2, but because of company pressure the talks started two weeks ahead of schedule. At the first session with G.E., Paul Jennings, president of I.U.E., mentioned that the I.U.E. negotiating committee had among its members representatives of the Coordinated Bargaining Committee. He noted that although they were members of other international unions, they were there that day as part of the I.U.E.'s committee and would participate fully in negotiating a settlement for I.U.E.

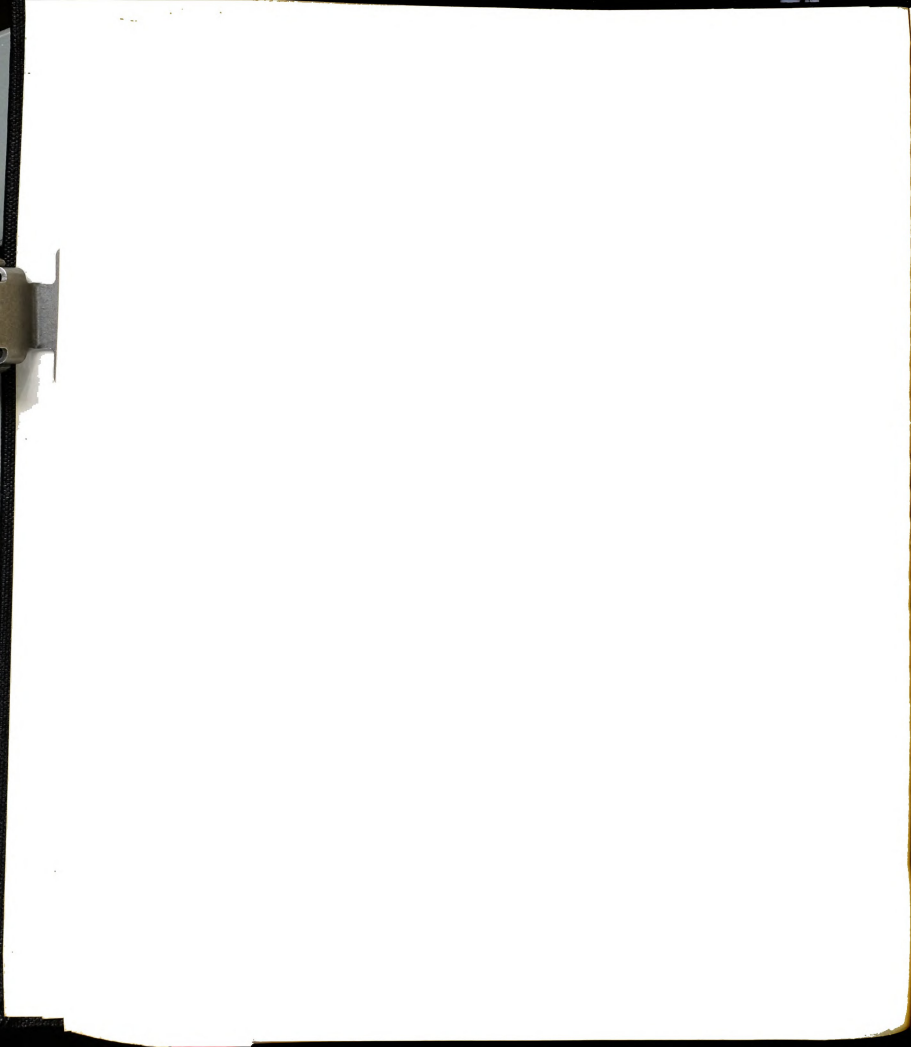
In the weeks that followed, no advances were made at the negotiating table. The first G.E. offer was made on October 7, and was immediately rejected by all unions in the C.B.C. as well as by U.E. Strike votes by all locals in all unions were taken.¹ In order to get the

¹It is noteworthy that this was possible since most G.E. plants had common or nearly common expiration dates, as well as many uniform employment conditions.



negotiations off dead center, the Steering Committee decided upon a number of modifications in its proposal and presented them to the company on October 21; however, G.E. failed to respond and did not change its original offer. On October 26, with the contract deadline only hours away, the I.U.E. made a last minute effort to avert a strike by offering to submit all unresolved issues to the American Arbitration Association for binding arbitration. The company refused, saying in effect that it did not want a third party telling it how to run its business. At midnight, October 26, the strike began.

From the outset of the strike, George Meany marshalled the full forces of the AFL-CIO in support of the C.B.C. unions and their members. In addition to establishing a federation-wide G.E. strike defense fund, the federation launched a nation-wide boycott of G.E. and Hotpoint products on November 28. The second G.E. offer, made on December 6, 1969, was also rejected by the unions. The reasons for the rejection were that the company did not propose any improvement on its original wage offer for the first year, and in the second and third years it proposed a 3 percent increase for each year. In addition, the cost-of-living offer was viewed as inadequate by the unions. On December 11, the federal mediators entered the dispute and on January 8, 1970, the Chief Federal Mediator requested both sides to appoint top-level subcommittees in order to accelerate the negotiations. These top-level



negotiations produced a tentative agreement on January 29. The C.B.C. Steering Committee, after reviewing and discussing the proposals, recommended approval. The I.U.E.-G.E. conference board ratified the proposed terms on February 2. The membership, by an overwhelming majority, voted its approval the following day. Within a matter of days all the C.B.C. unions had accepted the package of 97.8 cents per hour in wages and benefits. The following are the highlights of the agreement:

Wages: 74 cents an hour including cost-of-living plus skilled inequity increases.

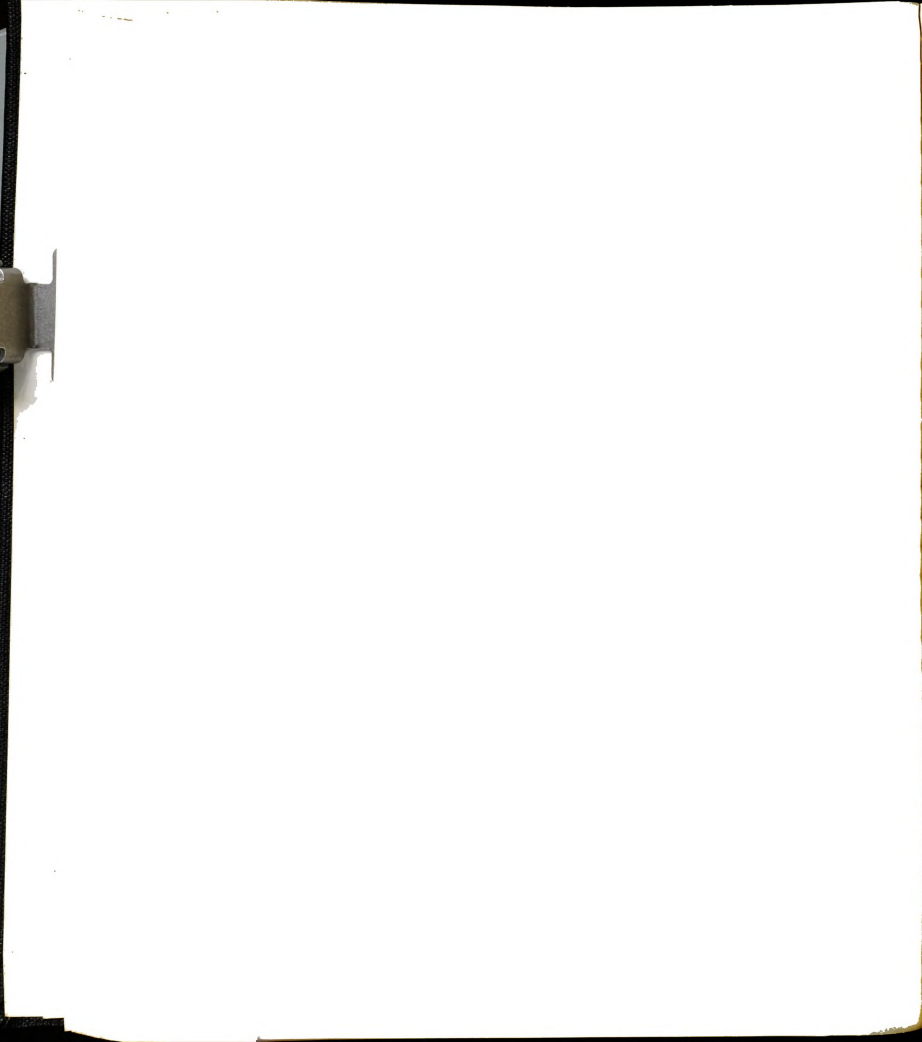
Pension: Improvement in the regular pension and introduction of widows pension.

Vacation: A fifth week of vacation after 30 years of service and a fourth week after 15 years instead of after 20. Also, introduction of paid sick leave or personal time of up to five days a year.

Insurance: Elimination of the contribution employees were making toward the cost of their own insurance.

Hospitalization: Full semi-private room and board rate for up to 365 days while in the hospital.

As 1971 drew to a close, the Steering Committee began to make preparations for the 1973 negotiations. Each union was notified that the subcommittees would be reactivated during January, 1972, and that each union should be prepared to name members to each committee. Based on

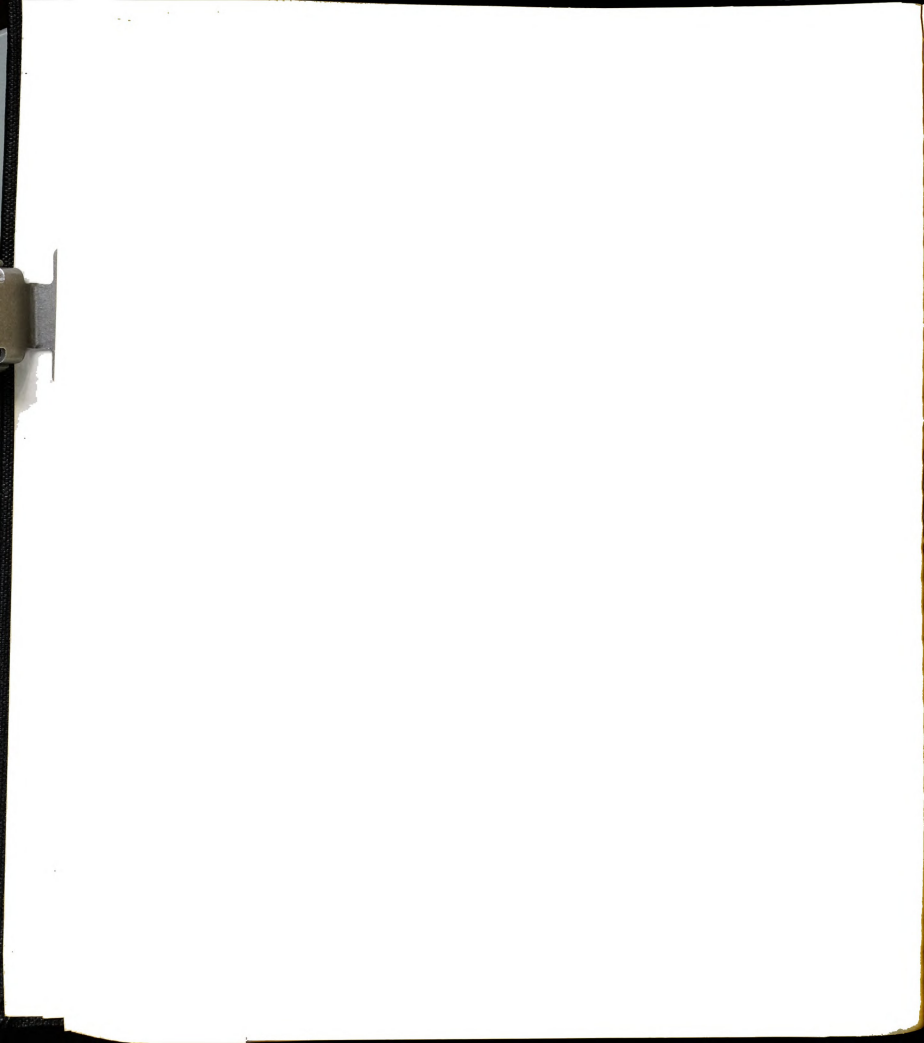


previous experience, the subcommittees were revamped slightly for better utilization of their time. They were also enlarged to include as broad as possible representation of rank-and-file members. In addition, some changes were made in the structure and functions of the subcommittees to eliminate overlapping.

In July, 1972, the independent United Electrical Workers (U.E.), who had worked closely with the C.B.C. during the 1969 negotiations, joined the C.B.C. to bring the number of participating unions to 14.

From January, 1972, until February, 1973, the different subcommittees prepared detailed reports on the bargaining goals. These reports were reviewed by the Bargaining Goals Committee and adopted as the demands of the C.B.C. to be made to the company (see summary of those demands in Appendix A).

Before the negotiations even began it was clear that the negotiations of 1973 would be different from previous years. The wage-price controls prevailing at that time imposed guidelines on the parties relating to the level of wage increases. Another important factor was the change in the top management of General Electric with the appointment of Reginald H. Jones as new board chairman. The significance of this change was that new people were assigned to the collective bargaining team who had not been associated with the old bargaining philosophy. In

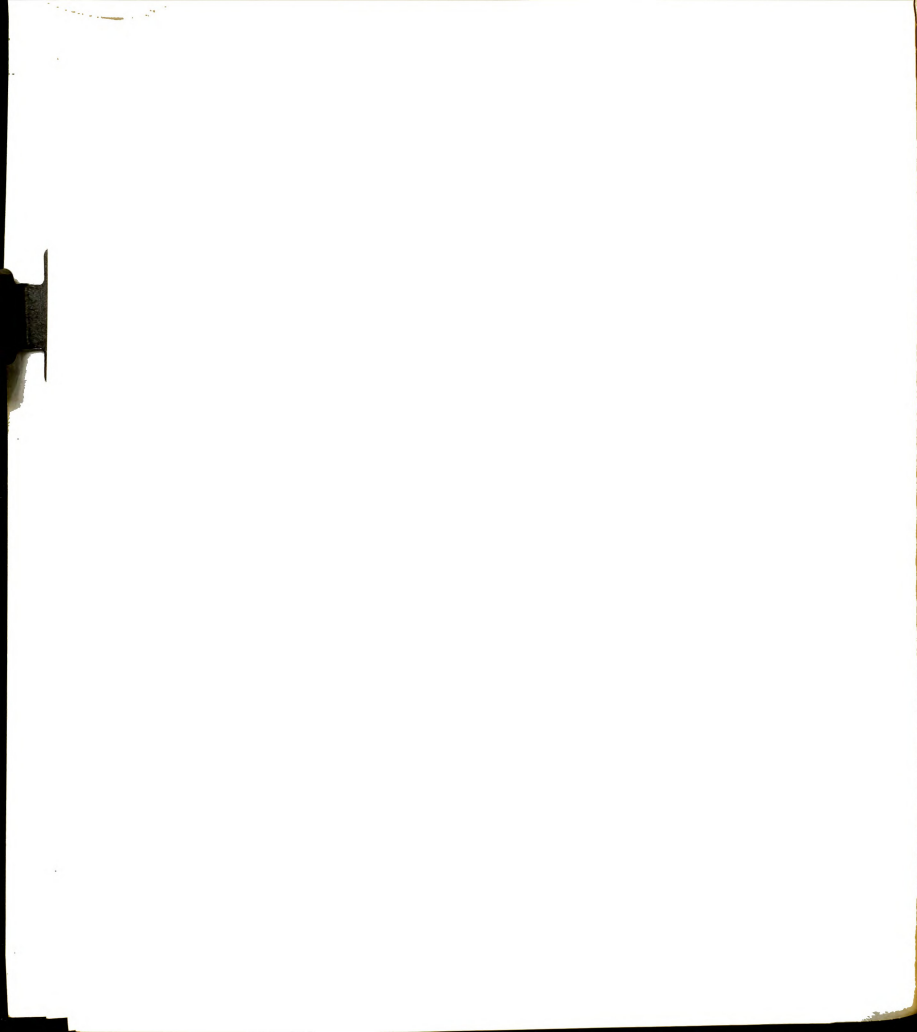


addition, the new General Electric negotiating team brought a new approach to the bargaining table, as outlined by G.E.'s new chief negotiator, C. R. Greley, in his opening statement at the start of 1973 negotiations:

General Electric will proceed according to a different kind of negotiations process this year, adopting a procedure that permits more give and take, more flexibility, and one that attempts to achieve solutions that strike a balance between the priorities of the company and the union.¹

The last, but probably most important, factor in the 1973 negotiations was that the 1969 strike was still affecting the unions, in particular the I.U.E., which was not capable of sustaining another financial strain. The first negotiating session was held on March 22, 1973, with the presentation of the union proposal. On May 25, 1973, General Electric presented its offer, which was not acceptable to the majority of the C.B.C. unions. Through the pressure of I.U.E. delegates, who did not want to undermine the negotiations, a termination notice was not given to the company, and the negotiations continued. Negotiations progressed at a rapid tempo with both sides making considerable changes in their proposals until the tentative settlement was reached on June 7, 1973. The next day the tentative agreement was approved by the steering committee of the C.B.C. The contract called for a 6.4 percent wage increase in the first year, a 5.6 percent

¹"G.E. Takes New Path," Unity, III, 2 (1973), 1.

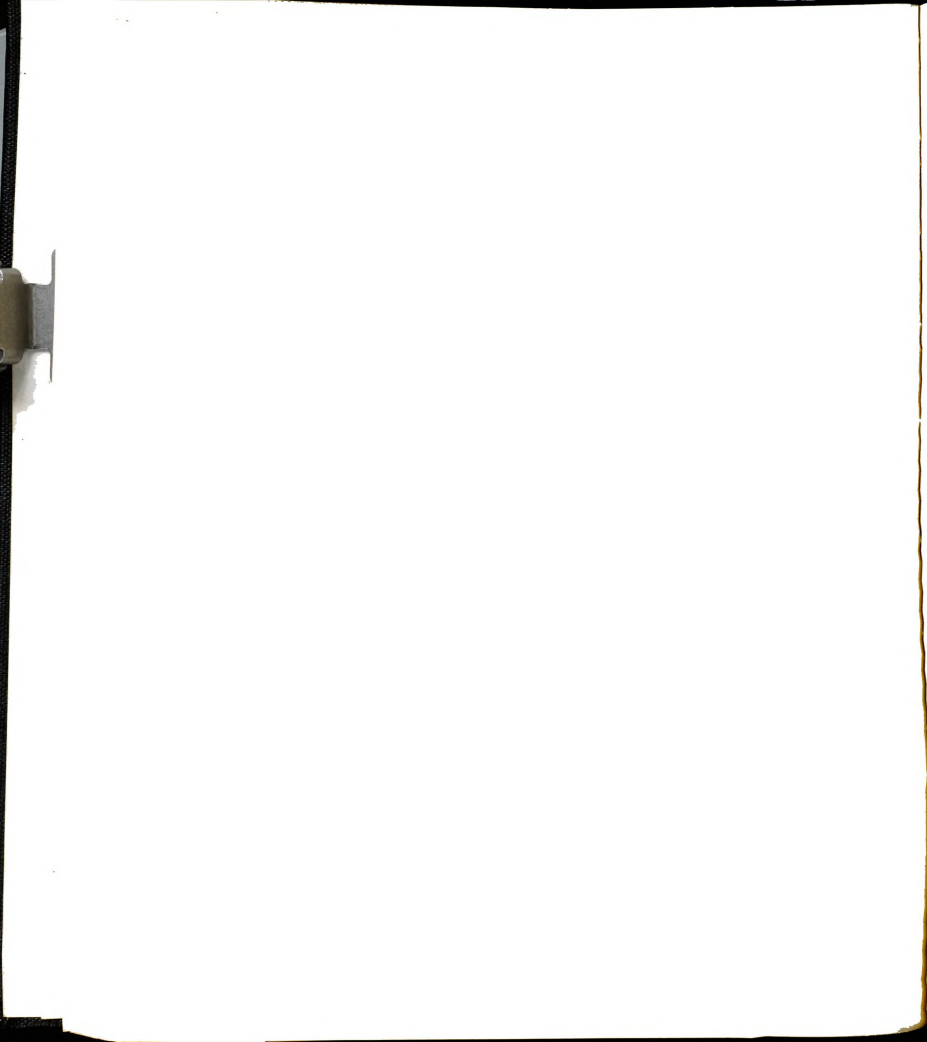


the second year and 4.7 percent the third year; in addition, the unions achieved most of their demands in the fringe benefits area (for the details of the agreement see Appendix B).

The Allied Industrial Workers'
Role in the C.B.C.

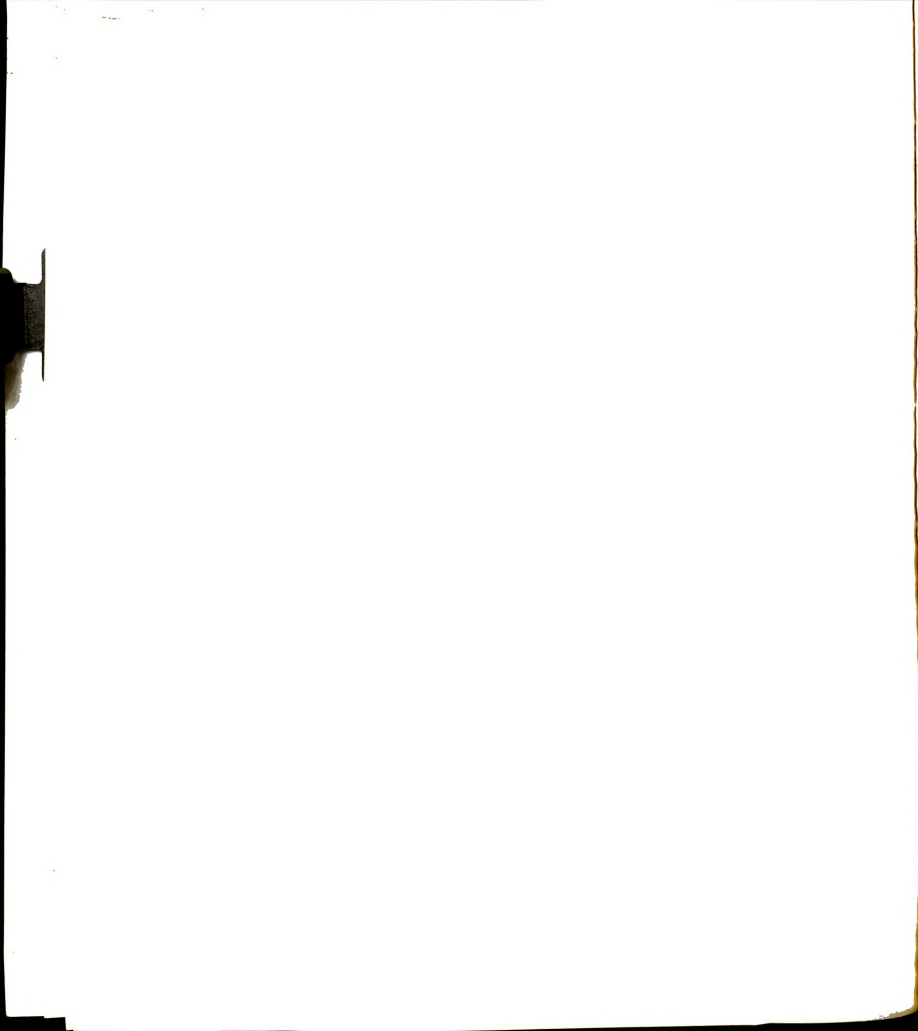
In order to understand the A.I.W. involvement in the coordinated bargaining effort at General Electric, one has to examine the conditions which prevailed before it decided to join this effort. The Allied Industrial Workers had two local unions, which represented about 5,500 G.E. employees at Owensboro, Kentucky, and Decatur, Illinois (see Appendix C). Before the 1966 negotiations the A.I.W. locals consistently followed the pattern established by the I.U.E.-G.E. national agreement on matters of wages, pensions, insurance, vacations and holidays. Although local management went through the motions of participation in local collective bargaining, the most important issues were decided by the corporate headquarters and handed down on a take-it-or-leave-it basis to the local unions. Indeed, only issues of local working conditions, such as seniority and grievance procedures, were bargained by the local people.

When the idea of coordinated bargaining was initiated in 1965, A.I.W. was one of the original international unions to join the C.B.C. This decision was not made



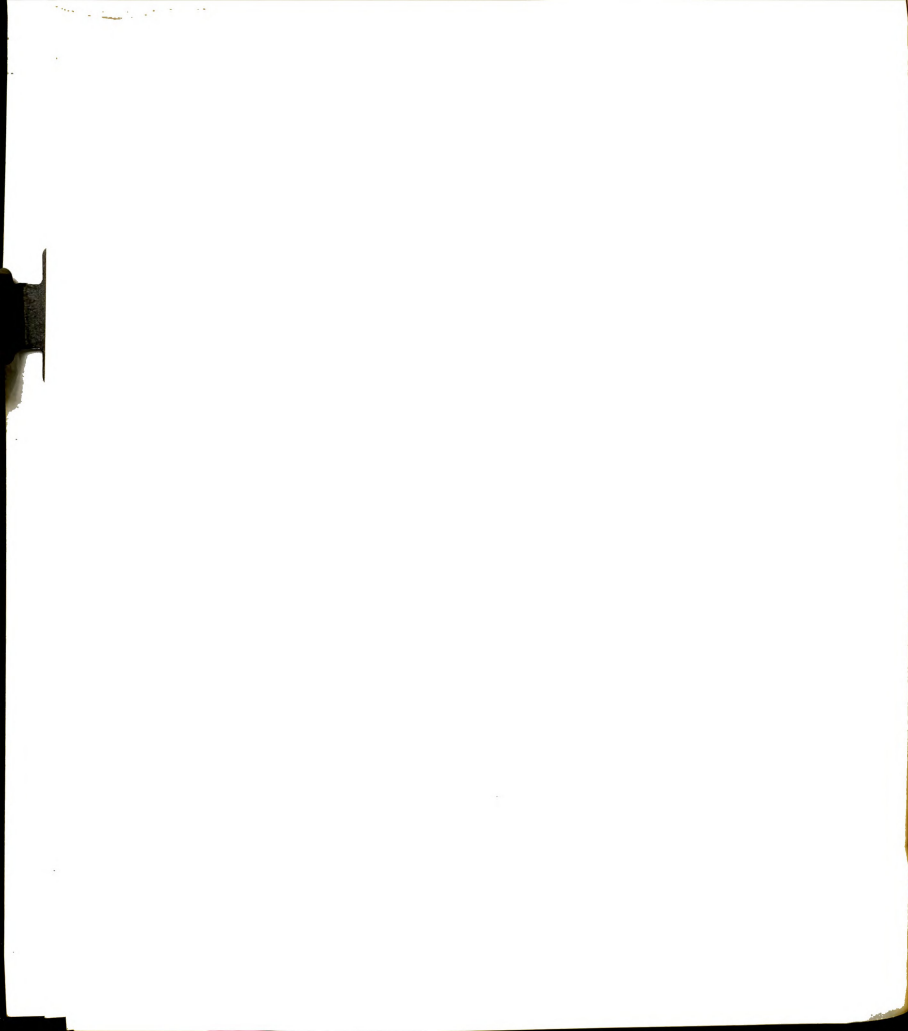
before the international officers consulted with the local people and the latter group approved the venture. The A.I.W. officials and the local people realized that if there were any chance for them to influence the outcome of their negotiations with G.E., it could come about only by influencing the I.U.E. and now the C.B.C., which actually determines the national demands and bargains for them with the company. Because of the peculiar method of decision making in the C.B.C. committees, where each international union has equal voice and where decisions are made in the majority of the cases on a consensus basis, A.I.W. and other small international unions were able to secure more influence than their numerical strength indicated.

I.U.E. was willing to share some of its power with other unions because of the problems created by the whip-sawing tactics which G.E. utilized. By having most of the unions united, G.E. could not put the pressure on the I.U.E. membership to accept offers made to other small unions. This facet of the coordinated bargaining was well understood by management, and G.E. tried very hard to persuade the local union officials to withdraw from the C.B.C. These persuasive efforts were partially successful when the A.I.W. local union from Owensboro decided to break the chain in 1966 and accept the 42-month contract offered by the company instead of the 36-month contract signed by the rest of the unions.



This episode of breaking the chain had an interesting origin. The A.I.W. local in Owensboro had a history of independence, being one of the largest locals of A.I.W. When the issue of accepting the 42-month contract came in 1966 negotiations, the national officers of A.I.W. tried to persuade the local and its president not to accept it in order to maintain the unity of the unions; but the local defied this advice and accepted it. Shortly after those negotiations, the president of the A.I.W. local in Owensboro left his union position to open a distributing business for G.E. products, and within two years he joined the ranks of G.E. management by accepting a labor relations manager position.

The impact of A.I.W. on the different subcommittees of the C.B.C. must be considered in evaluating its investment in C.B.C. The A.I.W. in the 1973 negotiations alone spent about \$20,000 in direct contributions and manpower costs. This high figure (it was even higher in 1969) should be weighed against the achievements which A.I.W. realized through this participation. The secretary-treasurer of A.I.W. reported that the inclusion of the demand in the 1969 negotiations of across-the-board wage increase instead of a percentage wage increase was made at the insistence of the A.I.W. representative. This demand was of great



significance for the A.I.W. membership, which had a lower pay scale than the majority of I.U.E. members, and by adopting an across-the-board formula the wage differentials were narrowed among the different unions.

Another proposal made by A.I.W. representatives included in the C.B.C. demands was the demand for adjustment in the area of wage differentials. This last demand has been rejected until now by management. Many other ideas generated by the A.I.W. representatives have been included in the discussion and deliberations of the C.B.C. subcommittees.

With all these positive achievements, one should not get the impression that this participation was a perfect partnership devoid of all problems. Cooperation among 14 unions has its intrinsic problems, such as radicalism versus moderation, local versus national interests, etc. One vivid example where the interests of the different unions clash is the amount of support to be rendered to local bargaining. While I.U.E. views the main struggle as being the securing of the best national agreement for the C.B.C., the small unions demand that the effort be extended with more vigor past the time of signing of the national agreement until all the units have signed their agreement. Another issue which raises some differences is multinational coordination among unions. While the big unions are more concerned about this issue because of the great effect of



the "export of jobs" on their membership, the small unions are much less interested in investing their resources in securing multinational coordination.

Those are some of the issues which A.I.W. representatives have to confront and solve as part of the price for their participation in the coordinated bargaining committee of General Electric unions. And yet, the A.I.W. is committed to coordinated bargaining as strongly now as it was in 1966, when the President of A.I.W., Carl Griepentrog, said:

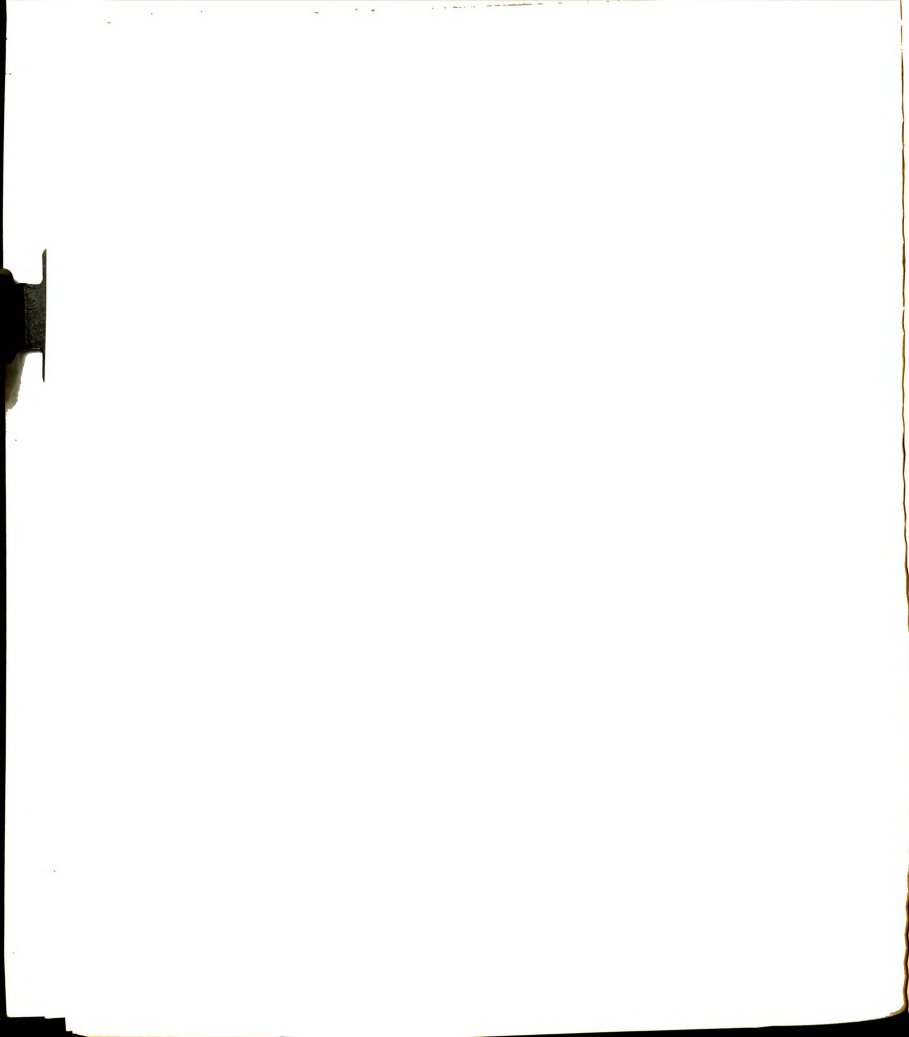
. . . Unions can anticipate a major effort by both G.E. and Westinghouse to divide us, but we must remain united no matter what the companies do.¹

Summary and Evaluation

In order to evaluate the C.B.C. efforts in the last decade, it is appropriate to reexamine the situation which unions faced prior to the establishment of the coordinated bargaining committee:

In recent years the Company has developed a fairly uniform course for handling and coordinating its national and local bargaining activities. As described by its Labor Relations Counsel, the practice is to formulate a set of national company proposals for presentation to the I.U.E. and the U.E., two of the three unions with which there is bargaining on a national scale. Before these proposals are presented to the unions, the Company's employee relations managers are called to the New York main office, where copies are given and explained to them. The Company

¹Hank McKinnell, Coordinated Bargaining, An Antidote for Boulwarism (Washington, D.C.: Steering Committee of the Coordinated Bargaining Committee of G.E.-Westinghouse Unions, 1971?), p. 5-b.



then presents the proposals to the I.U.E. and U.E. Normally within a day or two thereafter (in one instance, at the I.U.E.'s request, there was a five-day delay), upon instructions from the New York headquarters, the same proposals are given by the local managers to the local representatives around the country of all the varying unions with which the Company deals on a so-called local basis--e.g. locals of the International Brotherhood of Electrical Workers (IBEW), International Association of Machinists (IAM), Sheet Metal Workers (SMU), and others. At the same time, and commonly before the unions have announced their acceptance or rejection, the uniform set of proposals is publicized to the Company's employees.¹

Under those circumstances, where no balance of power existed at the bargaining table and where management practiced centralized decision making, it appeared necessary for unions to establish an antidote if union collective bargaining thrust were to be powerful. And so, the pledge of unity signed by the original six union leaders proclaimed:

Just as American labor down through the years found that it is futile for individuals to try to bargain with large companies, so we recognize where a number of unions bargaining with a single powerful employer that cooperation is the necessary key to success.²

Thus, the first and foremost goal of the C.B.C. was to create a working cooperation among the different unions which would reestablish the balance at the bargaining table. The C.B.C. so far has been successful in building the necessary cooperation among the 14 unions. This achievement should not be underestimated, especially in

¹McLeod v. General Electric Co. 257 F. Suppl. 690, rev'd, 366 F.2d 847 (2d Cir. 1966).

²McKinnell, Coordinated Bargaining, p. 5.



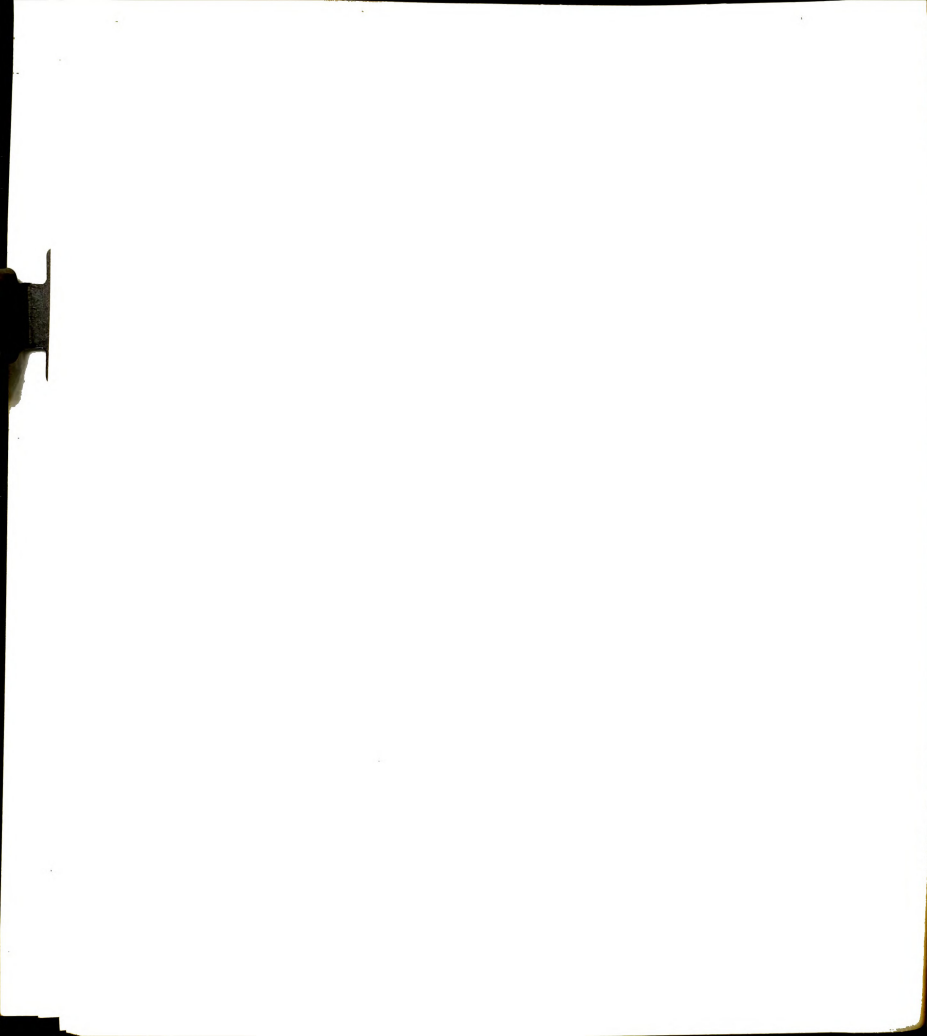
the light of the bitter rivalry which existed among these unions not too long ago.

Another way of evaluating the C.B.C. is to examine whether or not it was successful in restoring the balance of power at the bargaining table. This issue is a subjective as much as an objective issue, for it reflects how the participants feel when they meet each other at the bargaining table. In this sense the concluding remarks of the "Statement of Policy of the Steering Committee of the Coordinated Bargaining Committee of G.E.-Westinghouse Unions" issued prior to the 1973 negotiations, indicates that the unions participating in the C.B.C. at least claim that the balance of power has been restored through coordination:

We who bargain with GE and Westinghouse know, from years of past frustration, that effective bargaining is possible only through unity, the unity we have achieved through the Coordinated Bargaining Committee. The CBC proved its worth in 1966 and 1969, and we are confident that it will continue its indispensable role in the success of our bargaining in 1973.¹

The objective measurement of the success in restoring the balance of power might be demonstrated through the economic achievement at the bargaining table. Even though one can suggest that those economic achievements are the result of many factors, and not necessarily the balance of

¹"Statement of Policy by the Steering Committee of the Coordinated Bargaining Committee of G.E.-Westinghouse Unions," January 16, 1973, p. 10. (Mimeographed.)



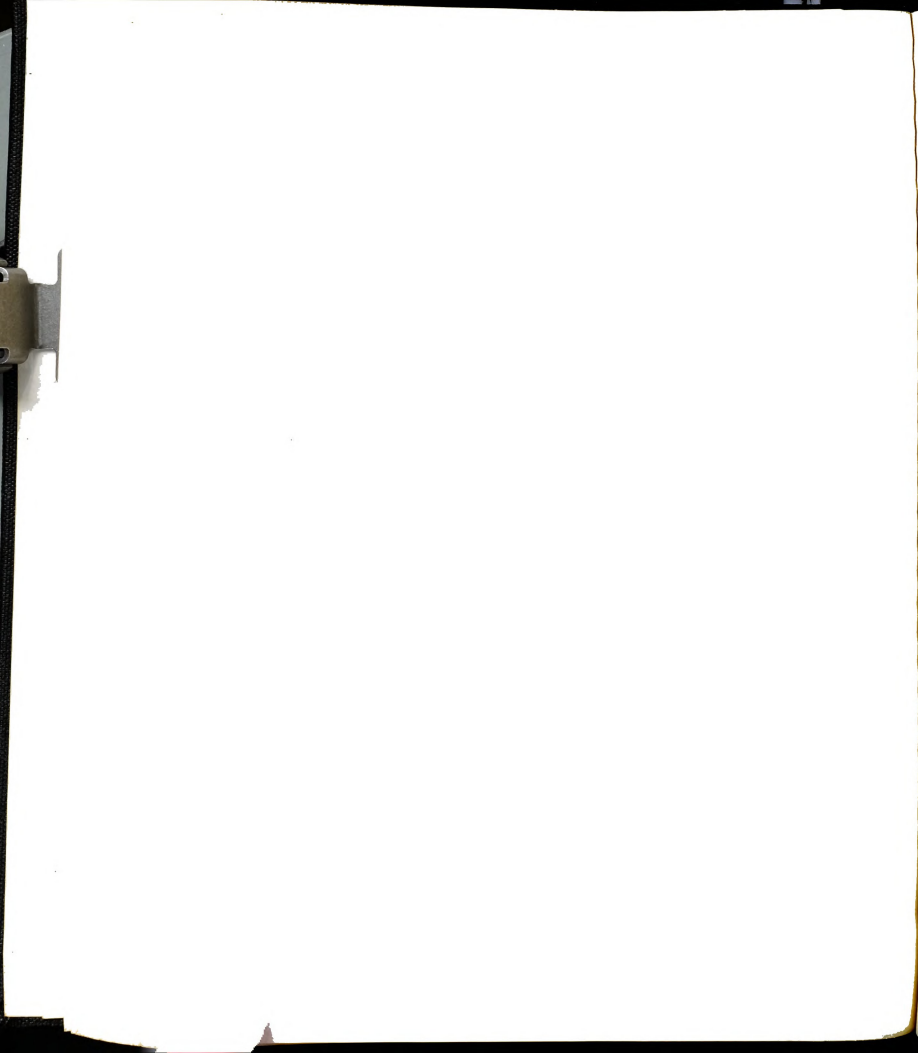
power at the bargaining table, in the 1973 negotiations unions won the best wage package for a three-year contract that had ever been negotiated with General Electric.

Another important achievement was the reaffirmation of the NLRB of the right of the C.B.C. unions to engage in coordinated bargaining in order to promote their goals:

As to assertion that coalition members pursued common bargaining goals, it was noted the Company had consistently engaged in the past in a policy of substantial uniformity with respect to negotiations with members of the coalition. In these circumstances, and noting that the public utterance of coalition members could not be held to constitute more than expression of unity and common effort, the burden of establishing that the Union had engaged in "locked-in" coalition bargaining could not be sustained.¹

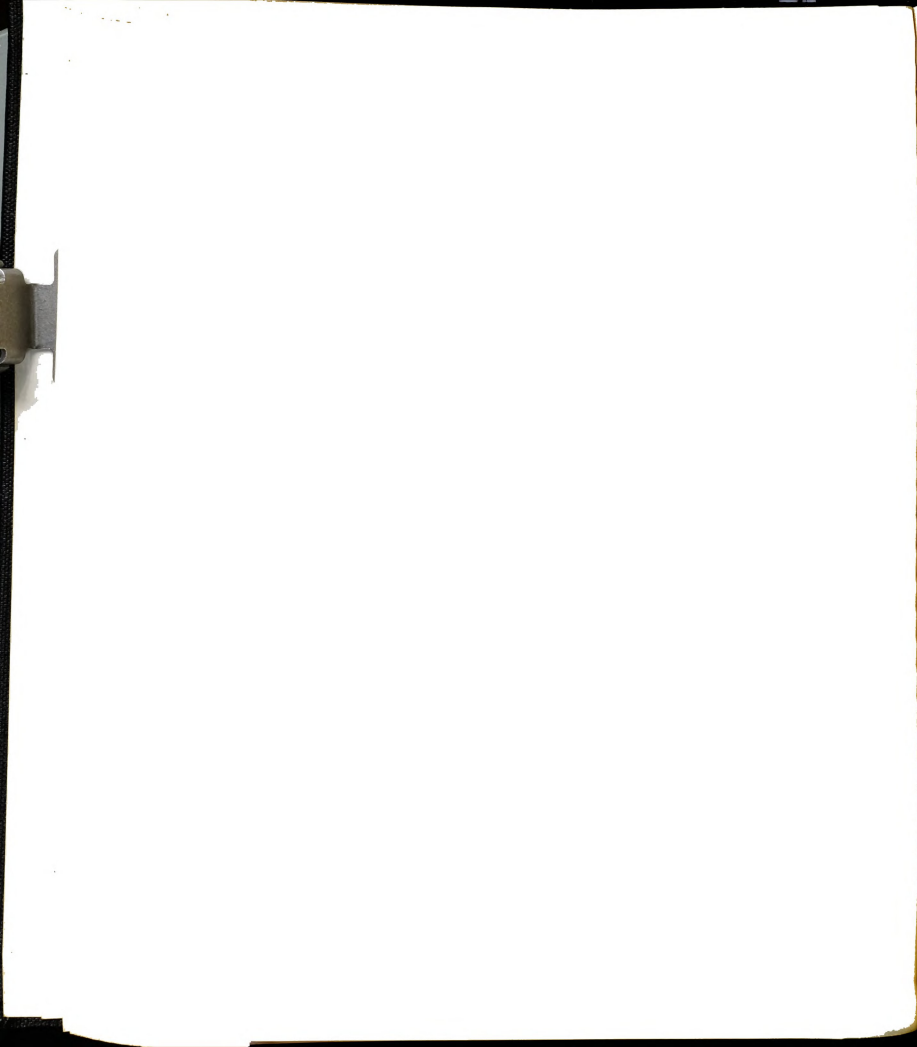
Another important achievement was the establishment of a highly skilled professional staff which improved the quality of the analytical work required for the negotiations, and which the separate unions could not have afforded otherwise. The unions also established a very sophisticated method of communication during the negotiations which facilitates the flow of information among the many local unions involved. Another important achievement was the establishment of the first steps toward world-wide union coordination. Finally, all of the above achievements were also reached in the relations with Westinghouse, since the

¹Letter from Arnold Ordman, General Counsel of the National Labor Relations Board, to Thomas F. Hilbert, Jr., Esq., General Electric Company, December 17, 1970, AFL-CIO, Industrial Union Department files, Washington, D.C.



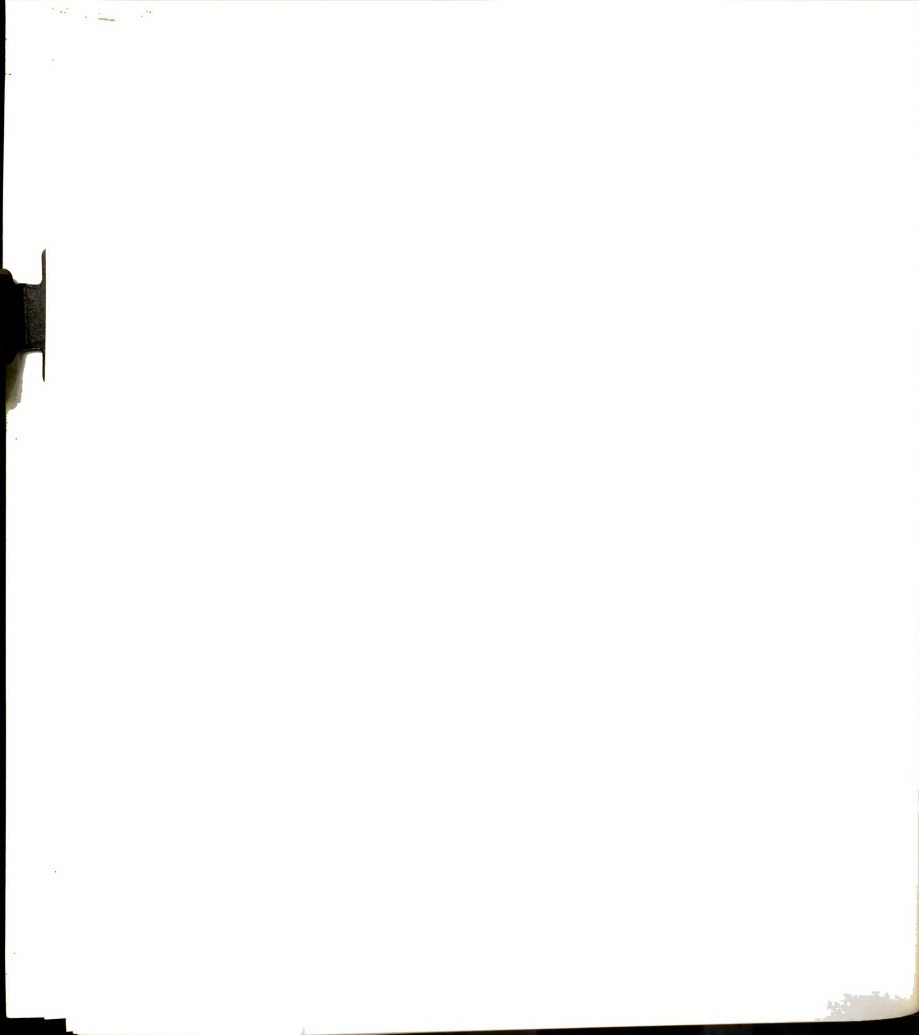
C.B.C. efforts were directed toward General Electric and Westinghouse.

This analysis would not be complete if some of the shortcomings were not mentioned. Such problems as greater participation of the local unions in the decision making received only minor attention in the 1973 negotiations, and the leadership of the C.B.C. will have to contend with this issue far more seriously in the future. Another issue which the C.B.C. participants will have to deal with continuously in the future is the internal balance of power among the participating unions. It is the degree of success in coping with the latter which will determine whether or not coordinated bargaining at General Electric will continue to succeed.



APPENDICES

CHAPTER V



APPENDIX A

UNION PROPOSAL

WAGES

May 27, 1973--23¢ wage increase made up of 13¢ general wage increase. 10¢ cost of living.

UNION SECURITY

SICK PAY

2 days for 1 to 4 years' service.

DISCRIMINATION

Correct race and sex discrimination, as previously proposed.

VACATION

5 weeks for 25 years.

INCOME EXTENSION AID

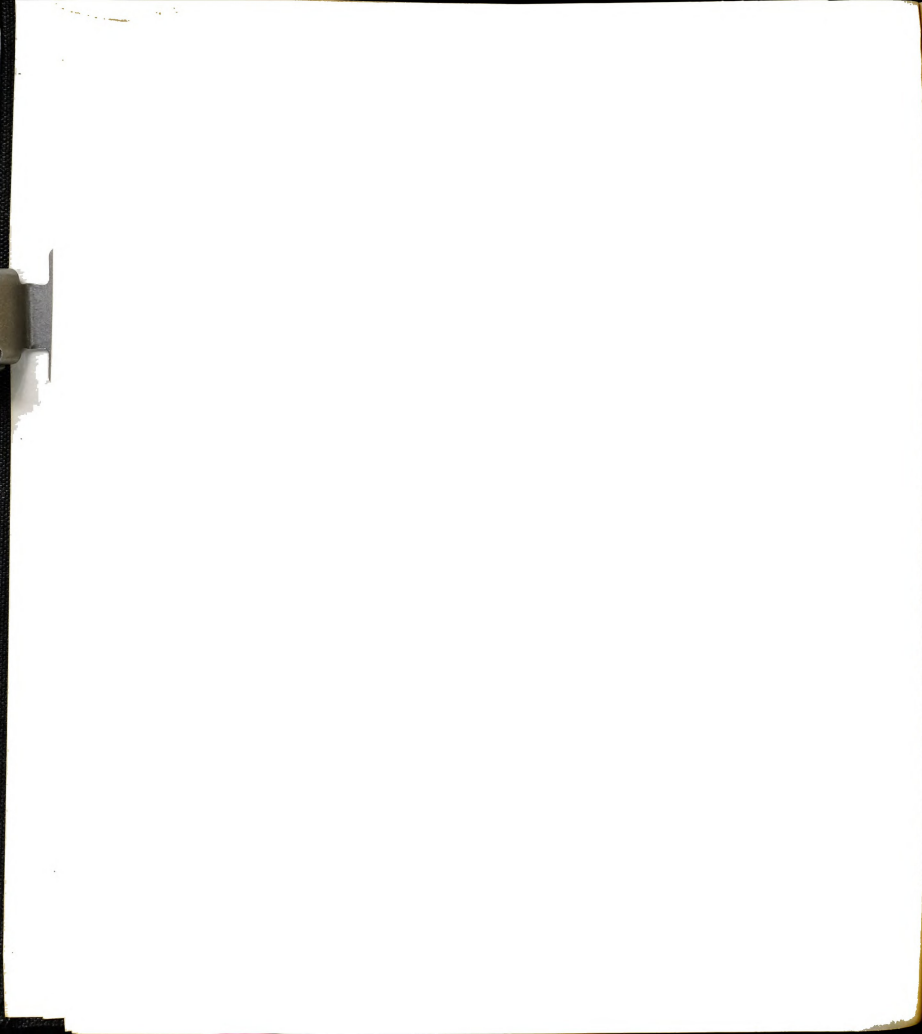
To be used to supplement unemployment compensation in the event of layoff.

MILITARY PAY AND JURY DUTY

Military pay for weekend duty. Pay for holiday during military encampment or jury duty.

DEATH IN FAMILY

Expand coverage to include grandparent-in-law, brother-in-law, sister-in-law and grandchild.



INSURANCE

- Raise maximum medical benefits from \$100,000 to \$250,000.
- Expand dental coverage to gingival curettage (disease of gums).
- Improve insurance for pensioners by increasing medical care plan from \$8,000 to \$10,000--make available new medical insurance plan to supplement Medicare--use highest consecutive 5 years of earnings (in last 10) for retiree life insurance.

SERVICE CREDITS

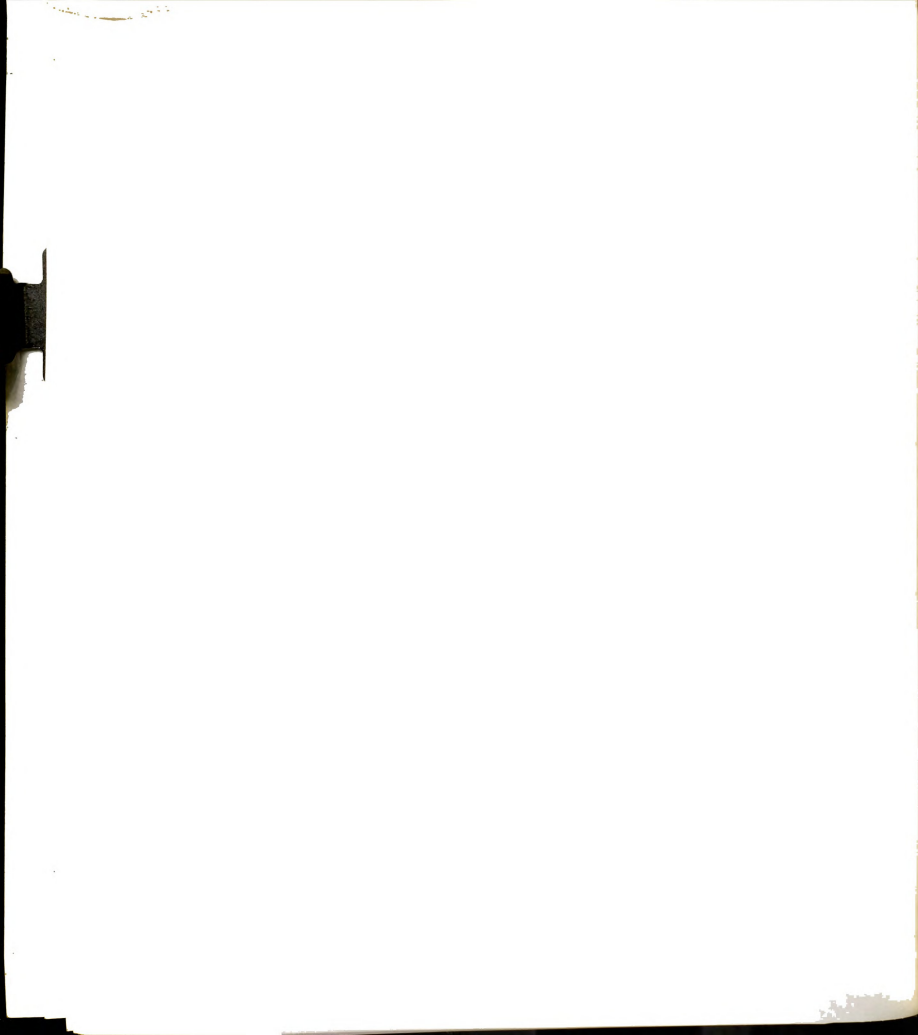
Restoration of service for 10-year employees who return to GE for more than 6 months and repay any income extension aid; restore Pension Plan credits upon repayment of any withdrawals.

PENSIONS

- Full retirement (optional at age 62)
- Higher pension at age 61.
- Monthly supplement of \$150 if you retire at 60 or 61.
- 5 year payment guarantee, if you chose survivorship options.
- Increase minimum pension range.
- Full life insurance and medical coverage to 65, even if you retire early.

NO OTHER CONTRACT CHANGES FOR ONE YEAR

Source: June 5, 1973, A.I.W., Research Department files.



APPENDIX B

IUE TENTATIVE SETTLEMENT WITH GE

PAY -- up to 88¢ more over the life of the contract

May 28, 1973--15¢ plus 10¢ Cost of Living for a total of 25¢	Nov. 26, 1973--5¢ C.O.L.
May 27, 1974--16¢	Nov. 25, 1974--14¢ C.O.L.
May 26, 1975--16¢	(10¢ guaranteed)
	Nov. 24, 1975--12¢ C.O.L.

PENSIONS 7-1-73

- * \$6.50 to \$9.50 minimums depending on earnings
- * Improved early retirement ages 60-64
- * 5 year payment guarantee on survivor option
- * Full life insurance and medical insurance till age 65
for early retirees

VACATIONS

2-1/2 weeks for 5 years 6/1/74
5 weeks for 25 years 6/1/74

10th HOLIDAY

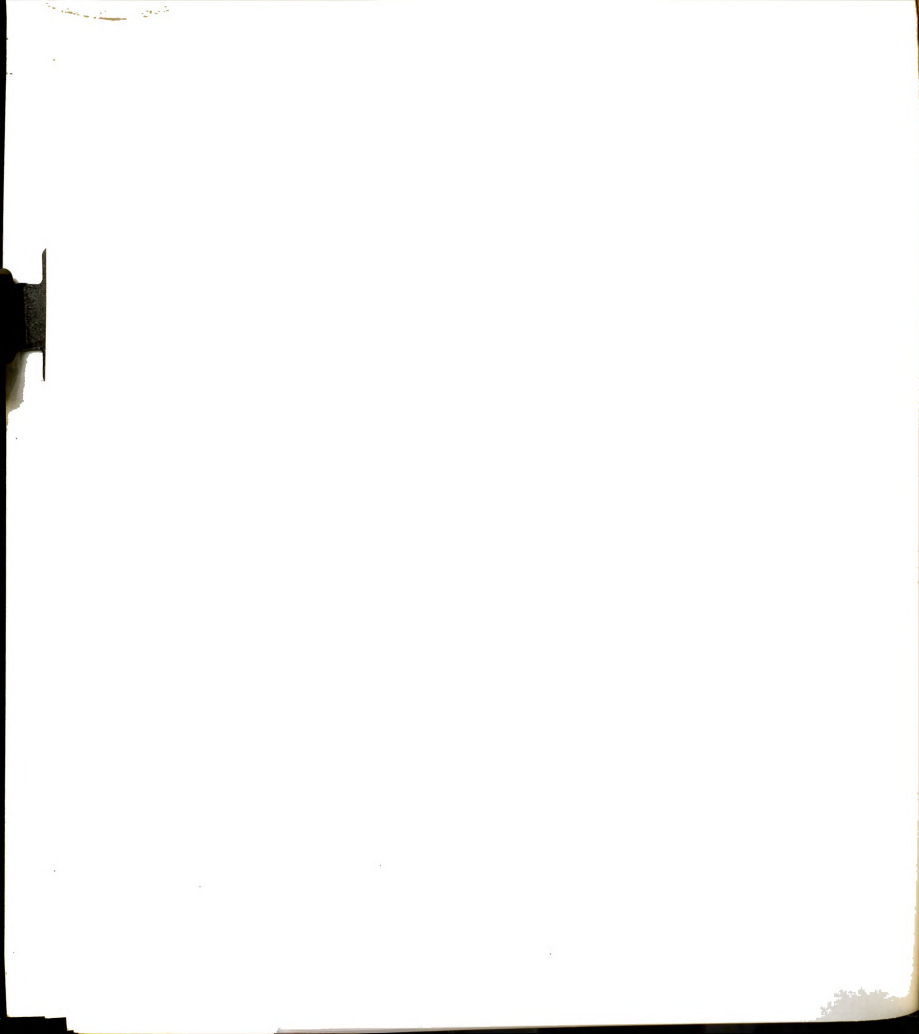
Day before Christmas 1973

SICK PAY

- * 2 days for 1 to 4 years service--1 now and right to take
- * 2 on 1/1/74
- * Right to use for certain other absences
- * Accumulate up to 10 sick days

INSURANCE

- * Major Medical maximum increased from \$100,000 to
\$250,000 7/1/73
- * Psychologist 1/1/76--gingival curretage 7/1/74
- * Pensioners medical maximum increased from \$8,000 to
\$10,000 7/1/74



LOST TIME BENEFITS

Death in family to include grandparents-in-law;
brother- and sister-in-law; step-parents and grand-
children 7/1/73
Unused military pay for weekend duty 7/1/73
Pay for holiday during jury duty or military
encampment 7/1/73

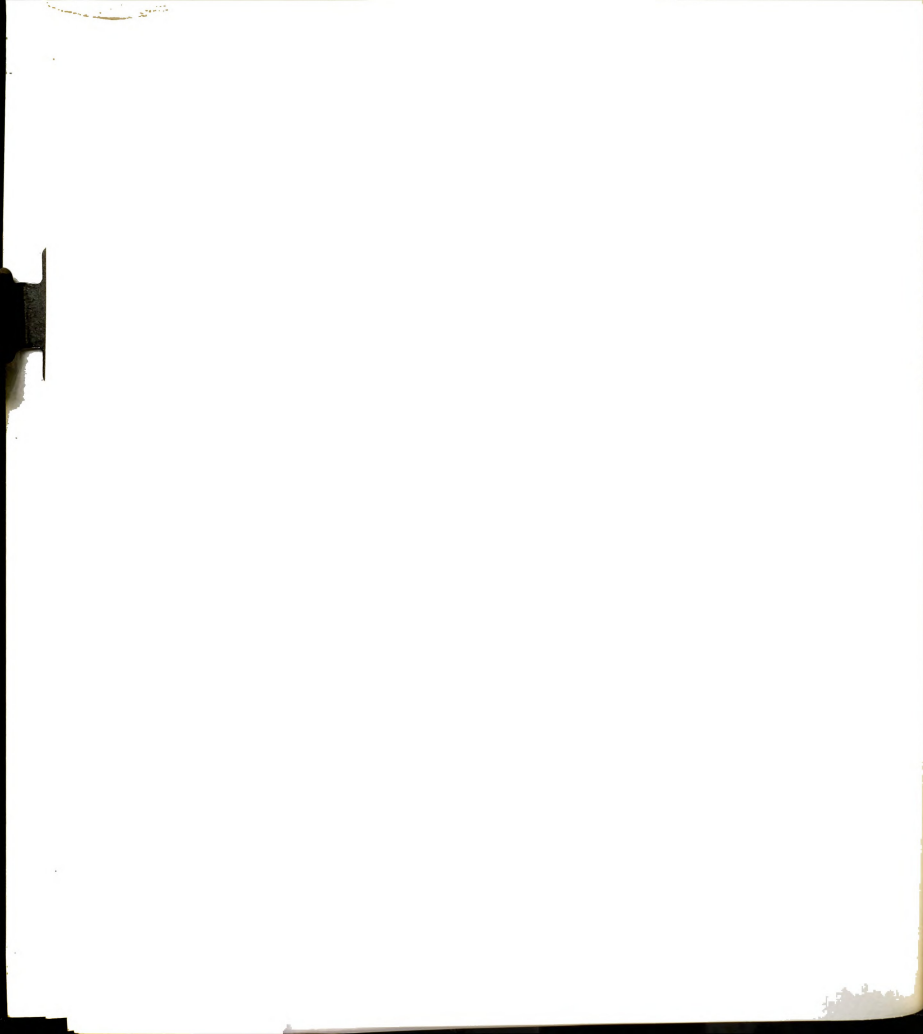
INCOME EXTENSION AID

Can be used to supplement unemployment compensation
up to 50% 7/1/73

Service for 1969-70 strike restored for benefits and
disability pensions.

Service restored for 10 year employees who return.

Source: June 7, 1973, A.I.W., Research Department files.



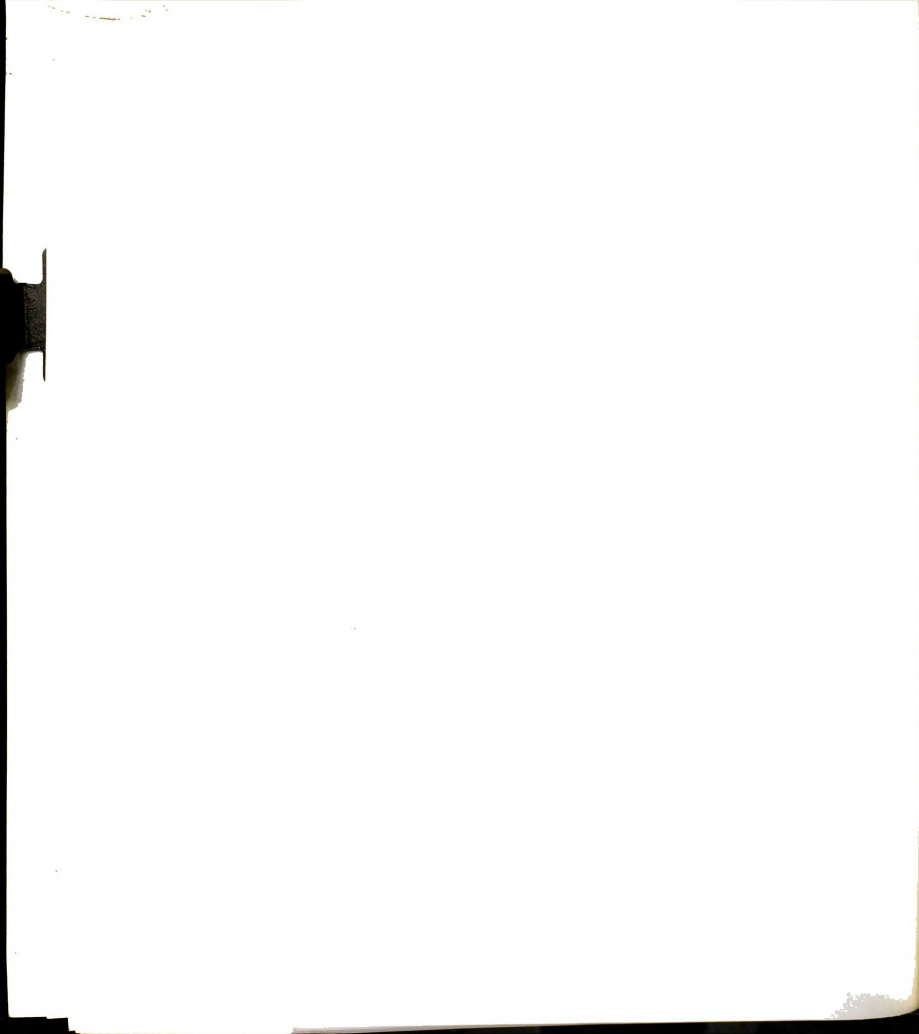
APPENDIX C

TOTAL NUMBER OF UNION MEMBERS BELONGING
TO C.B.C. BY THEIR AFFILIATION

<u>Union</u>	<u>No. of Members</u>
International Association of Machinists & Aerospace Workers (I.A.M.)	15,700
International Union Allied Industrial Workers of America (A.I.W.)	5,500
Sheet Metal Workers International Association (S.M.W.)	3,300
Flint Glass Workers (F.G.W.)	750
American Federation of Technical Engineers (A.F.T.E.)	3,000
International Union of Electrical, Radio & Machine Workers (I.U.E.)	125,000
Carpenters and Joiners of America (C.J.A.)	800
United Steelworkers of America (U.S.A.)	1,000
United Association of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry (P.P.F.)	400
International Brotherhood of Electrical Workers (I.B.E.W.)	22,000
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (U.A.W.)	7,300
International Brotherhood of Teamsters (I.B.T.)	800
Firemen and Oilers (F. & O.)	200
United Electrical, Radio & Machine Workers (U.E.) ^a	25,000

Source: Letter from C.B.C. Chairman, James D. Compton, to
Gilbert Jewell, President, A.I.W., regarding
membership dues, February 25, 1971, A.I.W.,
Research Department files.

^aU.E. joined the C.B.C. in July, 1972.



CHAPTER VI

THE INTER-UNION WET CORN MILLING COUNCIL: INDUSTRY-WIDE COORDINATED BARGAINING

This case is singular among all those in this study, because it describes coordinated bargaining on an industry-wide rather than a company-wide basis. The remarkable success of this coordination provides an excellent opportunity to examine the factors which lead to such an achievement. This case might also indicate the directions in which other coordinated bargaining efforts might develop in the future.

The Industry

The wet corn milling industry derives its name from the process it uses, which consists of two distinct parts: the milling, which separates the components of corn kernels and obtains starch as the end product, and the converting, or refining, which changes starch into sugar.

The wet corn milling industry produces about six billion pounds of starch a year. Of this total, some 2.5 billion pounds are marketed as starch and dextrin and 3.5 billion pounds are converted into syrup and



sugar.¹ In the grinding and refining of the corn, six major products are derived: starch, syrup, sugar, dex-
trines, oil and farm animal feeds. The greater part of the refined products is sold in bulk form to the following industries: candy, ice cream, baking, textile, laundry, canning and preserving, brewing, meat packing, baking powder, soap, paint, paper, chewing gum, pickles, peanut butter, antibiotic nutrients, etc.

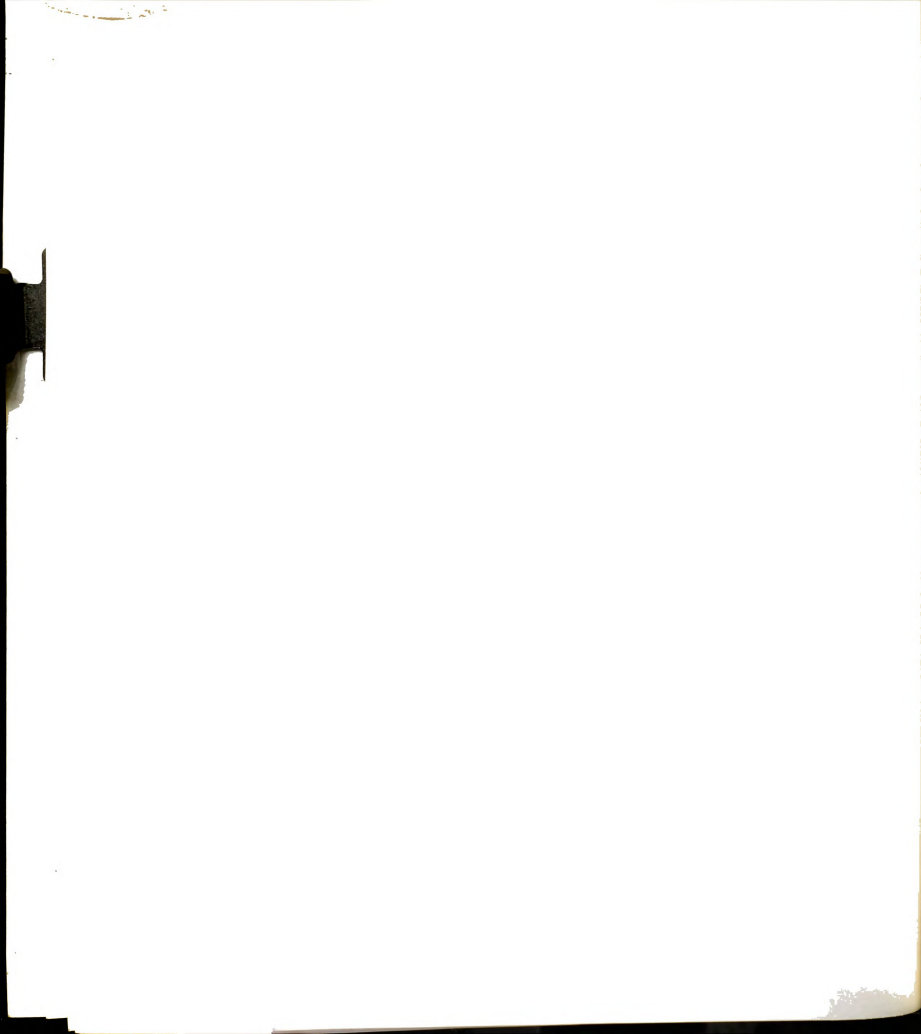
The 1967 Census of Manufactures reports that in 1967 the total number of establishments engaged in wet corn milling was 45, and that 31 of those establishments were small operations with less than 100 employees. The total number of production workers in the entire industry was 9,800, of which 8,700 employees worked in plants with 100 or more employees. The total value of goods sold by the entire industry was 751.3 million dollars, of which 679 million dollars were sold by the 14 big establishments (with 100 or more employees).²

The Companies

The major part of the industry and its production is concentrated in 14 companies. The sole business of some

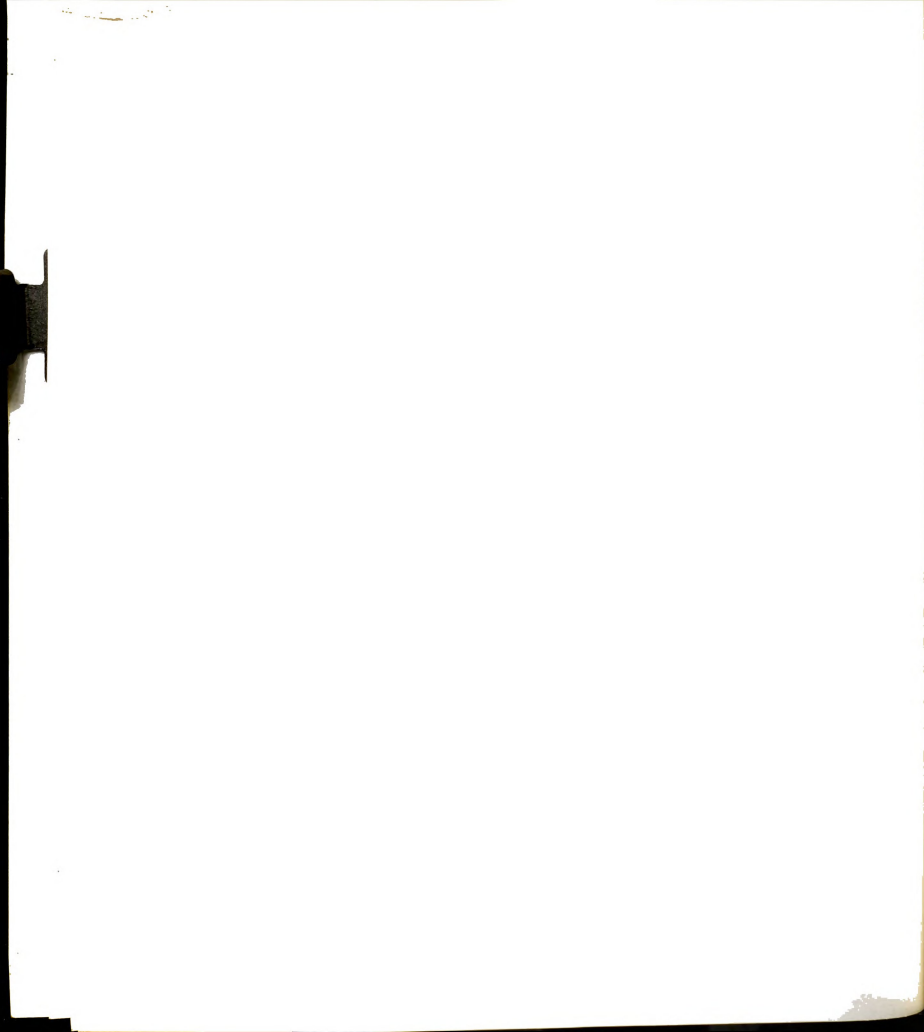
¹Howard T. Walden, Native Inheritance: The Story of Corn in America (New York: Harper & Row, 1966), p. 83. For a detailed description of this story see chapters 7-11 of the above book.

²U.S., Department of Commerce, Bureau of the Census, Census of Manufactures, 1967, Industry Series: Grain Mill Products, MC 67(2)-202 (Washington, D.C.: Government Printing Office, 1970), Table 1.



of these companies is wet corn milling, whereas the major producing companies are "mini-conglomerates" and are involved in many other businesses ranging from production and distribution of cigars to franchise restaurants. The leading corporation in this industry is C.P.C. International Inc. This company was incorporated in Delaware in May, 1959, after acquiring Corn Products Refining Co. Since its establishment, the company grew tremendously through mergers and acquisitions at home and abroad, until it became the leading factor in the domestic corn refining industry, and through foreign subsidiaries is the leading factor in world markets. In addition to the corn products, the company is involved in food processing, dyes, franchise restaurants, baked goods, shoe polish, cheese, wine, olives, spray deodorants and other toiletry items. The total net sales of C.P.C. International Inc. in 1972 was \$1,549,581,549 with a net income of \$86,622,199; these figures are more than double those of 1961.

Another leading company in this industry is American Maize-Products Co., which was incorporated in Maine in August, 1908. Through acquisitions in the last decade, the company expanded its business beyond wet milling production into manufacture and distribution of cigars and manufacture of candies. The total net sales of this company in 1972 were \$133,017,881 with a net income of \$3,093,409.



Another big company in this industry is Staley Manufacturing Co., which was incorporated in Delaware in 1906. Like the two aforementioned companies, Staley Manufacturing Co. expanded its business through acquisitions into other fields in addition to wet corn milling. Some of the products of Staley Manufacturing Co. are consumer food items, fruit drinks, household products, chemical products for the shoe industry, paper and paint products and other products used for textile coating. The net sales of this company in 1972 were \$336,085,000 with a net income of \$6,441,000.

Some other major companies represented in the wet corn milling industry are W.W.R. United Co., National Starch & Chemical Co., Hubinger Co. and Anheuser-Busch Inc., the famous beer producer.

Management Practices

One hypothesis of this study was that coordination among labor unions is a response to management actions. Thus, in each and every case surveyed, those management actions which necessitated the coordination among unions were sought. It appeared that in the wet corn milling case the union leaders found it difficult to substantiate that there was coordination among the different companies concerning collective bargaining. They claimed but could not prove that industry-wide management meetings took place just before the start of negotiations and that management



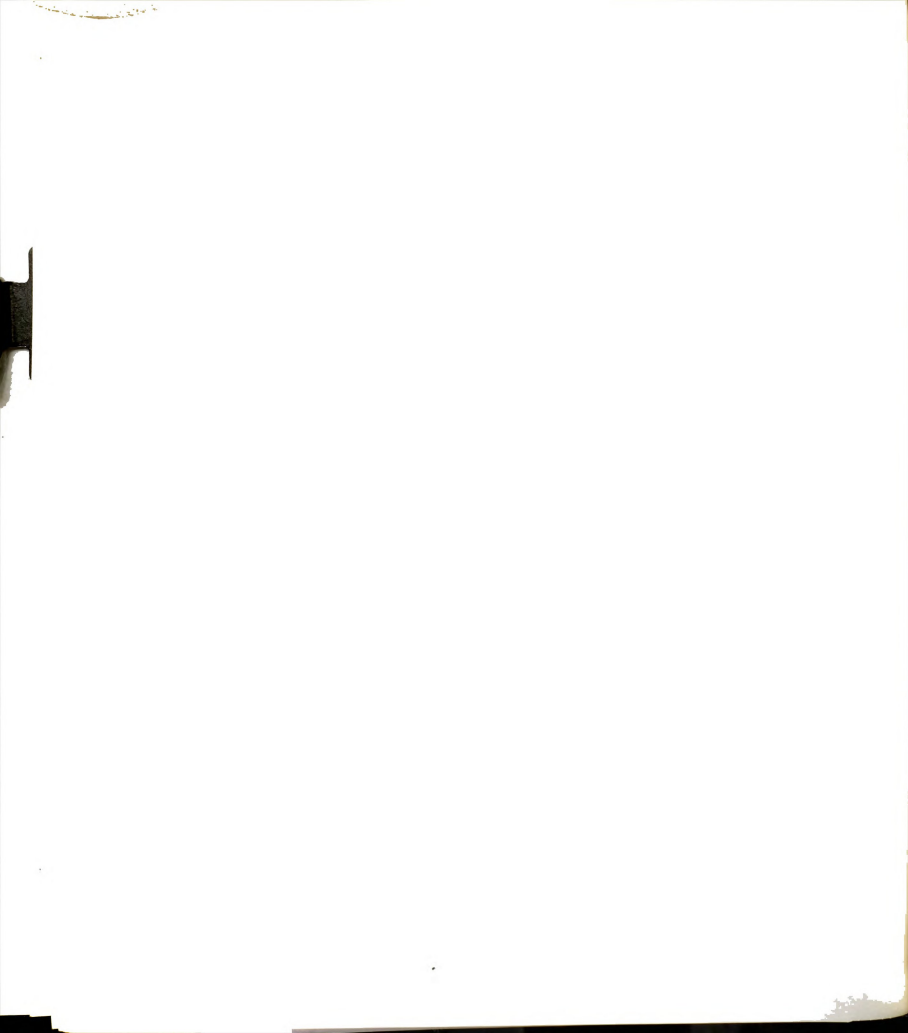
offers had the same basic tenets. Other circumstantial evidence also led union leaders to believe that there was coordination among the management of this industry. One report repeated by every union leader was that, whenever there was a strike in one company, the other companies would satisfy customer orders of the company involved in the labor dispute.

Union leaders reported that this practice persists despite the fact that the companies usually zealously protect their customers. To reinforce their suspicion that this practice is a coordination among the companies in order to weaken the economic power of the unions, the union leaders claim that in the past no company lost any of its customers to a competing producer.

Because of the scarce evidence to support union contentions that management coordination prompted the unions' reaction, it is possible that in this case the process evolved from union rather than management actions.

Union Efforts to Establish Coordinated Bargaining

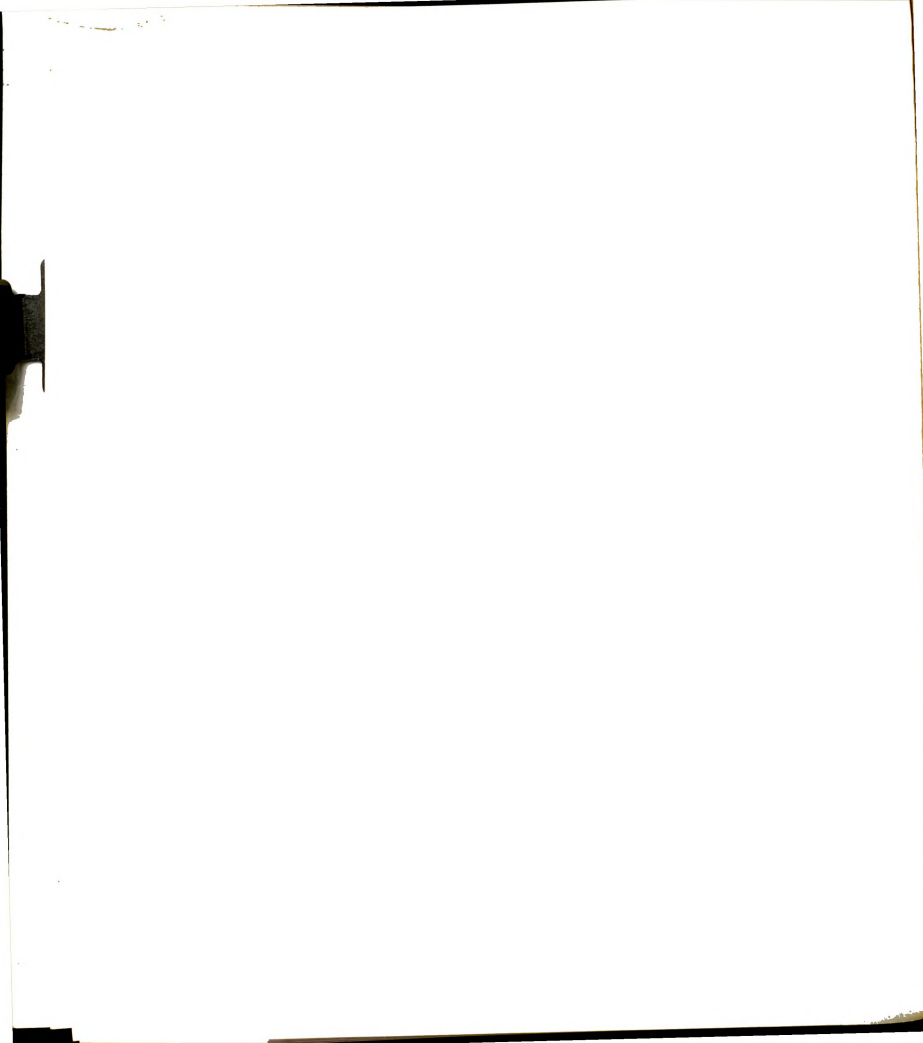
Faced with lack of information about the wages and benefits of other workers in the industry and suspicion of management coordination, union leaders started to contact each other to exchange information on the above issues. The first coordination efforts were made by the Oil, Chemical and Atomic Workers International Union (O.C.A.W.)



in the early 1950's. O.C.A.W. had at that time four local unions representing employees at C.P.C. International Inc., and through a council which they created the unions thought to exchange information on wages and fringe benefits. Later, this council sought and achieved a master agreement for the four units they represented with C.P.C. International Inc. After this initial success, all the units of O.C.A.W. which were involved in the corn milling industry created a council which had as its goals to facilitate exchange of information and discussions of general policies.

Subsequently, the representatives of the Allied Industrial Workers and the American Federation of Grain Millers (A.F.G.M.), representing employees in the wet corn milling industry, were invited to the meetings of the O.C.A.W. Corn Council. In the early 1960's, the three unions started to meet more regularly with the intention of building a wet corn milling council. It was formally established with the signing of the "Declaration of Policy" on December 9, 1966, reading in part:

It shall be the policy of the Wet Corn Milling Industry Inter-Union Wage Policy Committee, to strive for equal earnings opportunities by creating a rate structure which will provide such equal earning opportunity by job classification and the respective responsibilities of such jobs through the principle of equal pay for equal work and to establish future wage bargaining programs. It shall further be the policy of this committee to implement such policy by specific analysis of job classifications, job content and to recommend specific rate structures to accomplish this goal. It shall be the responsibility of the respective locals who are participating in the Wet Corn



Milling Industry Inter-Union Council to provide any and all information and data requested by the Wage Policy Committee.¹

The first steps toward coordination were undertaken with the decision to obtain common expiration dates for all contracts in the industry. Within a few years the participants were able to achieve, through negotiations and strikes, expiration dates or reopener clauses in their contracts which bring the majority of the units within a three-month period (see Table 1).

The wet corn milling council is so structured that each local union participant has representation. The council meets twice a year, once in the spring to plan and establish goals for the forthcoming negotiations, and the second meeting in the fall after all negotiations are completed to summarize and evaluate the results of negotiations. The council usually makes its decisions through consensus, but when this is not possible a majority vote of the delegates is taken. In the periods between the two meetings the council functions through the coordinating committee which is comprised of one international representative from each of the unions participating in the council. The bulk of the important work of the council is performed through two committees: the wage committee and the fringe benefits committee. These committees meet before the spring meeting of the council, study the collective

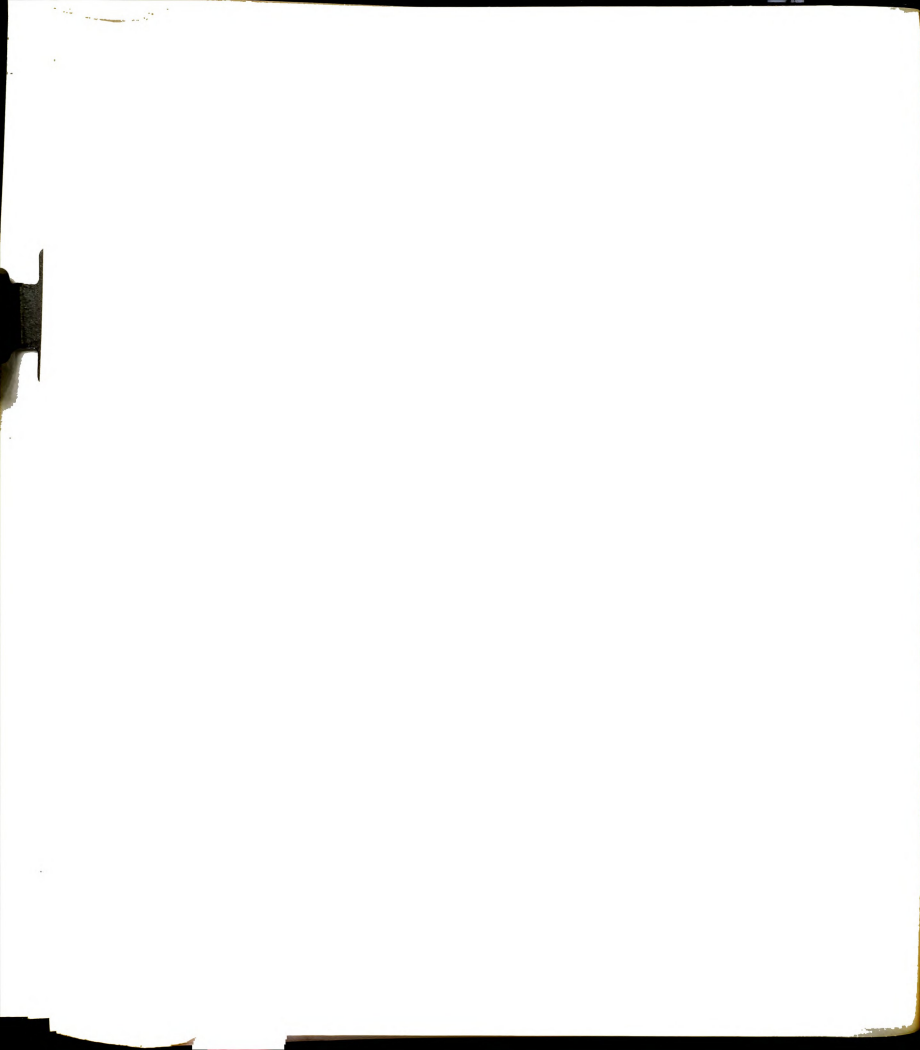
¹Oertle, "Wage Data Booklet."



Table 1.--The Inter-Union Wet Corn Milling Council: Plant location, union affiliation, contract expiration dates and number of union members.

Name of the Company	Plant Locations	Union Affiliation	Contract Expiration Date	Number Union Members
C.P.C. International Inc.	Argo, Ill.	O.C.A.W.	July 1, 1974	1,308
C.P.C. International Inc.	Pekin, Ill.	O.C.A.W.	July 1, 1974	478
C.P.C. International Inc.	Kansas City, Mo.	O.C.A.W.	July 1, 1974	364
C.P.C. International Inc.	Corpus Christi, Tex.	O.C.A.W.	July 1, 1974	197
Archer-Midland Daniels Inc.	Granite City, Ill.	O.C.A.W.	April 1, 1974	13
National Starch & Chemical Co.	Indianapolis, Ind.	O.C.A.W.	July 1, 1974	444
Keever Co.	Columbus, Ohio	O.C.A.W.	Aug. 31, 1973	39
V.W.R. United Co.	Cedar Rapids, Ia.	A.F.G.M.	Aug. 1, 1974	397
Hubinger Co.	Keokuk, Ia.	A.F.G.M.	Aug. 1, 1974	256
Moffett, Inc.		A.F.G.M.	July 1, 1974	74
Clinton Co.	Clinton, Ia.	A.F.G.M.	Aug. 1, 1974	790
Staley Manufacturing Co.	Decatur, Ill.	A.I.W.	Oct. 1, 1974	1,185
Grain Processing Co.	Muscataine, Ia.	R.W.D.W.U.	Sept. 1, 1974	435
C.P.C. International, Inc.-Canada	Cardinal, Ont.	R.W.D.S.U.	Aug. 1, 1974	379
St. Lawrence Starch Co.	St. Lawrence, Ont.	R.W.D.S.U.	Dec. 31, 1973	172
Anheuser-Busch Co.	Lafayette, Ind.	Brewery Workers	Sept. 30, 1973	550
American Maize-Products Co.	Hammond, Ind.	O.C.A.W.	July 1, 1974	379

Source: Elmer B. Oertle and Robert Bennett, "Inter-Union Wet Milling Council Wage Data Booklet," April, 1973. (Mimeographed.)

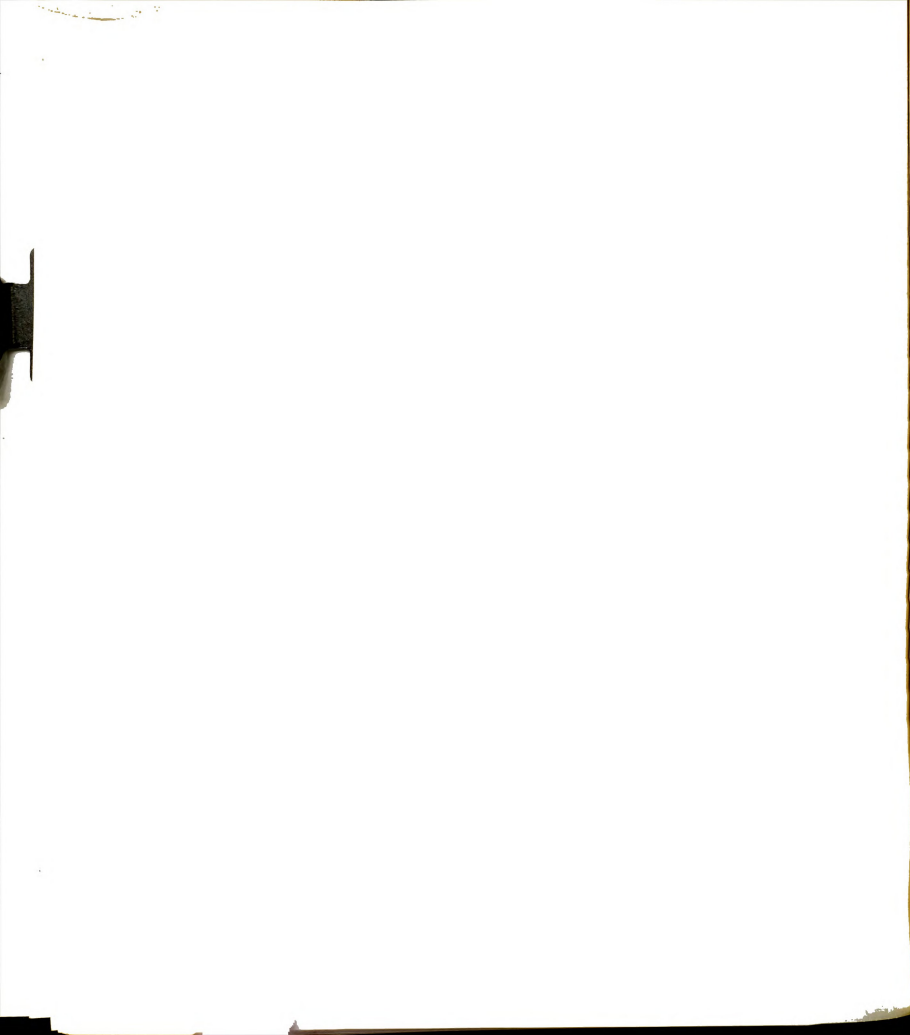


bargaining contracts of all the participants and prepare a comparative analysis of all the different clauses. In addition, the wage committee prepares an economic analysis of the industry, cost of living changes, productivity changes and other pertinent information. All this information, along with a list of goals, is then presented for approval in the spring meeting of the council. The wage committee customarily prepares a cent per hour wage increase proposal which, if adopted, is supposed to be the minimum wage settlements for which the locals should strive in their negotiations.

In an attempt to create an enforcement mechanism which will motivate all the participants to follow the goals established by the council, the coordinating committee recommended in October, 1970, the Mutual Assistance Pact:

The Allied Industrial Workers of America, the American Federation of Grain Millers, the Rectifying Wine and Allied Workers International Unions and the Oil, Chemical and Atomic Workers International Union and the participating locals from the respective International Unions, we the Wet Corn Milling Industry Inter-Union Council on behalf of its participating members in order to support the adopted collective bargaining programs of the Inter-Union Wet Milling Council do hereby adopt a Mutual Assistance Pact for the purpose of protecting the economic welfare of the participating membership in accordance with the following:

1. Once the Inter-Union Council collective bargaining programs are adopted and a satisfactory settlement has been reached for purposes of establishing the wage and fringe pattern settlement for the Wet Milling Industry, and should any participating local need to use its economic strength to gain such settlement on the economic and the fringe benefit package and be forced to strike their company, then



2. Each participating local union shall voluntarily, consistent with their local and international by-laws, support the strike of any participating local by \$1.00 per member per month of the members of each participating local of the Inter-Union Council.

3. Such voluntary \$1.00 per member per month strike contribution shall start after the participating local has been on strike for 30 days, and shall be due and payable by each of the participating locals, and each 30 days thereafter.

4. The Mutual Assistance Pact as outlined above shall apply only to the Wet Milling Industry Inter-Union Council collective bargaining policy on wages and fringe benefits, and shall not apply to local contract issues not covered by such policy.

5. If more than one local is on strike, the contributions shall be pro-rated among the striking locals on the basis of the number of the participating members of each local, as approved by The Joint Committee of the various international unions, which shall consist of one local union representative, representing each of the international unions involved for purposes of evaluating the merits of the needs of the striking members for financial assistance and to write the rules and procedures necessary.

6. Eligibility for locals of the participating international unions shall be adoption of the Mutual Assistance Pact and verification of the adoption of the Pact 6 months prior to any strike in support of the Inter-Union Council policies, in order to receive monies under the Mutual Assistance. However, any new group who joins in less than 6 months the Inter-Union Council and immediately adopts the Mutual Assistance Pact shall not be denied the benefits of the Pact.¹

Even though the Mutual Assistance Pact was never ratified by the participating local unions, the members did follow the essence of the Pact. Furthermore, in the last meeting of the Council in October, 1973, there was

¹Memorandum from R. C. Reinke, Chairman of the Council, to all local union members of the Council, October 20, 1970, A.I.W., Research Department files.



serious discussion of establishing a mandatory system of strike fund collection.

As the industry expanded the council also expanded by adding new members; in 1971 two local unions from Canada applied for membership and were accepted as full members.

As the council grew to maturity and the mechanism for establishing wages and fringe benefits was perfected, the council started to deal with new issues. Some of the issues which the council tackled in the last few years were the problems of plant and environment pollution, fire hazards in the plants, chemical intoxication and the issue of jobs exports through the growth of multinational corporations.

Summary and Evaluation

This coordinated bargaining effort has a significant input to the understanding of what makes such an effort successful. Even though the council never attempted to negotiate with management for its participating local unions, the goal of establishing equal pay for equal work was achieved to a remarkable degree. Not only was the council able to achieve identical wage increases in the last few years (see Table 2), but it was also capable of closing the disparity in the wage structure of the different locals (see Table 3). The struggle to eliminate the disparities among the different locals has been one of the tests of success by which this council can be evaluated.



Table 2.--The Inter-Union Wet Corn Milling Council: Wage increases negotiated in the years 1968-1972.

Name of the Company	1968	1969	1970	1971	1972
C.P.C. International Inc.	\$.15	\$.30	\$.27	\$.3569	\$.18
Archer-Midland Daniels Inc.	.15	.30	.27	.35	.237
National Starch & Chemical Co.	.21	.30	.27	.3587	.22
Keever Co.	n.a.	.16	.16	.20	.20
American Maize-Products Co.	.15	.30	.27	.3569	.185
V.W.R. United Co.	.26	.305	.275	.3564	.15
Hubinger Co.	.2275	.30	.27	.3579	.125
Mofett Inc.	.15	.30	.27	.3569	.18
Clinton Co.	.262	.30	.27	.35	.18
Staley Manufacturing Co.	.2034	.25	.322	.35	.18
Grain Processing Co.	n.a.	.17	.30	.34	.2306
C.P.C. International Inc.-Canada	n.a.	n.a.	n.a.	.34	.31
St. Lawrence Starch Co.	n.a.	n.a.	n.a.	n.a.	.29

Source: Elmer B. Oertle and Robert Bennett, "Inter-Union Wet Milling Council Wage Data Booklet," April, 1973, p. 10. (Mimeographed.)

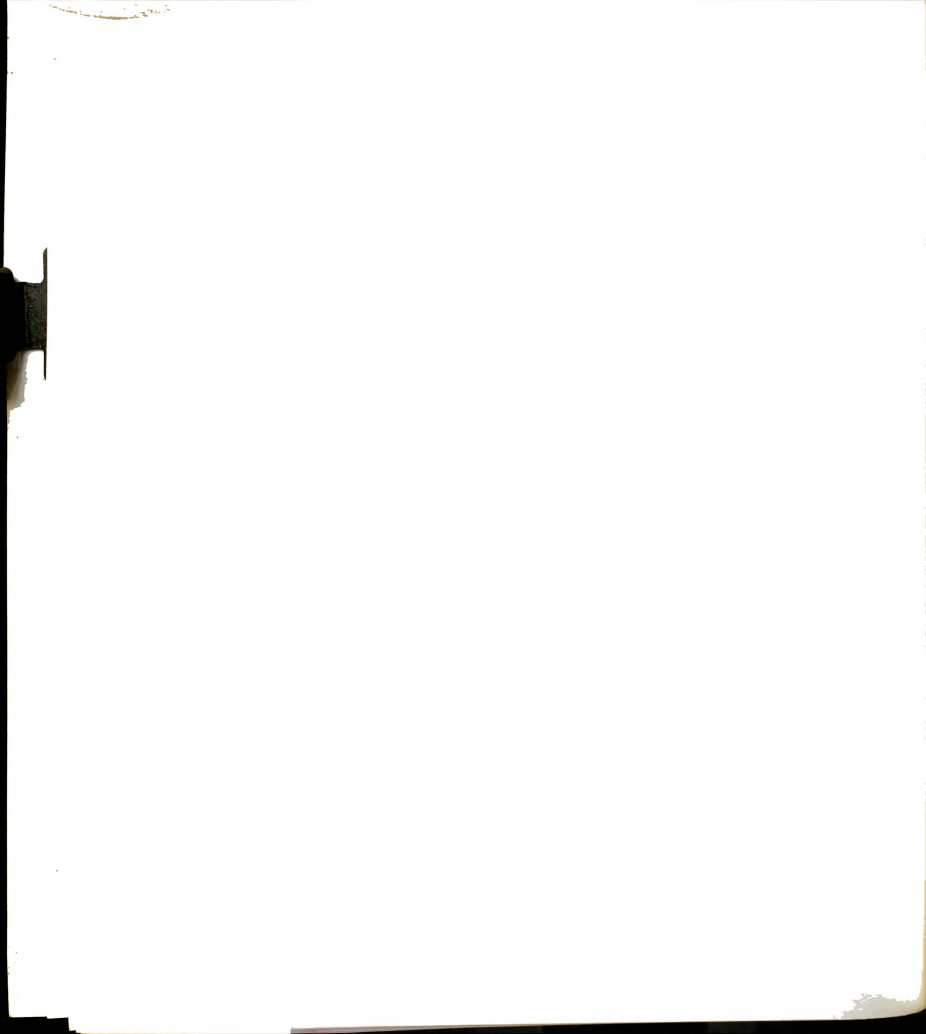
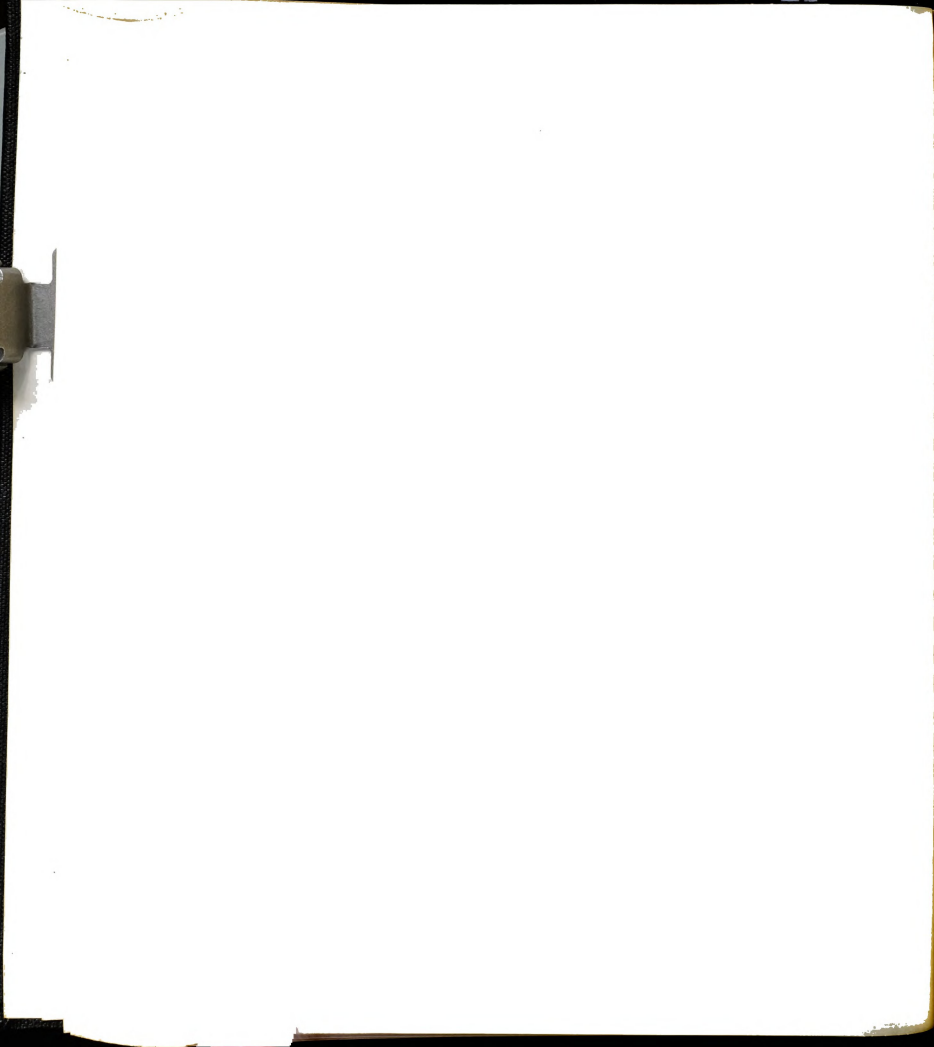


Table 3.--Comparison of hourly base rates 1967-1972.

Name of the Company	1967	1968	1969	1970	1971	1972
C.P.C. International Inc.	\$2.81	\$2.96	\$3.21	\$3.48	\$3.83	\$4.01
Archer-Midland Daniels Inc.	2.81	2.96	3.21	.348	3.83	4.04
National Starch & Chemical Co.	2.775	2.925	3.155	3.425	3.775	3.995
Keever Co.	n.a.	2.64	2.80	2.96	3.16	3.36
American Maize-Products Co.	2.845	2.995	3.245	3.44	3.79	4.045
V.W.R. United Co.	2.86	3.03	3.29	3.56	3.87	4.02
Hubinger Co.	2.885	3.04	3.32	3.59	3.91	4.035
Mofett Inc.	2.81	2.96	3.21	3.48	3.83	4.01
Clinton Co.	2.74	2.98	3.28	3.56	3.91	4.09
Staley Manufacturing Co.	2.795	2.965	3.215	3.485	3.835	4.015
Grain Processing Co.	n.a.	n.a.	n.a.	3.455	3.67	3.805
C.P.C. International Inc.-Canada	n.a.	n.a.	n.a.	n.a.	3.11	3.39
St. Lawrence Starch Co.	n.a.	n.a.	n.a.	n.a.	n.a.	3.31

Source: Elmer B. Oertle and Robert Bennett, "Inter-Union Wet Milling Council Wage Data Booklet," April, 1973, P. 12. (Mimeographed.)



It took a good measure of maturity on the part of the better paid locals to understand that, in the long run, it would be in the best interest of all the council members if all the participants could achieve the same wage rates. This decision meant that some locals had to accept lower wage increases than they could otherwise have obtained. Another proof of the council's achievement can be observed from the wage comparison with other industries in the grain milling sector (see Table 4). Not only did the wet corn milling industry achieve the highest hourly earnings in the entire sector, but the annual percentage increase is higher than the rest of the grain milling sector.

The factors which contributed to this successful coordination are as follows:

1. This is a relatively small industry with about 10,000 production workers, the majority of which are organized by six international unions. Because of the geographic proximity of most of the plants and the fact that only six internationals have to coordinate their activities, the logistical problems of coordination were much simpler than in other instances.

2. Another factor is that the industry has a very stable labor force with very little turnover. This factor contributes to the creation of a high commitment of the rank-and-file members to their unions and their leaders. In addition, the turnover of union leadership is small,

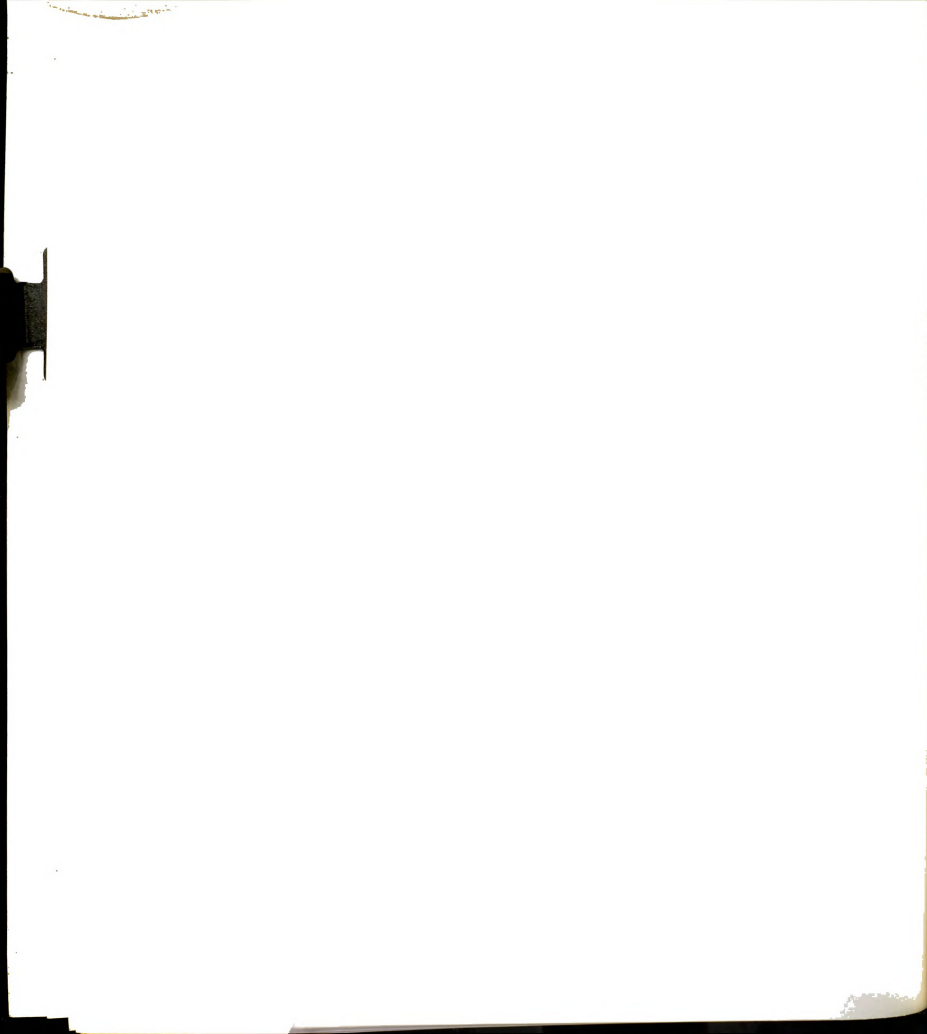
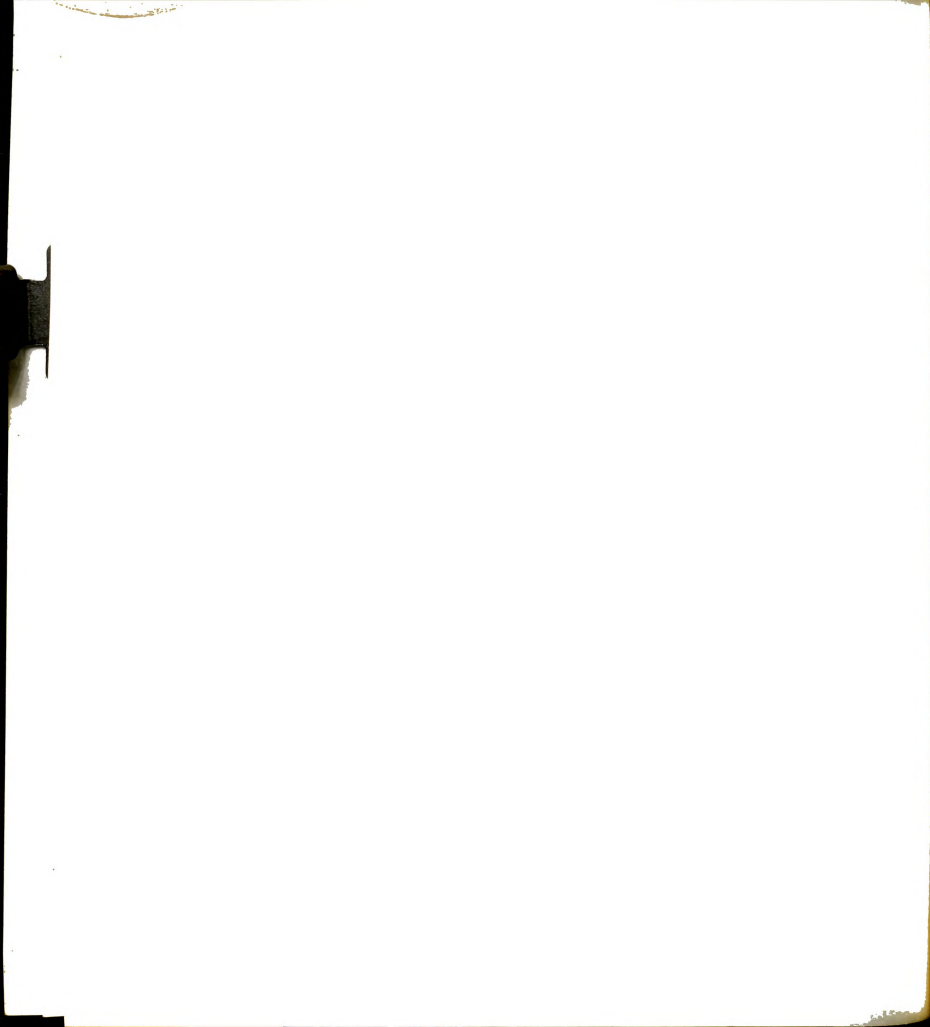


Table 4.--Comparison of the average hourly earnings of production workers in the grain milling sector 1958-1967.

Year	Industry 2042 Prepared feeds for Animals and Fowls		Industry 2043 Cereal Preparation		Industry 2044 Rice Milling		Industry 2045 Blended and Prepared Flour		Industry 2046 Wet Corn Milling	
	Average wage in dollars	Percent increase 1958-100	Average wage in dollars	Percent increase 1958-100	Average wage in dollars	Percent increase 1958-100	Average wage in dollars	Percent increase 1958-100	Average wage in dollars	Percent increase 1958-100
1958	\$1.86	100	\$2.62	100	\$1.50	100	\$2.36	100	\$2.53	100
1959	1.87	101	2.73	104	1.48	99	2.41	102	2.61	103
1960	1.91	103	2.72	104	1.40	93	2.55	108	2.64	104
1961	1.95	105	2.89	110	1.50	100	2.64	112	2.76	109
1962	2.00	108	2.95	113	1.48	99	2.67	113	2.85	113
1963	2.10	113	3.16	121	1.74	116	2.62	111	3.12	123
1964	2.15	116	3.26	124	1.82	121	2.74	116	3.35	132
1965	2.20	118	3.31	126	1.83	122	2.96	125	3.44	136
1966	2.30	124	3.41	130	1.93	129	3.04	129	3.50	138
1967	2.48	133	3.56	136	2.08	139	3.13	133	3.70	146

Source: U.S., Department of Commerce, Bureau of the Census, Census of Manufactures, 1967, Industry Series: Grain Mill Products MC 6(2)-202 (Washington, D.C.: Government Printing Office, 1970).



which helps maintain continuity and consistency of the coordinated effort.

3. Because of the fact that this is a high-pay industry, the local unions in most cases can bear the monetary costs required for coordinated bargaining activities. This fact also enables the locals to act independently from their international unions.

4. Competent internal leadership is able to perform the necessary economic analysis without having to depend on outside experts such as the I.U.D. This last point should not be interpreted as critical of the efforts of the I.U.D., but rather as a natural tendency of people to accept changes more readily when they are internally generated.

5. Another important factor which contributed to the continuous rank-and-file support of this endeavor is that this coordinated effort did not remove the actual bargaining process and the power from the local people to higher echelon union leaders. Even though the goals of collective bargaining are determined on an industry-wide basis, the local people determine whether or not they want to go along with those goals and continue to perform themselves the actual negotiations with management.

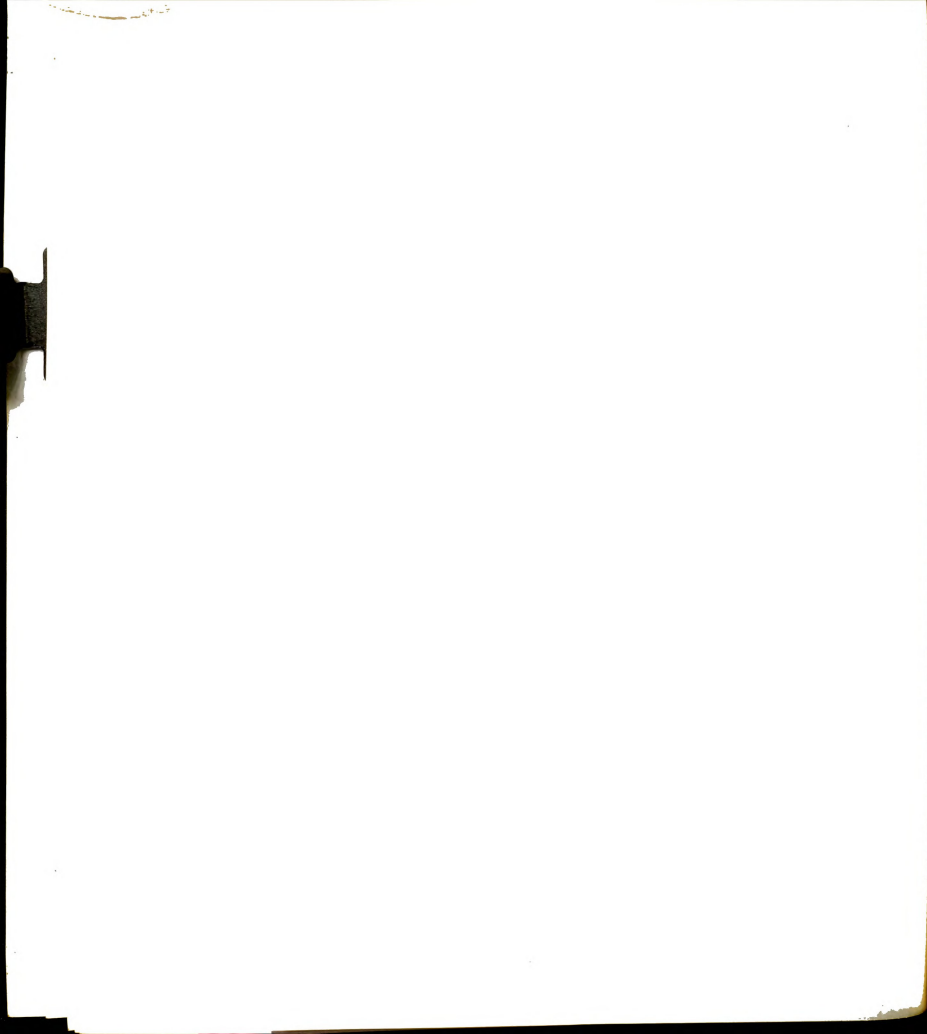
Some of the issues which this council will have to tackle with more vigor in the future are: how to cope with management's efforts to destroy the unity among unions



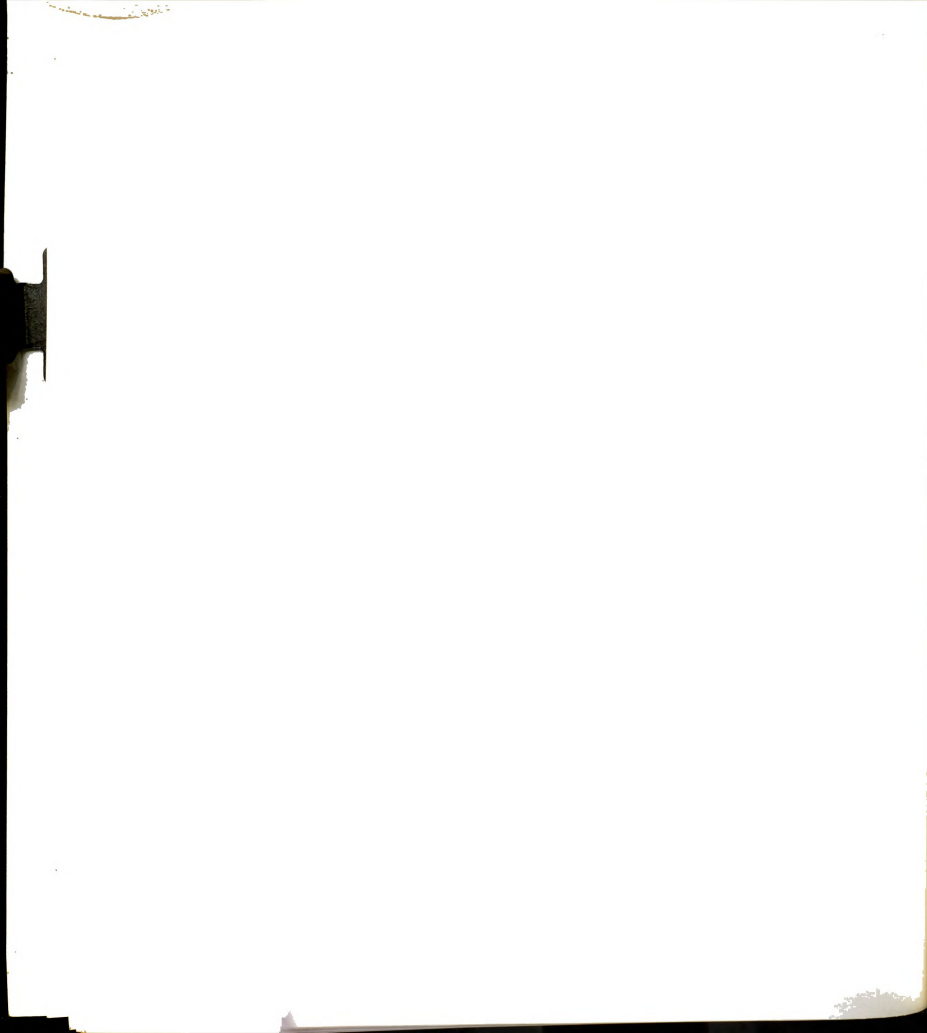
through different methods, namely, spread the contract expiration dates, and the establishment of wet milling factories abroad by the multinational conglomerates with the employment implications connected with such ventures. Another problem which will necessitate more attention in the future is the need for improved communication during the negotiations among the different unions. Other issues which the council is aware of but did not act on are the issues of job description which might further improve the goal of equal pay for equal work; and the problem of boredom on the job, leisure time and community relations.

From this case labor unions can learn that sometimes it might be more effective to deal with conglomerates and multi-plant employers by establishing coordinated bargaining on an industry-wide basis rather than attempting to establish coordinated bargaining on a corporate basis, which management is better equipped to counteract.

Another issue which this survey attempted to investigate was whether the amicable relations created in the coordinated bargaining committees might lead to mergers among the unions participating in the coordinated bargaining venture. As far as could be ascertained from interviews with the leadership of this council, such a possibility is remote. Instead, there is a trend in which the members of the council are becoming more concerned and dedicated to the affairs and future of the council rather

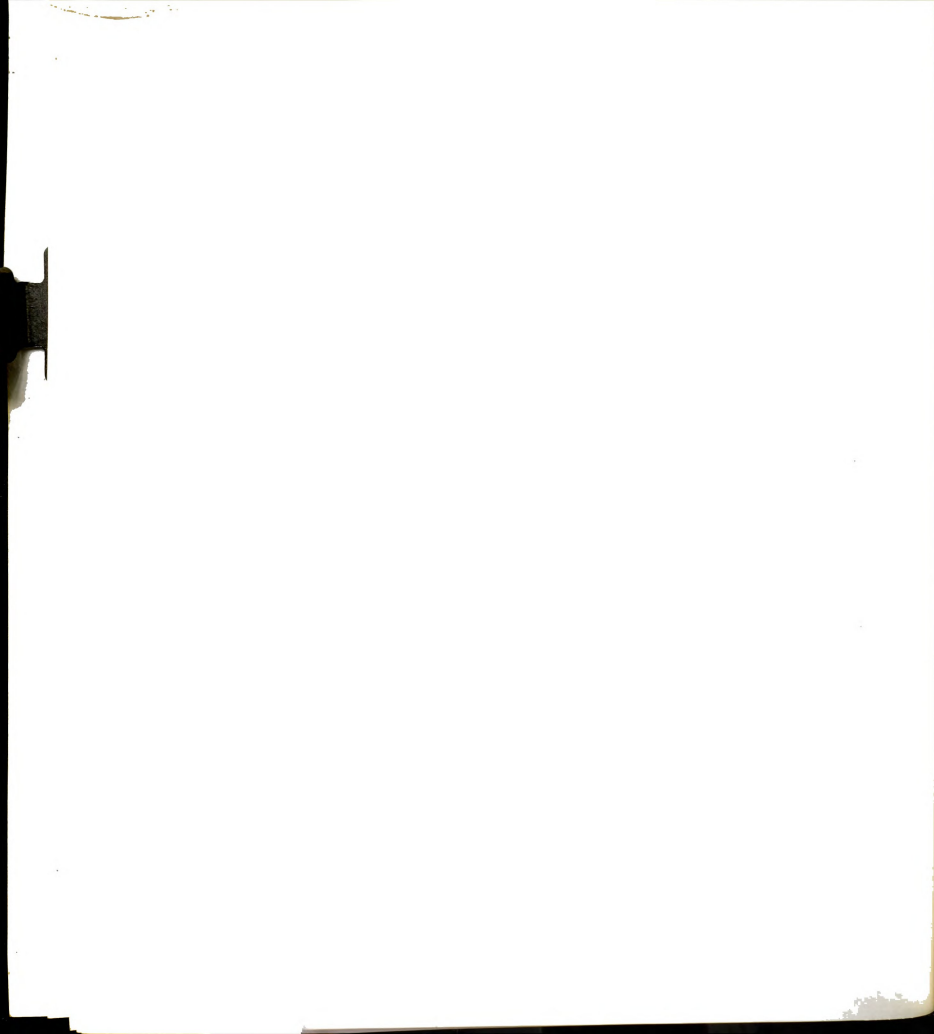


than to those of their own international union. Yet none of the respondents was willing to relinquish his union identification in exchange for that of the council or another international union.



PART II

THE STATIC, CROSS-SECTIONAL ANALYSIS

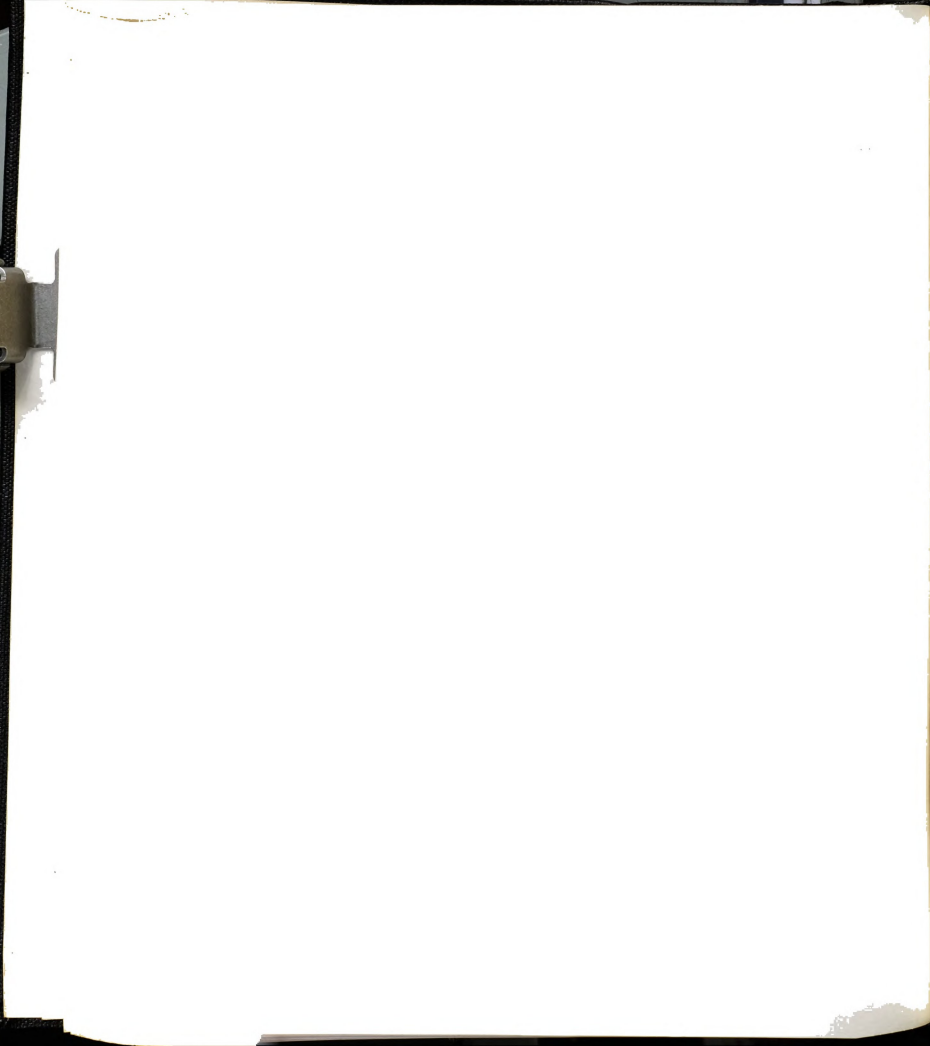


CHAPTER VII

THE STATIC, CROSS-SECTIONAL ANALYSIS

The purpose of this section of the study is to evaluate the process of coordinated bargaining at the International Union, Allied Industrial Workers of America at one point in time. Surveys were made of two levels of officers of the union: the first, a cross-sectional analysis of the local union presidents; and the second, a cross-sectional analysis of the regional representatives of the union. The survey conducted on the local union presidents intended to examine the attitudes of first level officers toward coordinated bargaining, while the survey of the regional representatives intended to ascertain which variables influence decision makers to join a coordinated bargaining effort.

Before continuing with the exposition of the various propositions and results, an important word of caution to the reader is appropriate. The study of the process of coordinated bargaining is at its infantile stage. As far as has been reported in the literature, no analytical study of the process has been made so far. Most of the literature on this topic is still at an anecdotal stage with no attempt to establish the parameters involved or to advance



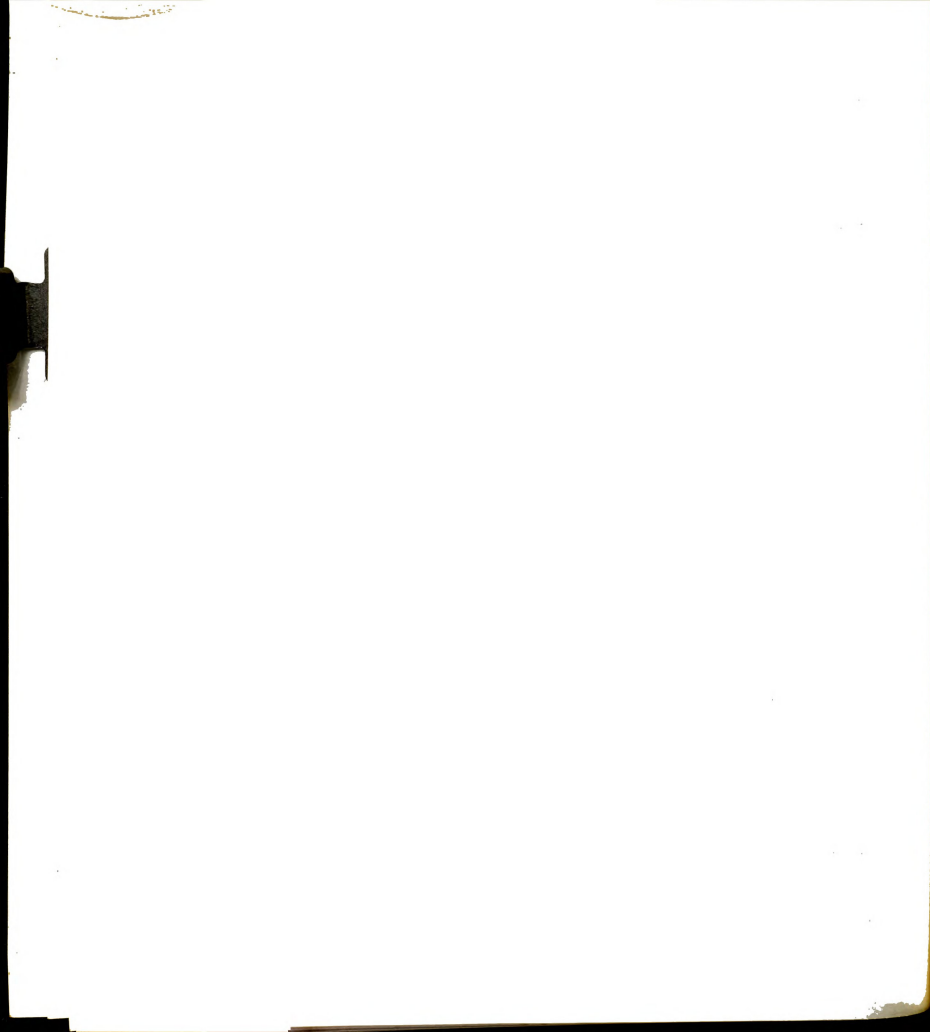
hypotheses. Given this state of the art, there were no scientific foundations on which to establish any reliable statistical analysis. Thus, one of the principal goals of this research was to establish a scientific foundation on which to base further investigation and analysis.

Since this is a pioneering study, the reader should regard the results as possible parameters and hypotheses for further investigations. Furthermore, these results should be considered within the context of A.I.W., and only by way of logical deduction be projected to the rest of the population.

The Survey of Local Union Presidents

The local union presidents are the first level officers entrusted with the power to make decisions which affect the membership of the local union. In order to foresee the future permeation of the coordinated bargaining process within this union and to investigate the effect of this process on the attitudes of those who experienced it, a survey was undertaken to measure the attitude of the local union presidents toward coordinated bargaining.

To this end, the different issues which this kind of collaboration resolves or raises were examined. Divide and conquer policies of the corporation, or limited resources which a local union faces in negotiating with a big corporation are issues which coordinated bargaining is expected to counteract. Remoteness of the collective



bargaining from the local scene, or the inflationary effect of national or multi-unit bargaining are problems which surface with the establishment of coordinated bargaining.

Both union and management use their channels of communication to persuade the local leadership by presenting them with the different angles and issues related to the process of coordinated bargaining. The end result of this communication process, along with other factors, is the formation of the specific attitude which the local official adopts toward coordinated bargaining, and ultimately, his decision to join or not to join such an effort.

The Questionnaire

The survey consisted of a written questionnaire containing seven statements, four depicting issues advanced by unions in support of coordinated bargaining, and three statements depicting issues advanced by management in opposition to coordinated bargaining. These statements were taken from actual informational leaflets and newsletters of unions and management, and represent the crystallization of their positions in the campaigns waged to influence the attitudes of local union presidents. In addition, the questionnaire asked the age of the respondent and the size of the local union to which he belongs (see Appendix A).

The questionnaire was printed in two colors to distinguish the two subject groups. Forty-one questionnaires



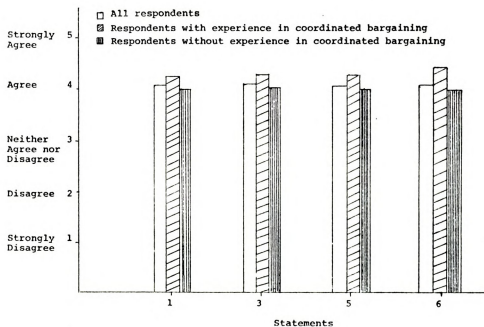
were mailed to all local presidents who had experience with coordinated bargaining, and 383 questionnaires were mailed to all local union presidents who did not have experience with coordinated bargaining. In order to encourage the participation of the subjects, Gilbert Jewell, International President of A.I.W., enclosed a cover letter urging the local union presidents to respond. Three weeks after the questionnaire was mailed, a follow-up letter was sent. Nevertheless, the rate of response was not as high as expected, 174 returned questionnaires out of a total of 424 sent, resulting in 41 percent rate of response. Sixteen of the 174 questionnaires returned were from local presidents with experience in coordinated bargaining, giving them a 39 percent rate of response, while 132 questionnaires were from local presidents without experience in coordinated bargaining, resulting in a 34 percent rate of response. Of the 174 questionnaires returned, 26 were cancelled because of incorrect or incomplete responses.

The questionnaire was pretested for clarity and consistency. The response to each question, except those on age and the size of the local union, was multiple choice using a five-point Likert scale.

Results

Figures 1 and 2 summarize the results of the responses to the questionnaire. The level of significance chosen for this study was .1.





Statement 1

Bargaining with a big centrally run corporation requires a lot of savvy and strength. Coordinated bargaining can muster the economic resources unions need for such an encounter.

Statement 3

Unified, multi-plant companies, operating from a single headquarters, have been known to whipsaw unions by dealing with each one separately. Coordinated bargaining eliminates this kind of "divide and conquer" tactic.

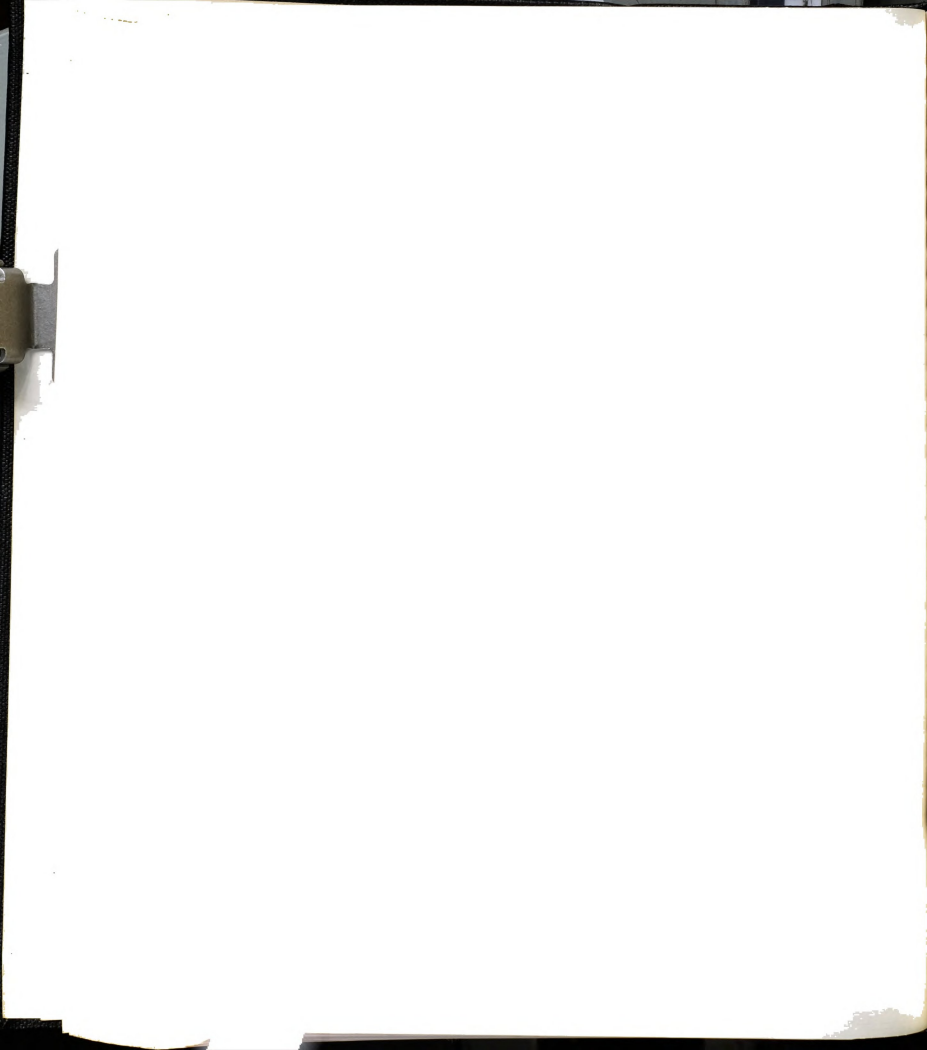
Statement 5

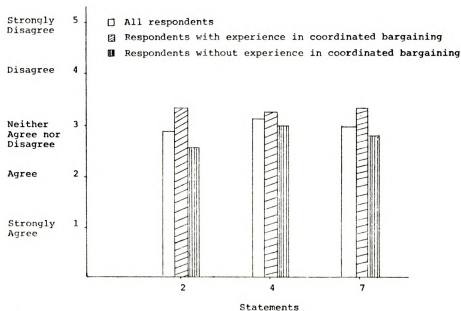
Large corporate empires are capable of withstanding the bargaining pressure of single unions. A union working alone does not have much of a chance. Coordinated bargaining reestablishes union bargaining power on a company-wide level.

Statement 6

Management is well-supplied with resources, technical information and directions from the head office. Through coordination, unions can also achieve better access to data, material and technical information often unavailable to single unions.

Figure 1.--Summary of Mean Responses to Statements 1, 3, 5 and 6.





Statement 2

Coordinated bargaining submerges the varying needs and concerns of employees in the local plant. Thus, coordinated bargaining increases the danger of local strikes even after national issues have been settled.

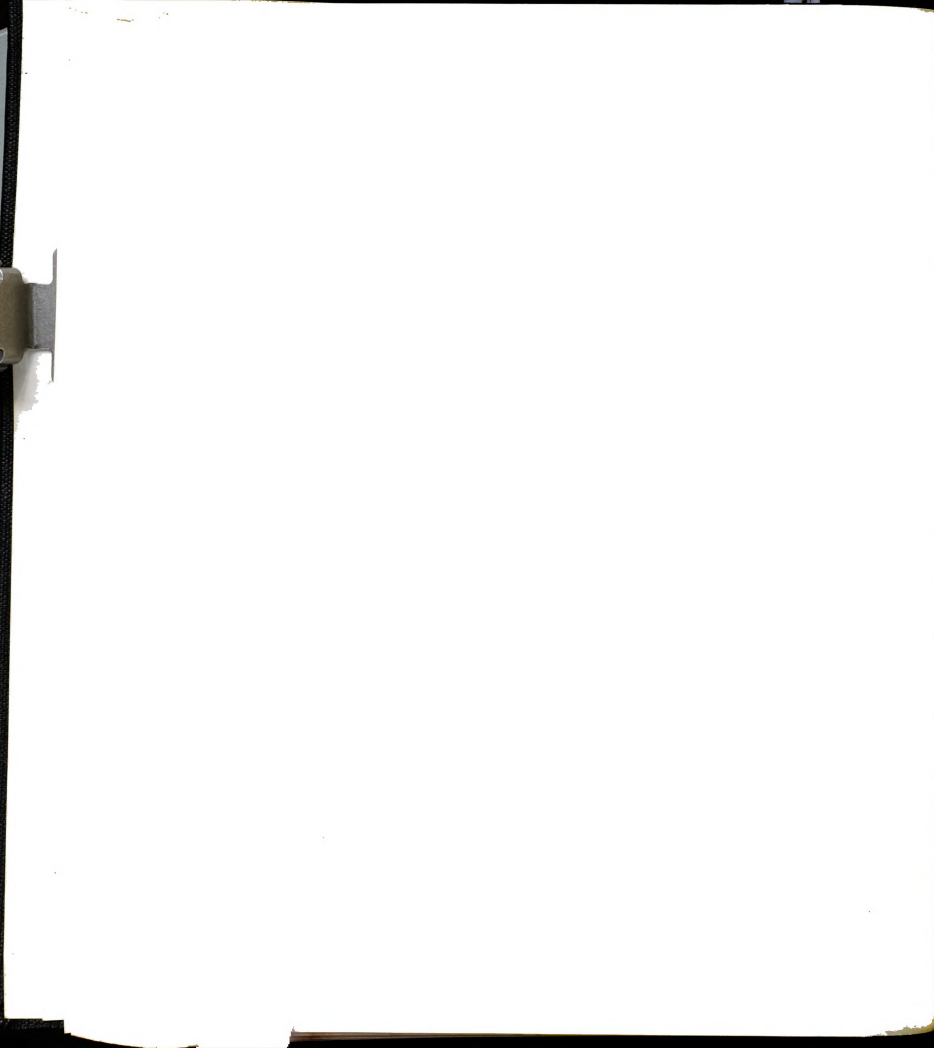
Statement 4

By forcing multi-plant agreements, coordinated bargaining enhances the possibilities of inflationary settlements.

Statement 7

An important reason for the formation of the coordinated bargaining committees lies in the continuing drive for power on the part of some large international unions and their leaders.

Figure 2.--Summary of Mean Responses to Statements 2, 4, and 7.



Statement 1: Bargaining with a big centrally run corporation requires a lot of savvy and strength. Coordinated bargaining can muster the economic resources unions need for such an encounter.

As Figure 1 illustrates, the mean value of the response to Statement 1 for all the respondents was 4.07, which indicates an overall agreement with this statement. The mean answer of the group who had experience with coordinated bargaining was 4.37 and the mean response of those who did not have experience with coordinated bargaining was 4.03. The F statistic indicates that the difference between the two groups is not significant ($P=.135$).

Statement 2: Coordinated bargaining submerges the varying needs and concerns of employees in the local plant. Thus coordinated bargaining increases the danger of local strikes even after national issues have been settled.

Figure 2 indicates that the overall mean response for all the respondents to Statement 2 was 2.85, meaning that as a group, they neither agreed nor disagreed with this statement. The mean answer of the group of respondents who had experience with coordinated bargaining was 3.56, which indicates that they disagreed with the statement. The mean answer of those respondents who did not have experience with coordinated bargaining was 2.76, which indicates that this group was anywhere between agree and the middle category of neither agree nor disagree with the statement. The F statistic indicates that the difference between those two groups is significant ($P=.006$).



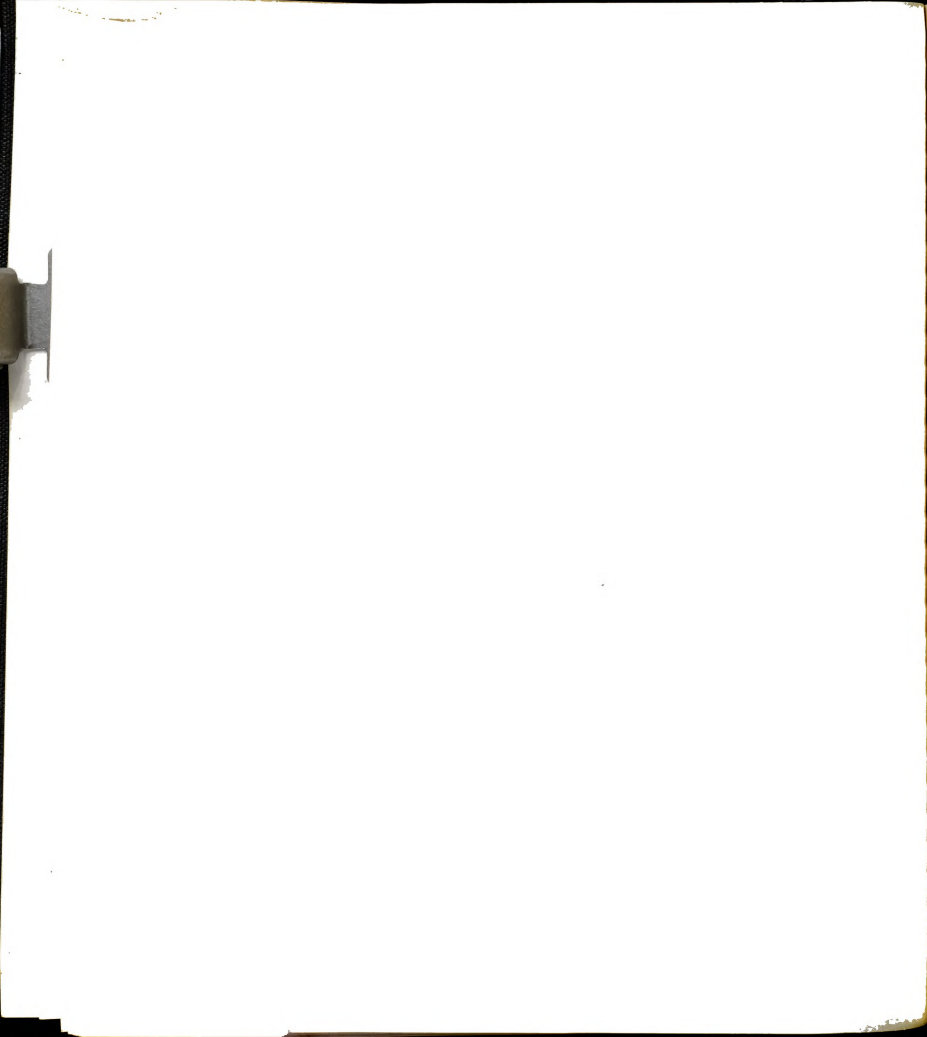
Statement 3: Unified, multi-plant companies, operating from a single headquarters, have been known to whipsaw unions by dealing with each one separately. Coordinated bargaining eliminates this kind of "divide and conquer" tactic.

In Statement 3 (Figure 1), the mean response of all the respondents was 4.11, which indicates that as a group they agreed with this statement. The mean answer of the group of respondents who had experience with coordinated bargaining was 4.43, indicating that they agreed with this statement. The mean answer of the second group of respondents was 4.07, indicating also that they agreed with this statement. The F statistic shows that the difference between those groups was not significant ($P=.11$).

Statement 4: By forcing multi-plant agreements, coordinated bargaining enhances the possibilities of inflationary settlements.

The mean response to Statement 4 (Figure 2) of all the respondents was 3.03, which indicates that as a group they neither agreed nor disagreed with the statement. The mean of the group with experience in coordinated bargaining was 3.25 and the mean answer for the second group was 3.00, which indicates the same attitude as the overall response. The F statistic shows that the difference between the two groups was not significant ($P=.40$).

Statement 5: Large corporate empires are capable of withstanding the bargaining pressure of single unions. A union working alone does not have much of a chance. Coordinated bargaining re-establishes union bargaining power on a company-wide level.

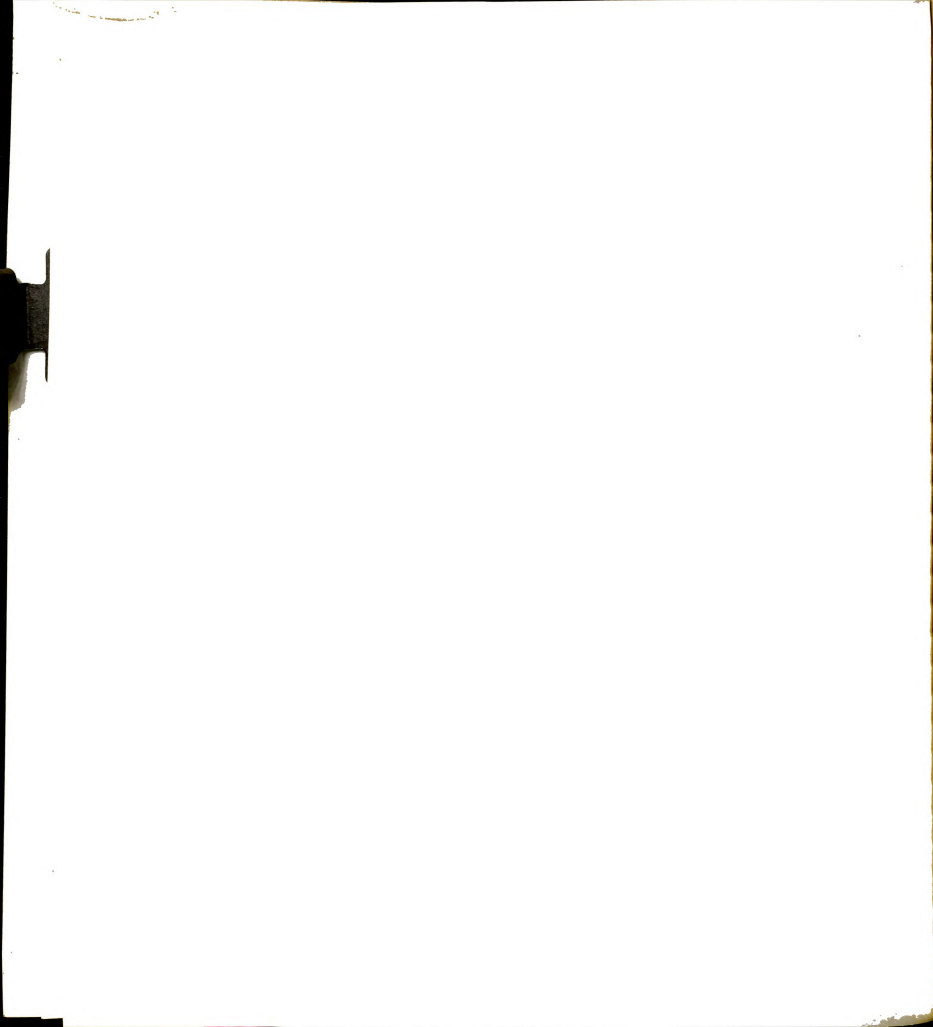


The overall mean response to Statement 5 (Figure 1) for all the respondents was 4.06, which indicates that the respondents agreed with this statement. The mean answer of the group with experience in coordinated bargaining was 4.50, which indicates that the group came close to strongly agreeing with this statement. The mean answer of the second group was 4.00, close to the overall answer. The F statistic shows that the difference between the two groups was significant ($P=.045$).

Statement 6: Management is well-supplied with resources, technical information and directions from the head office. Through coordination, unions can also achieve better access to data, material and technical information often unavailable to single unions.

The overall mean for all the respondents to Statement 6 (Figure 1) was 4.09, which indicates that the respondents agreed with this statement. The mean answer of the group with experience in coordinated bargaining was 4.75, which indicates that the group came close to strongly agreeing with this statement. The mean answer of the second group was 4.01 and close to the overall answer. The F statistic shows that the difference between the two groups was significant ($P=.004$).

Statement 7: An important reason for the formation of the coordinated bargaining committees lies in the continuing drive for power on the part of some large international unions and their leaders.



In Statement 7 (Figure 2), the overall mean for all the respondents was 3.00, which indicates that they neither agreed nor disagreed with this statement. The mean answer of the group with experience in coordinated bargaining was 3.37 and the mean answer of the second group was 2.95, both indicating the same attitude toward this statement. The F statistic shows that the difference between the two groups was not significant ($P=.15$).

In the last step of this analysis, averages were calculated for the answers of the four statements advancing the unions' positions on coordinated bargaining (Statements 1, 3, 5 and 6) and the three statements advancing management positions on coordinated bargaining (Statements 2, 4 and 7).

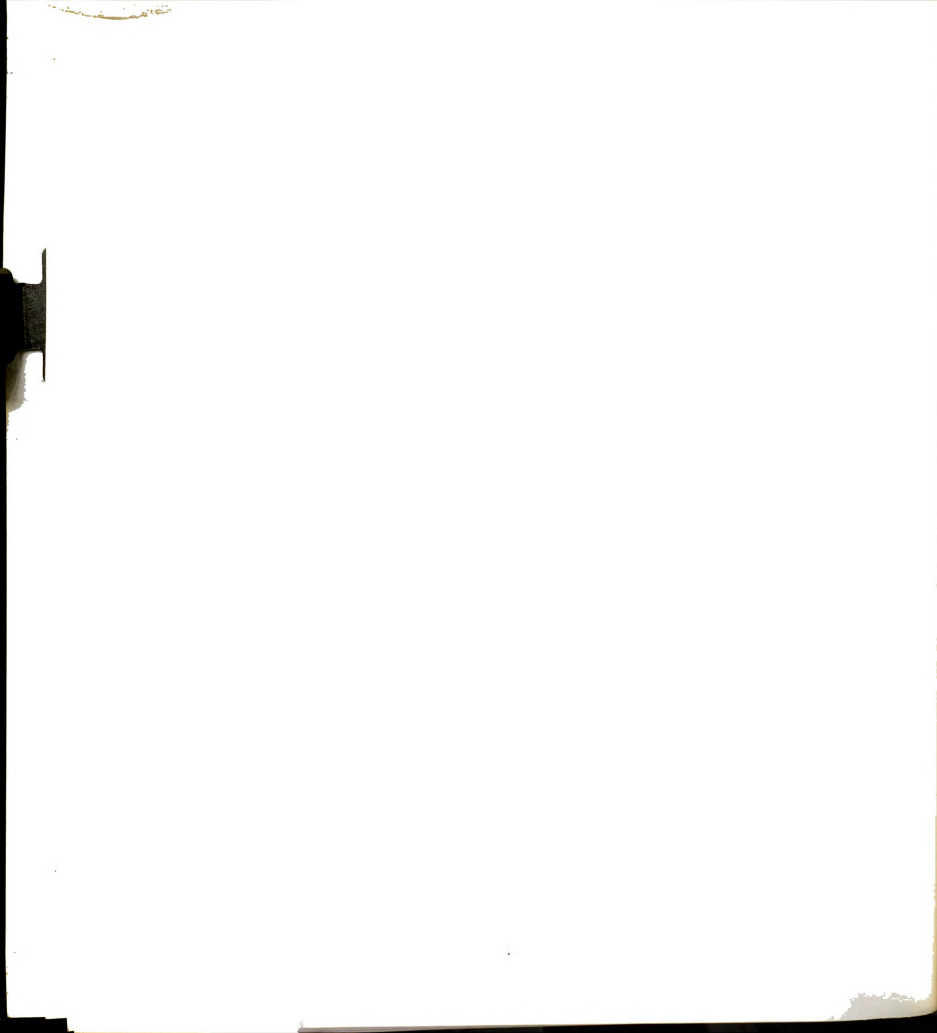
In the aggregate analysis depicting the union position, the answers were as follows: The overall mean for all the respondents was 4.09, which indicates that the respondents agreed with those statements; the mean answer of the group with experience in coordinated bargaining was 4.52, which indicates that those respondents tended to strongly agree with those statements. The mean answer of the second group was 4.03, which indicates that this group agreed with the four statements. The F statistic shows that the differences between the two groups was significant ($P=.006$).

In the aggregate analysis depicting the management position, the answers were as follows: The overall mean for all the respondents was 2.96, the mean answer of the group with experience in coordinated bargaining was 3.39, and the mean answer of the respondents with experience in coordinated bargaining was 2.91. All those answers indicate that the respondents neither agreed nor disagreed with the three statements.

As to the questions on age of the local union president, and size of the local union, this survey reveals that there was no correlation between those factors and the attitudes of the respondents toward coordinated bargaining. (For further statistical details see Appendix B.)

Discussion of the Statistical Results

The respondents to this survey indicated that they are in overwhelming agreement with the reasons for joining coordinated bargaining as expressed by the supporters of this process. Furthermore, the respondents indicated through their answers that they neither agree nor disagree with the ideas advanced in opposition to coordinated bargaining. It is also interesting to note that those respondents with experience in coordinated bargaining had consistently more favorable attitudes toward the statements favoring coordinated bargaining than those without experience in coordinated bargaining.



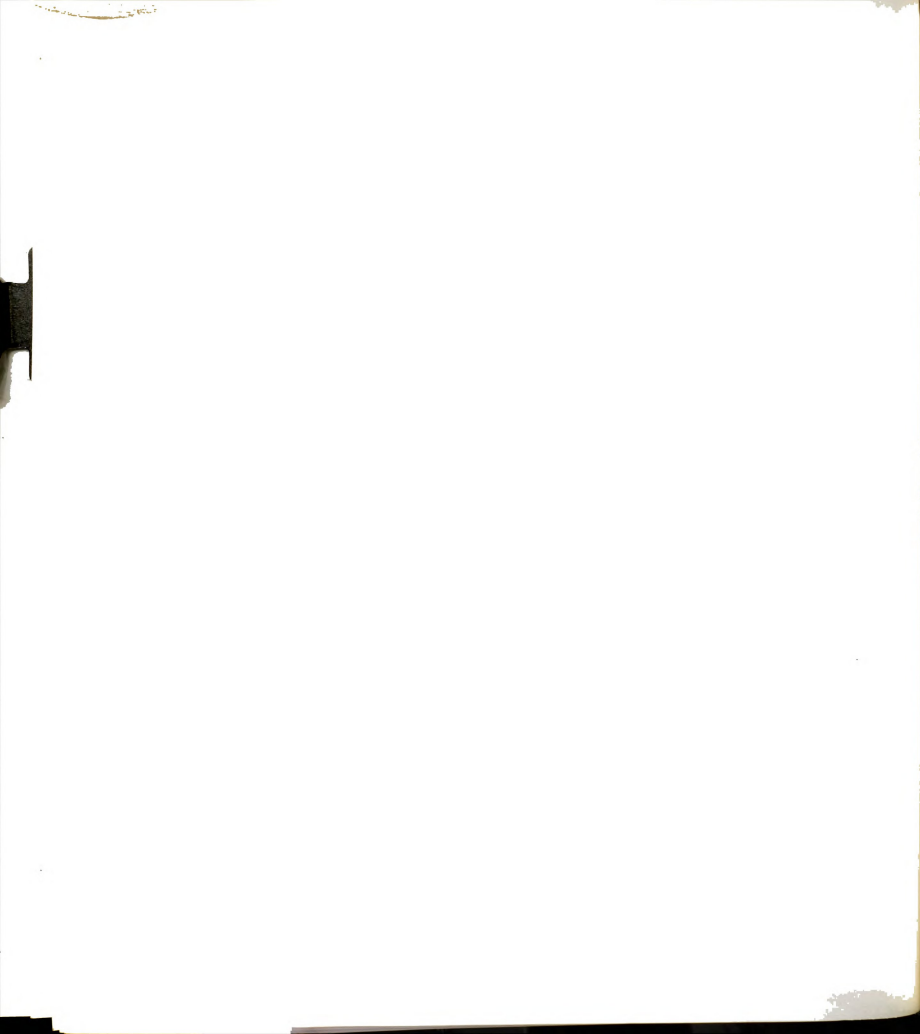
In conclusion, it is possible to assert that the local union presidents who responded to this survey have favorable attitudes toward coordinated bargaining irrespective of their age or size of the local union. The translation of those favorable attitudes into actual participation in coordinated bargaining will depend on the existence or non-existence of other variables which are discussed in the following survey.

The Survey of Regional Representatives

This part of the cross-sectional analysis deals with the impact of the regional representatives on the development of coordinated bargaining at A.I.W. As my investigation of the coordinated bargaining process progressed, the centrality of the regional representative's role in this process became increasingly apparent. It became evident that the attitude of the local people and the decision to join or not to join a coordinated bargaining committee are very much influenced by the advice and attitudes of the regional representative.

The centrality of the regional representative on the issue of coordinated bargaining can be attributed greatly to the mode of collective bargaining existing in this union. Article 8.03 of the A.I.W. Constitution specifies that:

Regional Representatives, under the instructions of the Regional Director, shall have the authority to call a special meeting of a Local Union, attend



and gain admittance to any meeting of any other subordinate body of the International Union, within his respective jurisdiction, and to actively participate in such meeting, and convey any instructions of the International President and/or the Regional Director.¹
[Emphasis added.]

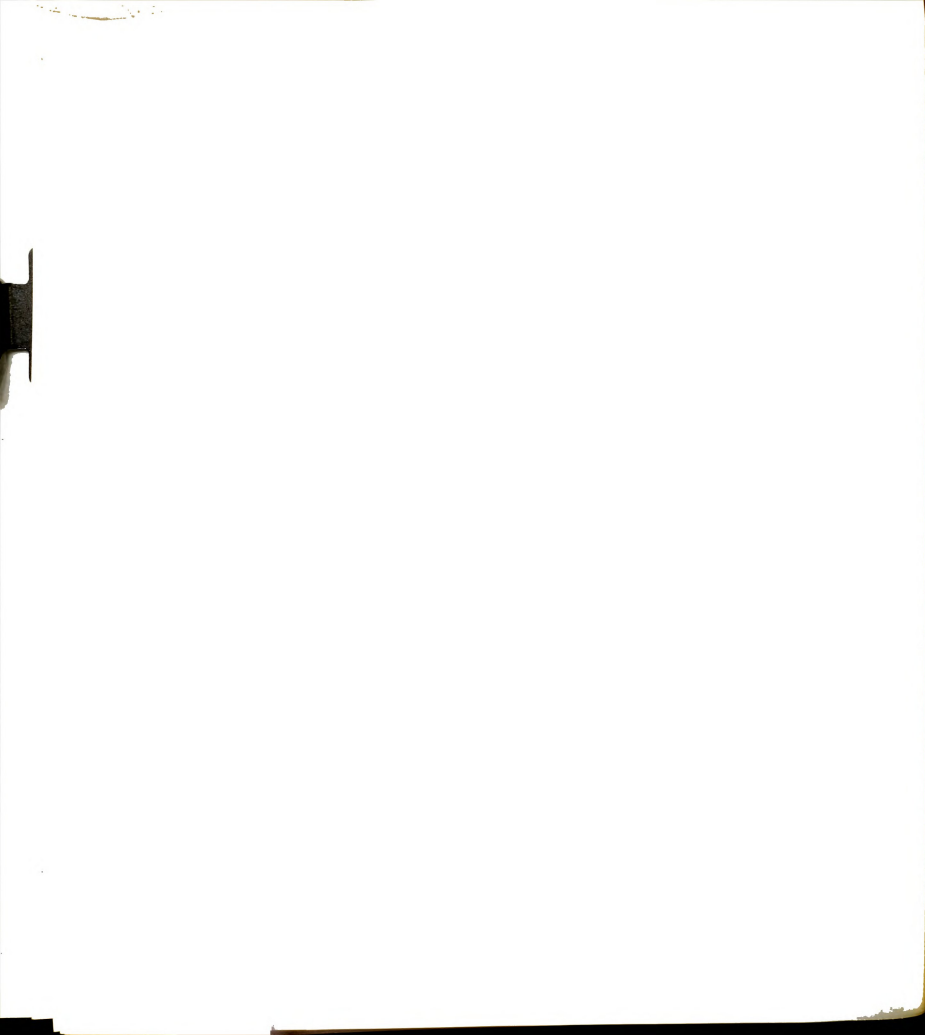
The constitution further specifies in Article 17.02 that:

There shall be no strike until representatives of the International Union or of the Regional Director (and, in cases involving Units of an Amalgamated Local, the officers of such Local also) have had an opportunity to intercede in the matter.²

It has long been a practice in A.I.W. that each regional representative is assigned a few local bargaining units, and he and the local bargaining committee formulate and present the collective bargaining demands. The regional representative, in the majority of cases, is the spokesman of the local union at the bargaining table, as well as the central man in the establishment of the local demands. He usually is better equipped to analyze the information presented at the bargaining table and, in general, better informed as to broader issues concerning collective bargaining, such as the issue of coordinated bargaining. The regional representative is also a person who will usually be well acquainted with the positions and attitudes of the bargaining committee of the local, since those are the positions which he has to represent or change

¹Constitution of the International Union, Allied Industrial Workers of America . . . and Laws Governing Local Unions, Adopted by the 18th Constitutional Convention at St. Louis, Missouri, October 4-7, 1971. Art. 8.03.

²Ibid. Art. 17.02.

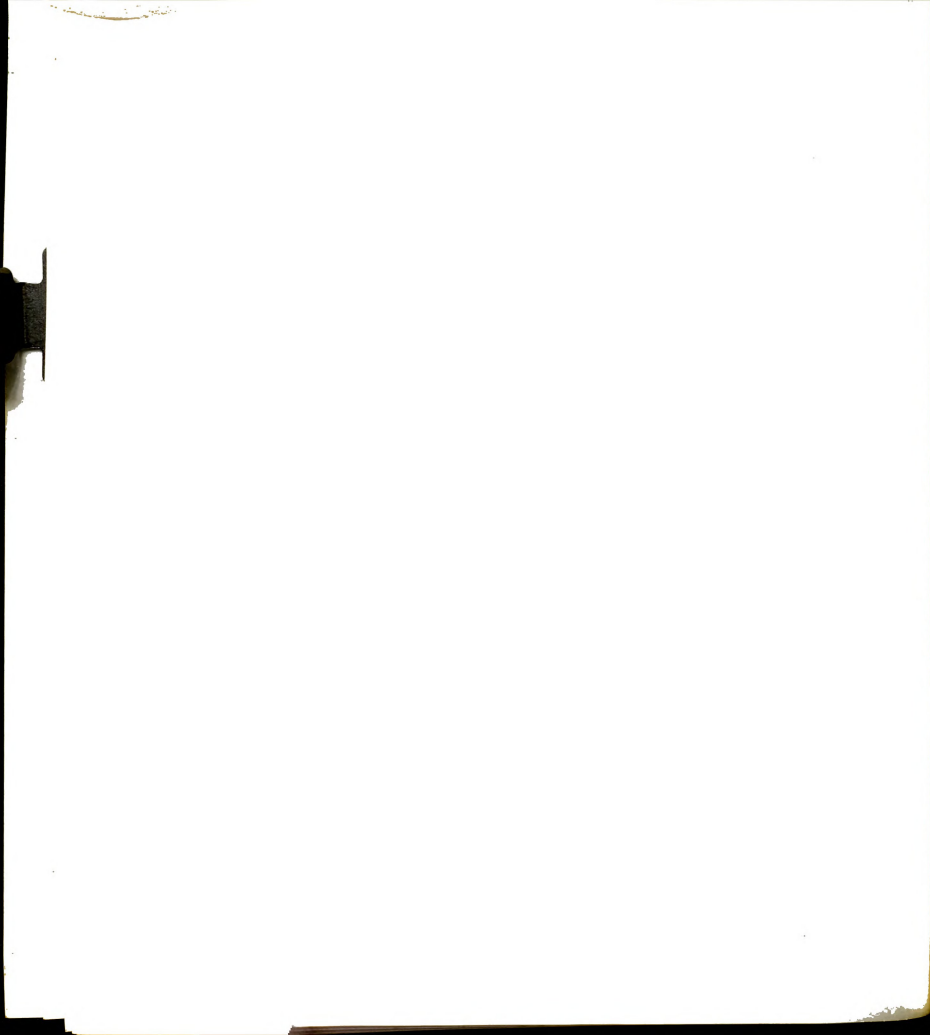


if he sees fit. The local union can demand the removal or the substitution of the specific regional representative if it does not like his work or positions; thus a regional representative is not only a technical expert, but also a political person involved in and knowledgeable about the positions of the decision makers of the local union. With this in mind, it became apparent that, in order to analyze the attitudes as well as the decision making of the local officials as they relate to coordinated bargaining, it would be necessary to investigate the positions of the regional representatives toward this issue.

The Questionnaire

A self-administered questionnaire was distributed to all regional representatives who were present at the A.I.W. national convention in Miami Beach, Florida, in August, 1973. The questionnaire was pretested and changed to meet the needs of consistency and clarity. Out of 56 regional representatives servicing local unions, 41 answered the questionnaire for a 73 percent response. Those 41 regional representatives service 295 local unions out of the total 424 local unions of A.I.W., for a 69.5 percent rate of coverage of local unions.

For each question, the regional representatives were asked to identify the locals which they service in the horizontal column and to check the most appropriate answer



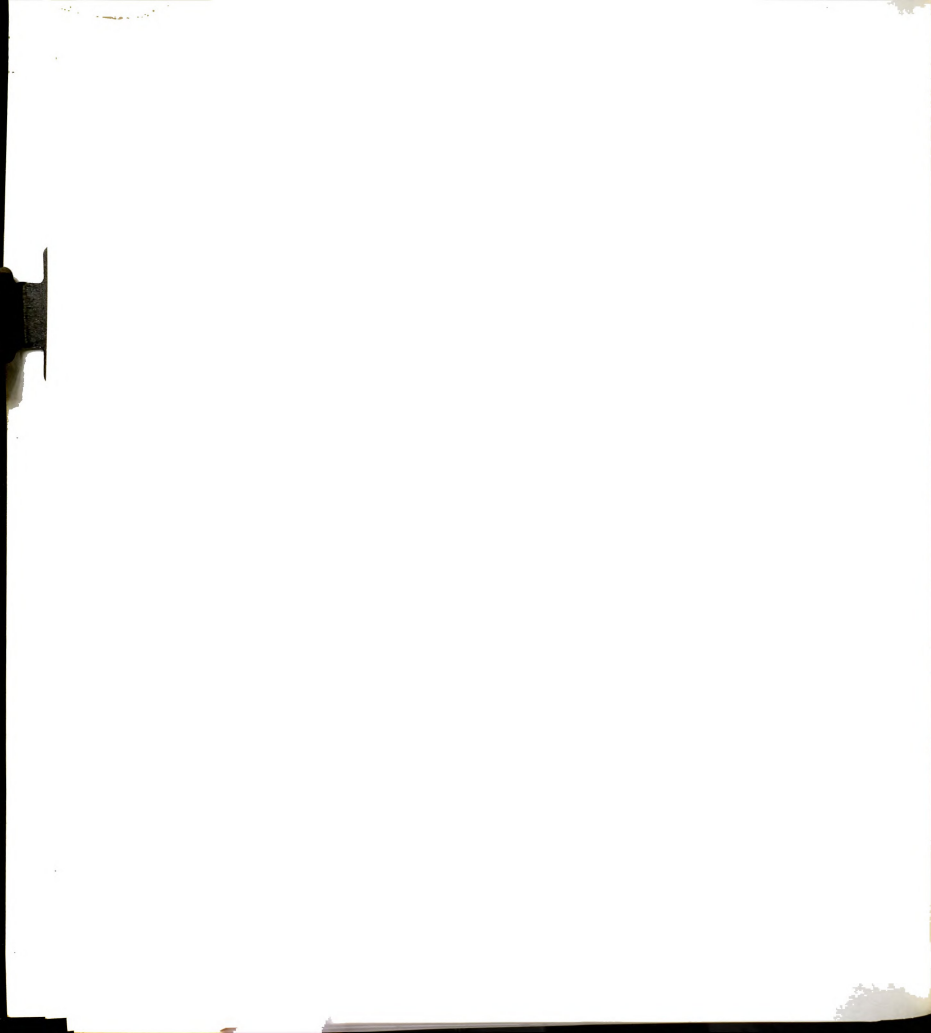
for each local in the vertical columns (see questionnaire in Appendix C). These 295 cases were later treated and analyzed as separate observations even though they are not. This "violation" of statistical rules was intentional. In reality, the decisions of the local union are treated as independent observations while they are influenced by the attitudes and activities of the regional representatives who also service other locals, and are influenced by them. Thus, those observations which do not qualify as independent observations in the statistical sense can be treated as such since this is the way they appear and are considered in real life.

Hypotheses

The first proposition which this survey sought to examine is:

The decision of the regional representative to recommend to a local union to join a coordinated bargaining effort is dependent on the simultaneous influence of the following independent variables:

- X_1 - the number of union members in the local union
- X_2 - the local union is part of a multi-plant employer (2 = the local is part of a multi-plant employer; 1 = the local is not part of a multi-plant employer)
- X_3 - the employer tends to centralize the decision making when it comes to collective bargaining issues
- X_4 - the total number of employees working in the corporation



- X_5 - the local union follows a pattern established by another international union when it comes to collective bargaining agreements (2 = the local follows a pattern; 1 = the local does not follow a pattern)

The second proposition examined is:

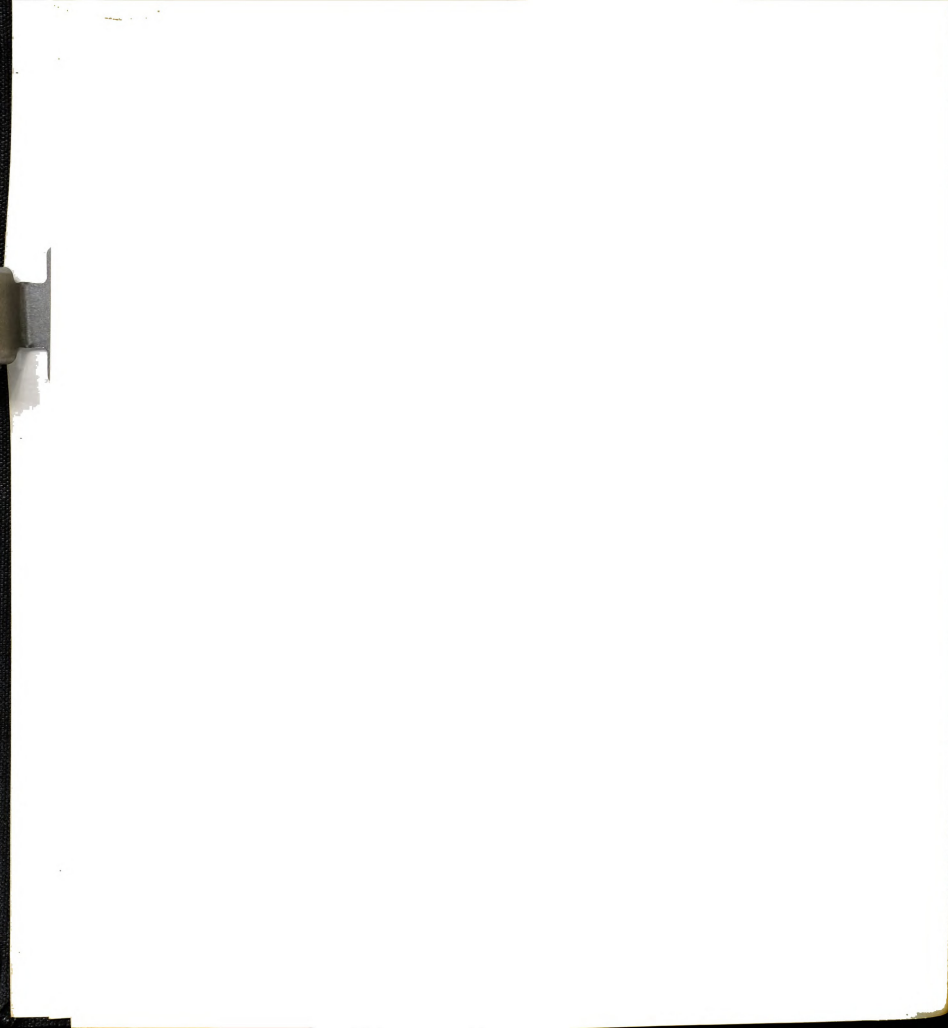
The decision of the local union membership to join coordinated bargaining, as it is perceived by the regional representative, is dependent on the simultaneous influence of the following independent variables:

- X_1 - the number of union members in the local union
- X_2 - the local union is part of a multi-plant employer (2 = the local is part of a multi-plant employer; 1 = the local is not part of a multi-plant employer)
- X_3 - the employer tends to centralize the decision making when it comes to collective bargaining issues
- X_4 - the total number of employees working in the corporation
- X_5 - the local union follows a pattern established by another international union when it comes to collective bargaining agreements (2 = the local follows a pattern; 1 = the local does not follow a pattern)

The third proposition for examination sought to determine the influence of subjective variables in addition to objective variables on the decision of the regional representative:

The decision of the regional representative to recommend to a local union to join a coordinated bargaining effort, is dependent on the simultaneous influence of the following independent variables:

- X_1 - the number of union members in the local union
- X_2 - the local union is part of a multi-plant employer (2 = the local is part of a multi-plant employer; 1 = the local is not part of a multi-plant employer)

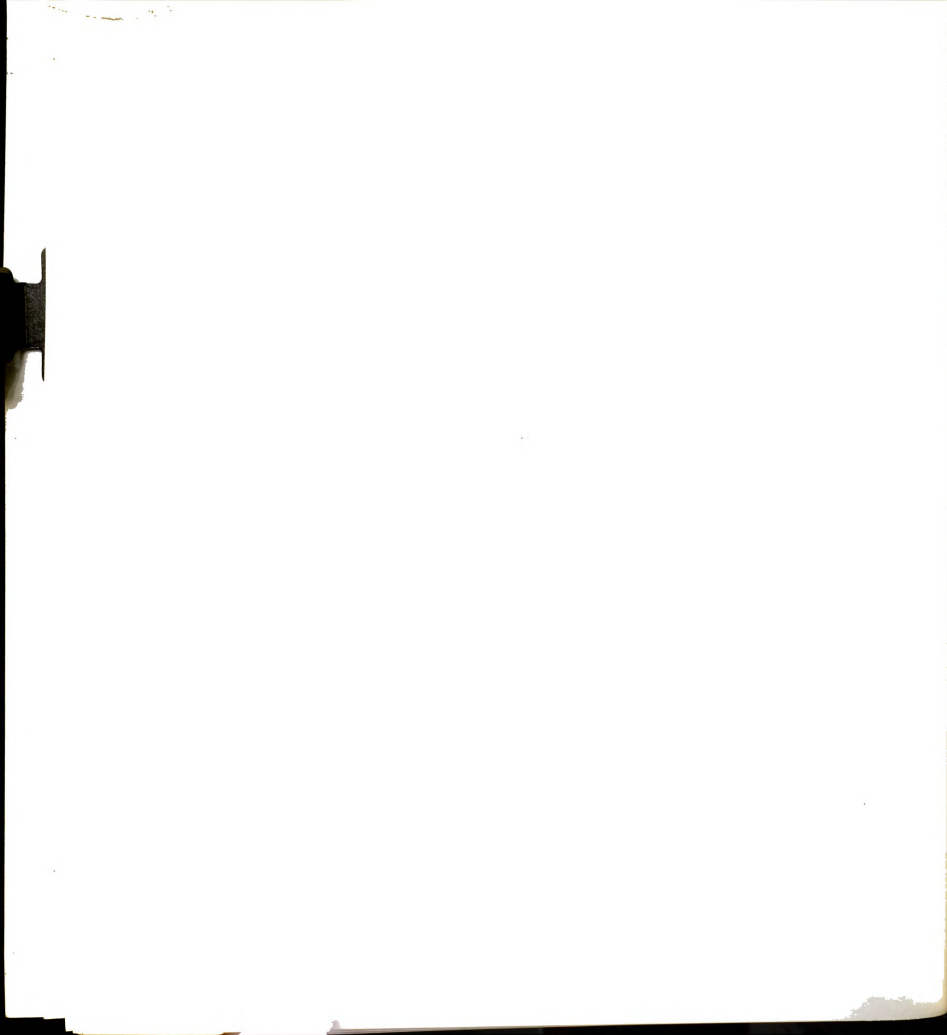


- X₃ - the employer tends to centralize the decision making when it comes to collective bargaining issues
- X₄ - the total number of employees working in the corporation
- X₅ - the local union follows a pattern established by another international union when it comes to collective bargaining agreements (2 = the local follows a pattern; 1 = the local does not follow a pattern)
- X₆ - the perception of the regional representative about the impact of the historical rivalry among international unions on possible cooperation among unions
- X₇ - the perception of the regional representative on the trade-off between the benefits of coordinated bargaining and the intrusion of the national officers in the affairs of the local union
- X₈ - the age of the regional representative

The fourth proposition which this survey sought to examine is:

The decision of the regional representative to recommend to a local union a given level of involvement in a coordinated bargaining committee if such an effort would be initiated, is dependent on the simultaneous influence of the following independent variables:

- X₁ - the number of union members in the local union
- X₂ - the local union is part of a multi-plant employer (2 = the local is part of a multi-plant employer; 1 = the local is not part of a multi-plant employer)
- X₃ - the employer tends to centralize the decision making when it comes to collective bargaining issues
- X₄ - the total number of employees working in the corporation



- X_5 - the local union follows a pattern established by another international union when it comes to collective bargaining agreements (2 = the local follows a pattern; 1 - the local does not follow a pattern)

The Independent Variables

The eight independent variables which were used in the above four propositions seem to qualify a priori as variables which influence the decision to join or not to join a coordinated bargaining effort.

X_1 -- The number of union members in the local union--this variable is important inasmuch as it is an economic factor. A very small local union would not be able to afford the cost involved in participating in a coordinated bargaining effort. Even if the local membership would be interested in taking part in such a venture, the regional leadership or the national leadership might try to discourage such participation because of the financial burden involved. This consideration might be dropped in some instances where the national leadership considers the effort to be politically important, i.e. to gain support from other international unions in other coordinated bargaining efforts which the union is interested in developing.

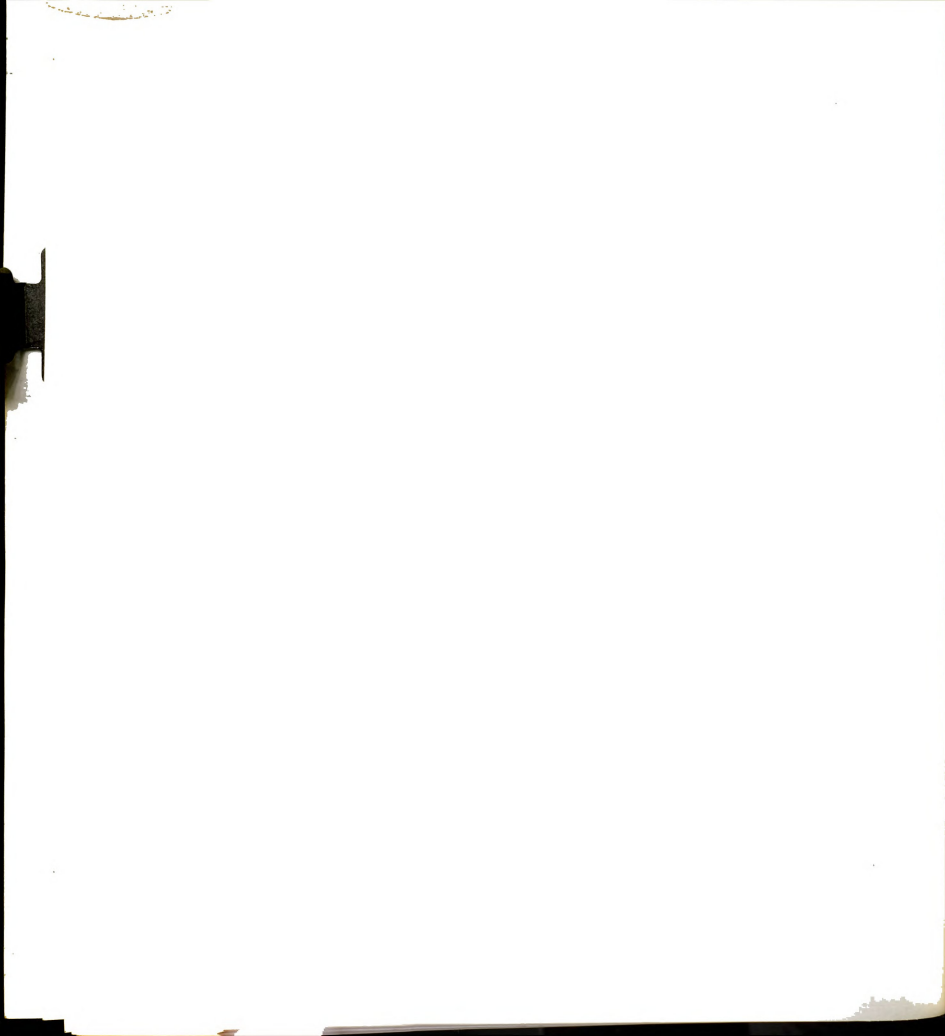
X_2 -- The local union is part of a multi-plant employer--this variable is central in all the coordinated bargaining committees organized by the I.U.D. since each and every one of them is organized around one employer with many plant locations. This fact is not necessarily true



in an industry-wide coordinated bargaining effort where it is possible that a participating local union works for a single plant employer.

X_3 -- The employer tends to centralize the decision making when it comes to collective bargaining issues--this variable is probably the most important from the union point of view. The centralization of decision making by management is considered by union leadership to be a driving force behind the need of unions to coordinate in order to re-establish the balance of power at the bargaining table.

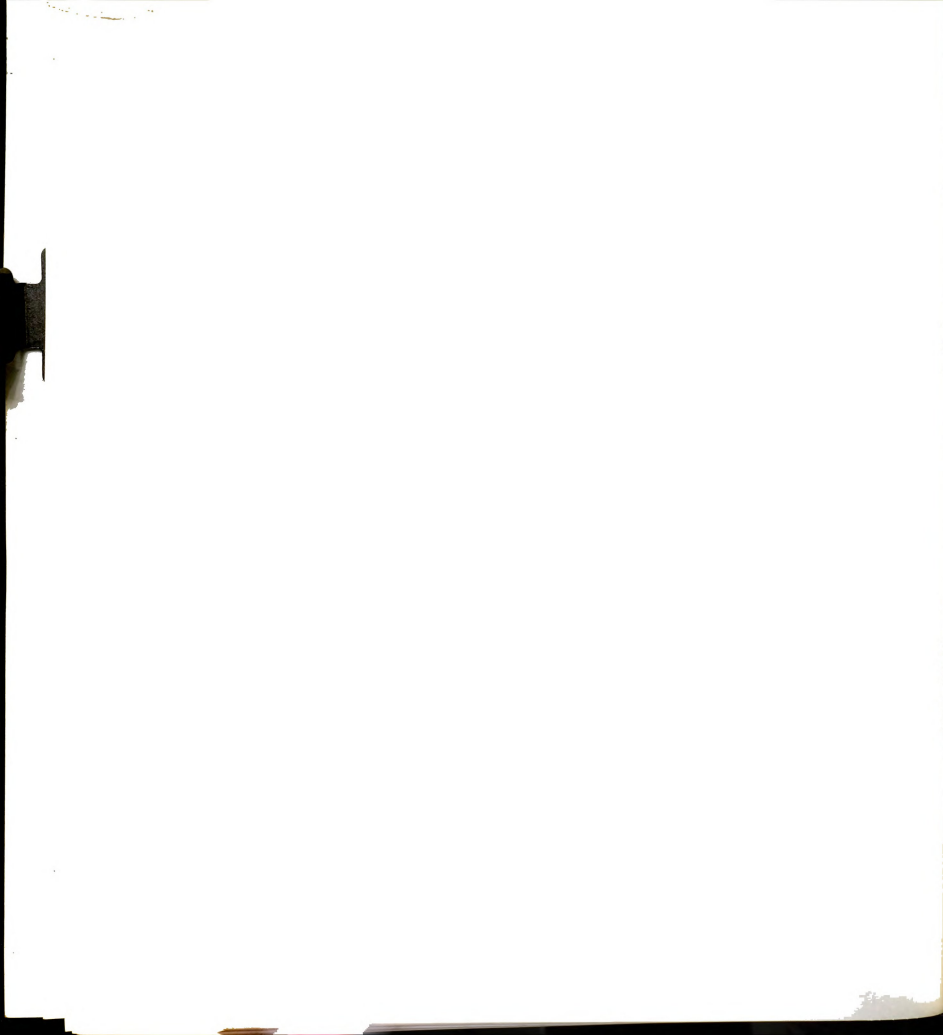
X_4 -- The total number of employees working in the corporation--this variable might have an influence on the decision to join a coordinated bargaining effort inasmuch as it might be an indication of the difficulty of establishing a workable coordinated bargaining committee. The consensus necessary for establishing a coordinated bargaining committee might be more difficult to reach when the number of participants is greater. This variable might be modified by the establishment of a coordinated bargaining committee which includes only part of the workers of a given corporation such as the case of Eaton Corporation. Indeed, most of the coordinated bargaining committees would start their activities with segments of the labor force and later strive to convince the rest of the employees to join the effort.



X₅ -- The local union follows a pattern established by another international when it comes to collective bargaining agreements--the argument for the inclusion of this variable as one which influences the decision to join or not to join a coordinated bargaining effort is based on the logic of achieving a participating voice in the establishment of the bargaining goals. The fact that a local union had traditionally followed a pattern established by another union in the industry or in the company on most of its demands, had a limiting effect on establishing its own goals. On the other hand, if such a local decides to join a coordinated bargaining effort it might have the chance to become a member of the group which establishes the goals of the collective bargaining.

X₆ - The perception of the regional representative of the impact of the historical rivalry among international unions on possible cooperation among unions--it has been argued that the lengthy tradition of rivalry among some unions might have an inhibiting effect on efforts to coordinate bargaining among different unions. Other arguments suggest that this tradition of rivalry is important at the level of the national officers but much less at local and regional levels.

X₇ -- The perception of the regional representative of the trade-off between the benefits of coordinated bargaining and the intrusion of the national officers in the



affairs of the local union. Some of the arguments against coordinated bargaining suggest that even if coordinated bargaining might improve the welfare of the membership, these improvements are outweighed by the new intrusions which the national officers make in the affairs of the regional representative and the local union.

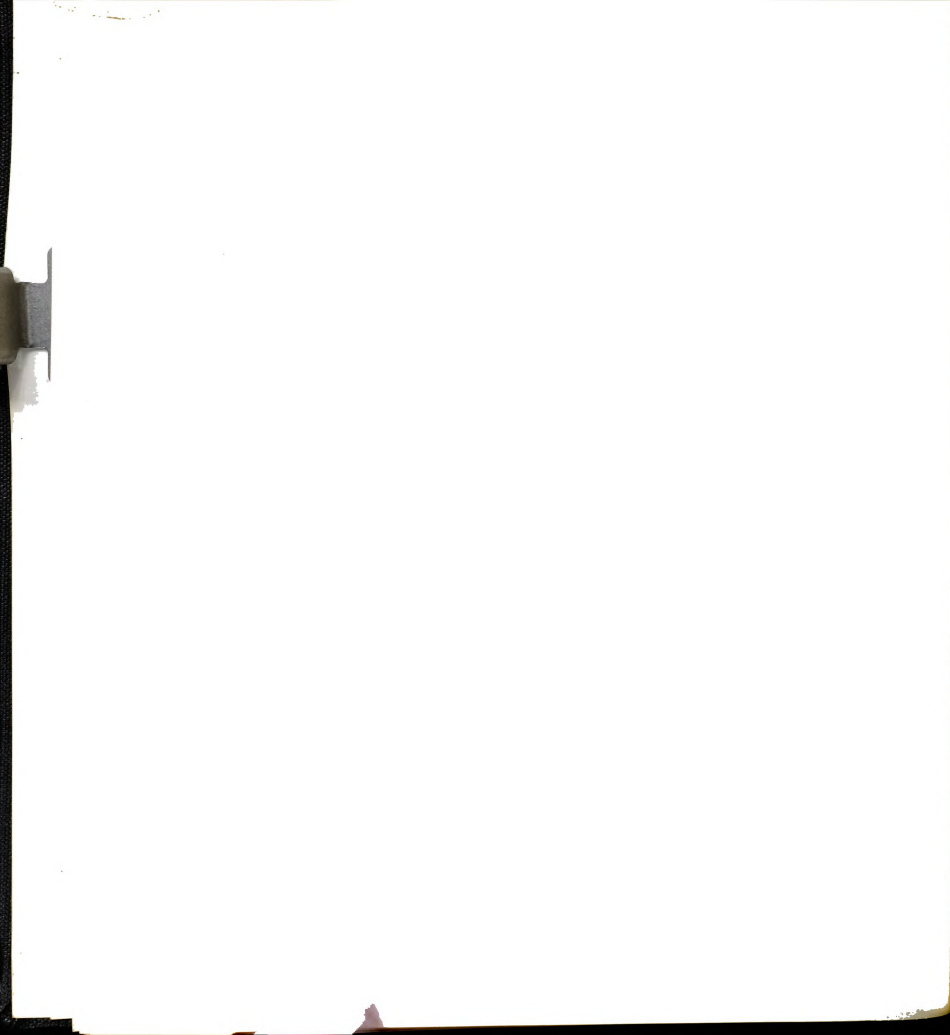
X_8 -- The age of the regional representative--this variable might be of importance because of the influence of age on adaptation to innovations and change. The acceptance of change or innovation is more difficult among older people than among younger people. Thus, the decision of a regional representative to recommend joining a coordinated bargaining effort would be influenced by his age.

The Presentation of Results

A multiple regression was used to analyze all four propositions. The independent variables have been subjected to the test of less than .1 level of significance in all the propositions, and those variables which did not meet this criterion were deleted from the final equations.

The first proposition which examined the simultaneous influence of the independent variables on the decision of the regional representative to recommend to a local union to join a coordinated bargaining effort resulted in the following regression equation:

$$Y_1 = .3956 + .0002X_1 + .8011X_2 + .2069X_3 + .5943X_5$$



The R^2 for this equation was .4146 and indicates the ratio of variance in the dependent variable, which the independent variables kept in the regression analysis account for. The significance of prediction of the coefficient of multiple correlation for this equation was less than .0005.

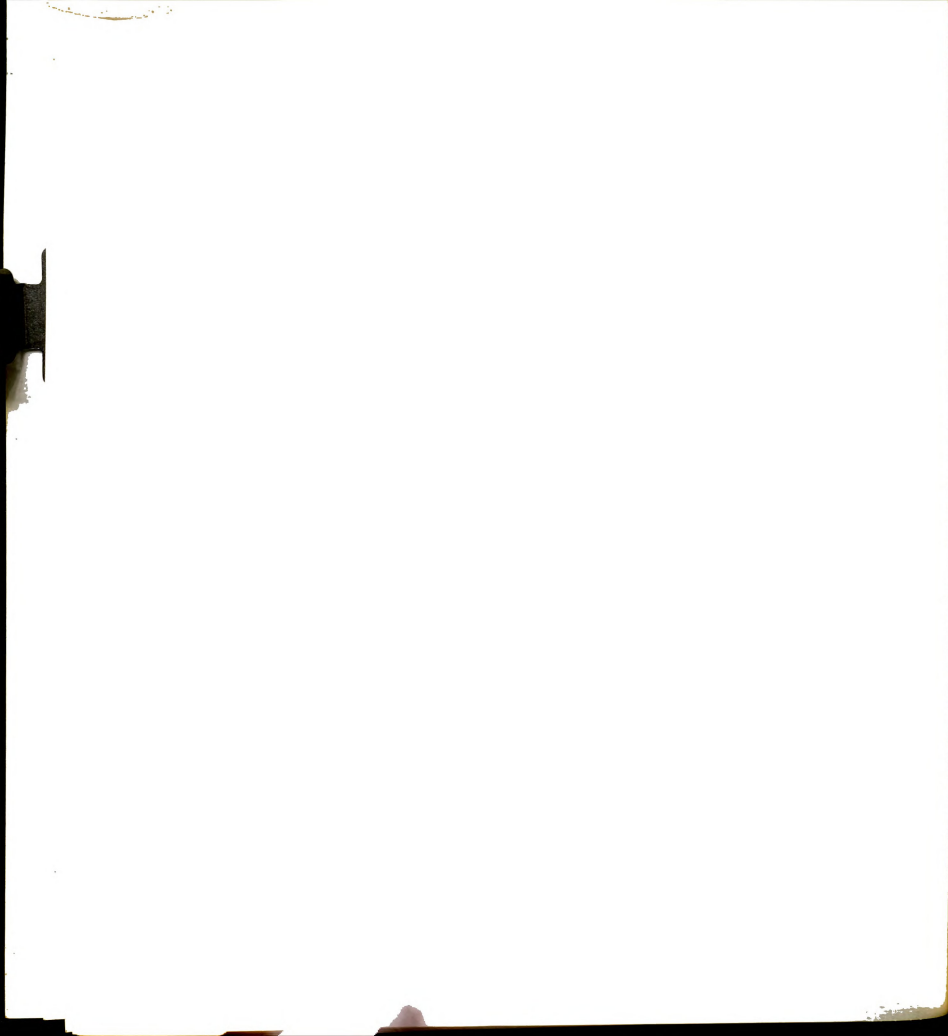
As is indicated in the above equation, variable X_4 , the total number of employees working in the corporation, has been deleted from the equation because it did not contribute significantly ($P = .235$) to the multiple regression analysis which predicts the dependent variable.

The second proposition which examined the simultaneous influence of the independent variables on the decision of the local union membership to join a coordinated bargaining, as it is perceived by the regional representative, resulted in the following regression equation:

$$Y_2 = 1.7026 + .8202X_2 + .0953X_3 + .0002X_4 + .2759X_5$$

The ratio of variance in the dependent variable explained by those independent variables was $R^2 = .1875$ and the significance of prediction of the coefficient of multiple correlation was less than .0005.

Variable X_1 , the number of union members in the local union, was deleted from the equation because it did not contribute significantly ($P = .456$) to the multiple regression analysis.



The third proposition, which examined the simultaneous influence of the subjective as well as objective independent variables on the decision of the regional representative to recommend joining a coordinated bargaining effort, resulted in the following regression equation:

$$Y_3 = .7977 + .8625X_2 + .1950X_3 + .6529X_5 - .1435X_8$$

The ratio of variance in the dependent variable explained by those independent variables was $R^2 = .4179$ and the significance of prediction of the coefficient of multiple correlation was less than .0005.

The following independent variables were deleted from the equation because they did not contribute significantly to the multiple regression analysis:

<u>Variable</u>	<u>Significance of Variable</u>
X_1	$P = .100$
X_4	$P = .243$
X_6	$P = .631$
X_7	$P = .148$

The fourth proposition, which examined the simultaneous influence of the independent variables on the decision of the regional representative to recommend a given level of involvement in coordinated bargaining if such an effort would be initiated, resulted in the following regression equation:

$$Y_4 = -1.71 + 2.07X_3 + .94X_5$$



The ratio of variance in the dependent variable explained by those independent variables was $R^2 = .521$ and the significance of prediction of the coefficient of multiple correlation was less than .0005.

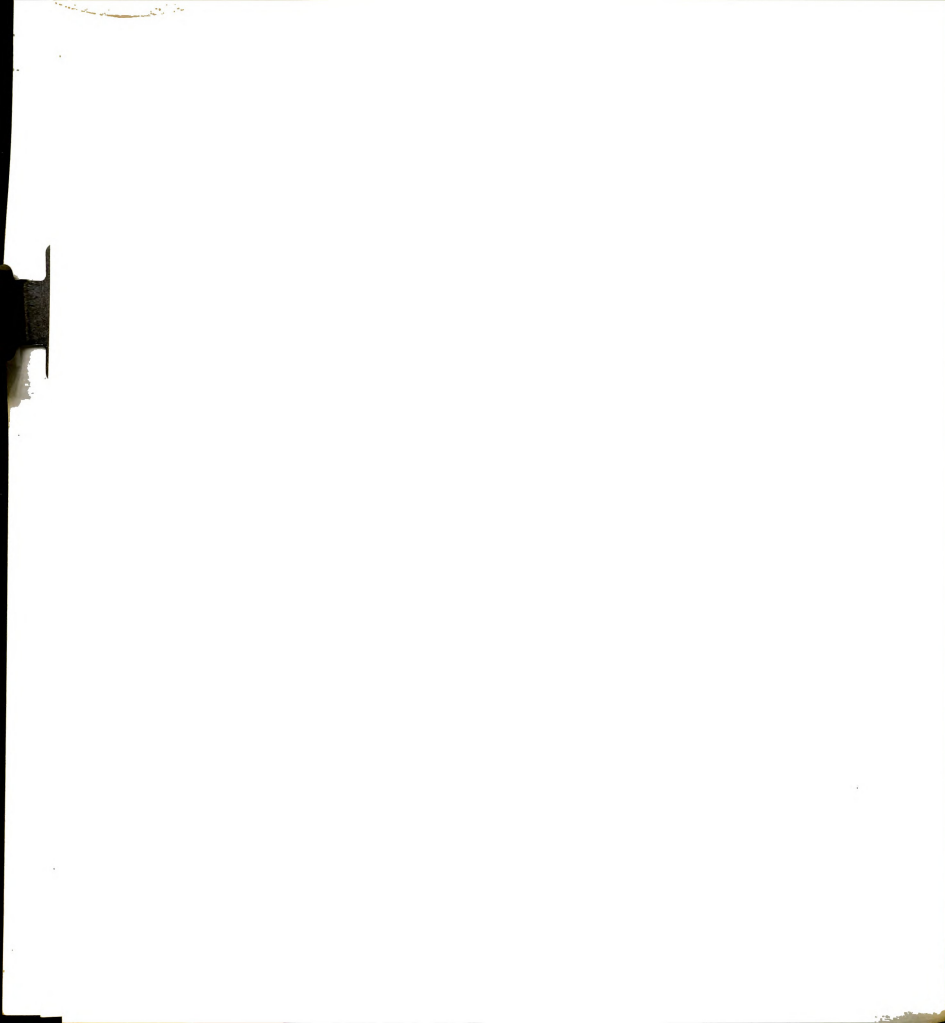
The following independent variables were deleted from the equation because they did not contribute significantly to the multiple regression analysis:

<u>Variable</u>	<u>Significance of Variable</u>
X_1	$P = .725$
X_3	$P = .449$
X_4	$P = .167$

Discussion of the Statistical Results

All four propositions which this survey examined proved to establish very significant results at the .0005 level, and the ratio of variance in the dependent variables explained by the independent variables ranged anywhere from $R^2 = .1875$ to $R^2 = .521$.

It would be appropriate to examine again the importance and contribution of these results to the study of coordinated bargaining. The statistical results of the first proposition suggest that for the purpose of future prediction it is possible to determine the independent variables which would be taken into consideration by a regional representative in his decision to recommend to a local union to join a coordinated bargaining effort. The



results indicate that those independent variables are: the number of union members in the local union; whether the local union is part of a multi-plant employer; whether the employer centralizes his decision making on issues of collective bargaining; and whether the local union follows a pattern in its collective bargaining. The results also indicate that these independent variables will account for about 41 percent of the variance of the regional representative's decision.

The results of the second proposition suggest that the regional representative's perception of the independent variables considered by the union membership in their decision account for only about 19 percent in the variance of this decision (see results on page 212). Nevertheless, it is possible to use the simultaneous influence of the independent variables suggested in equation Y_2 in order to make future predictions about the decision of the union membership.

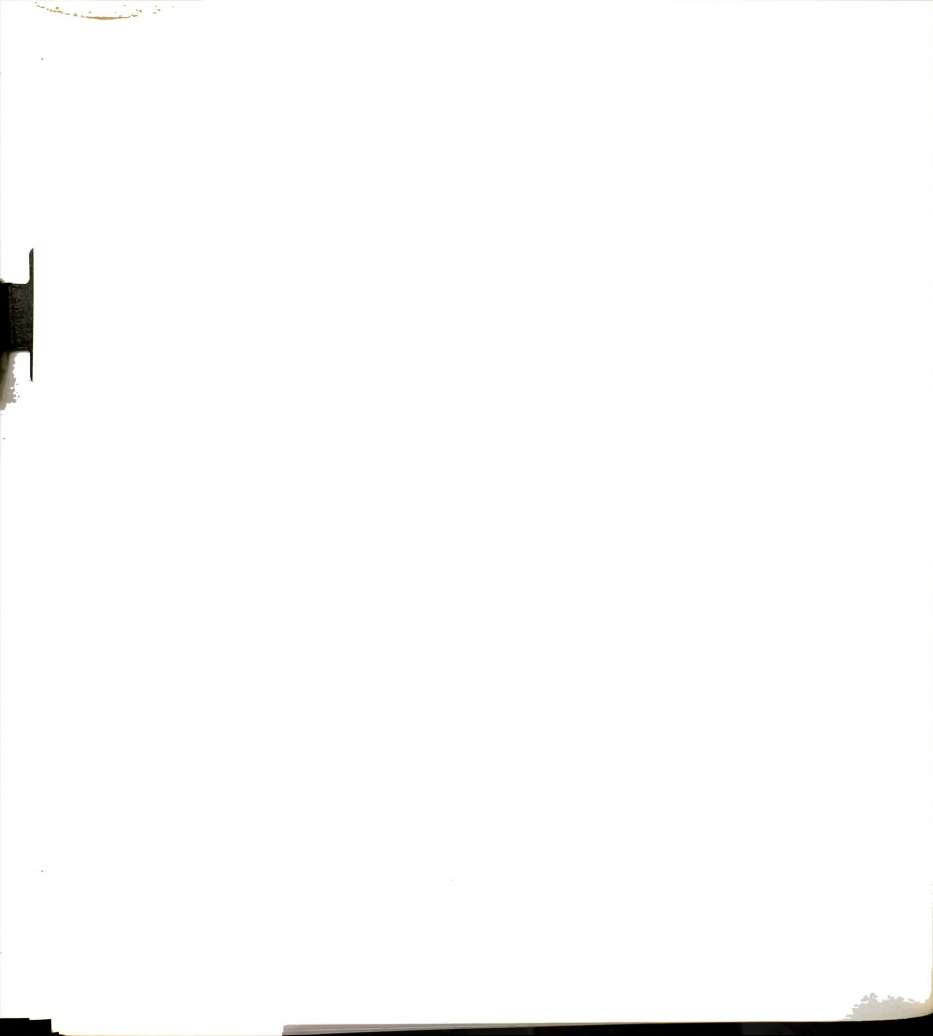
It is interesting to note that while the regional representative takes into consideration the number of union members in the local in his decision making, he does not think that this variable is important in the membership's considerations. This difference in perspective is consistent with the previous discussion on the independent variables. Because the regional representative is aware of and considers the financial burden associated with participation in coordinated bargaining, he considers the size of



the local to be an important factor when he makes his decision. On the other hand, the local membership does not see this factor as an important one in their decision. Another variable on which there is a difference in perspective is total number of employees in the corporation. While in the view of the membership, this is an important variable for their decision, the regional representatives do not consider it important.

The important issues to observe in the results of the third proposition are that variables X_6 and X_7 were deleted from the equation while variable X_8 remained with a negative sign. It follows that such issues as the rivalry among unions and the possible intrusion of the national officers in the affairs of the local are not considered by the regional representatives in their decision to recommend coordinated bargaining. The negative sign in front of variable X_8 indicates that with increasing age of regional representatives, there is an increasing tendency not to recommend joining coordinated bargaining.

The statistical results of the fourth proposition can serve as a vivid illustration of how this survey can be used for future prediction. The results indicate that the regional representatives may consider two independent variables from among the five in their decision of what level of cooperation to recommend in case one of the locals with which they work would be invited to join a coordinated



bargaining committee. Those two variables which they will consider are: whether the local union is part of a multi-plant employer or, a single plant employer; and whether or not the local to which he makes the recommendation follows a pattern established by another international union.

These two independent variables were coded for the purpose of the statistical analysis as follows:

The local is part of a single-plant employer - 1

The local is part of a multi-plant employer - 2

The local does not follow a pattern established by another international union - 1

The local follows a pattern established by another international union - 2

Using the regression equation from the fourth proposition,

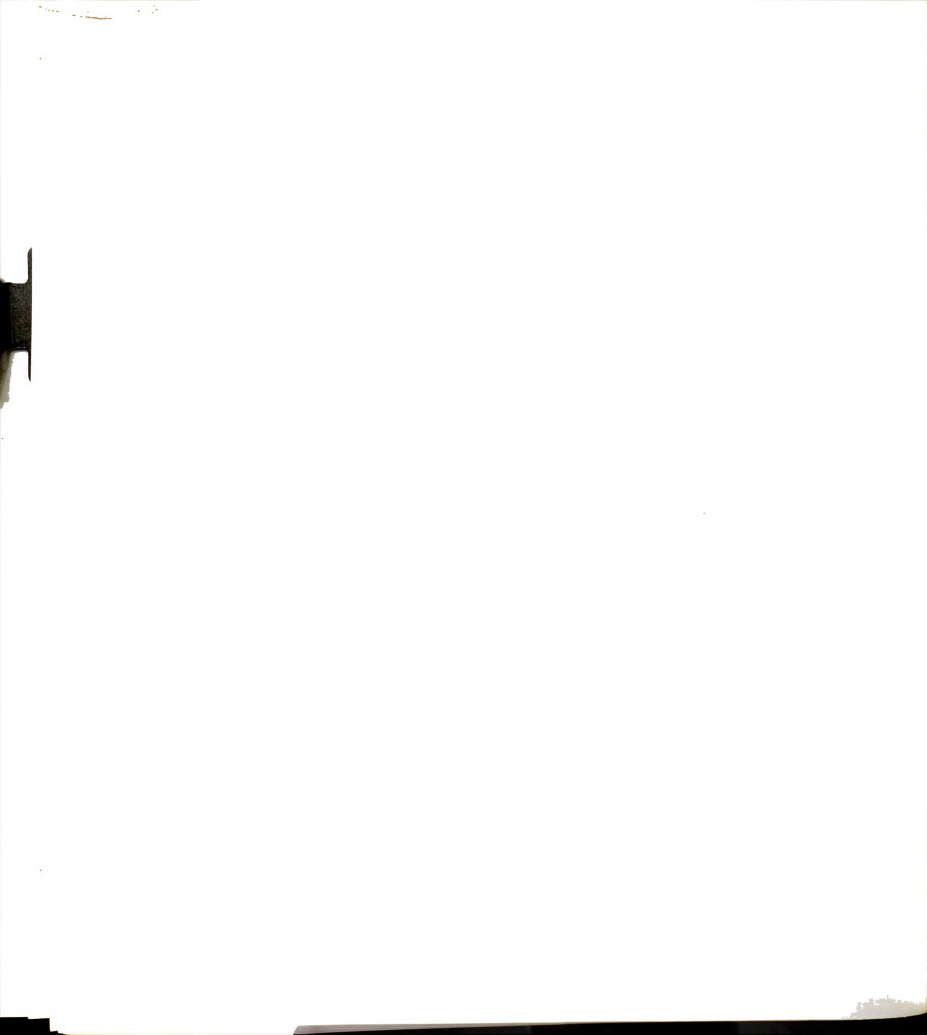
$$Y_4 = 1.71 + 2.07X_3 + .94X_5$$

it is possible to predict the level of involvement which the regional representative will recommend.

A. If the local which is invited to join the coordinated bargaining committee is part of a single plant employer and it does not follow a pattern established by another international union, then the regional representative will recommend refraining from participation in such a venture.

$$1.30 = -1.71 + 2.07(1) + .94(1)$$

B. If the local which is invited to join the coordinated bargaining committee is part of a single plant



employer and it does follow a pattern established by another international union, then the regional representative will recommend participation in such a venture with the other participants.

$$2.24 = -1.71 + 2.07(1) + .94(2)$$

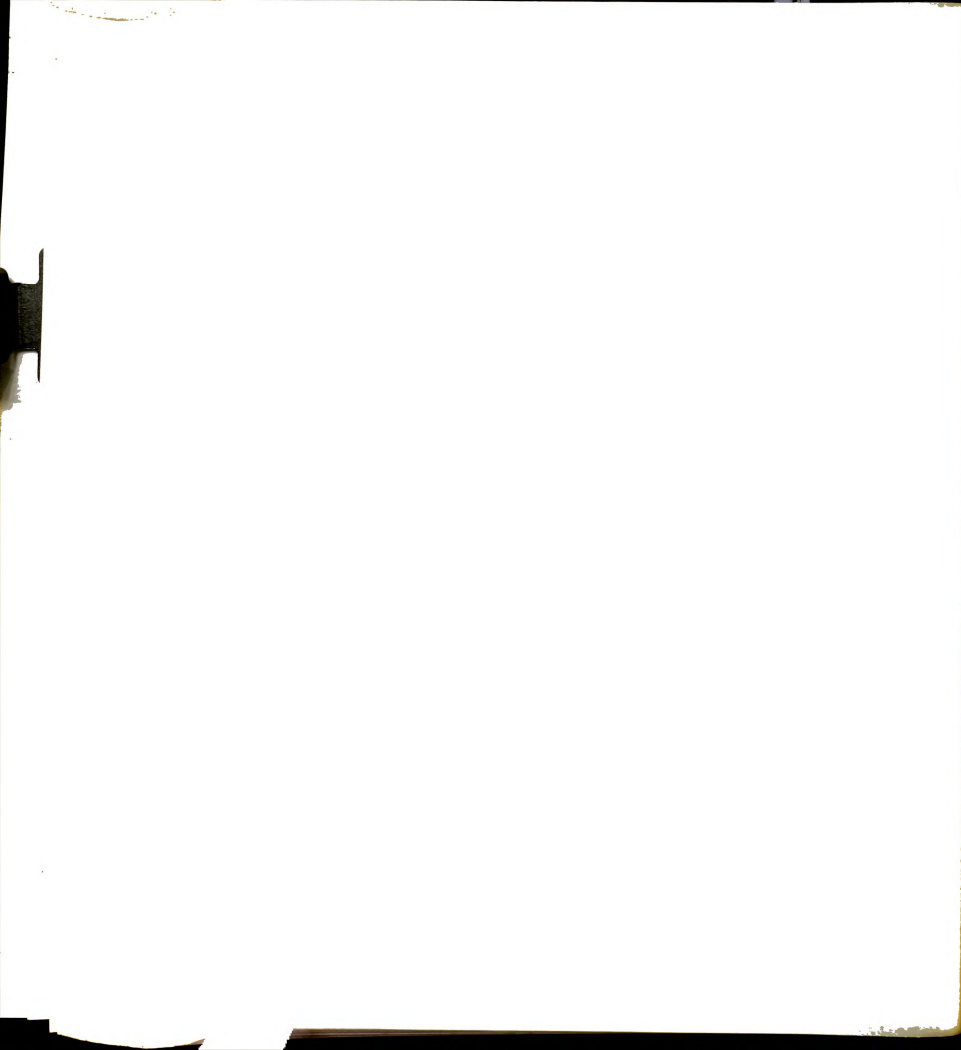
C. If the local which is invited to join the coordinated bargaining committee is part of a multi-plant employer and it does not follow a pattern established by another international union, then the regional representative will recommend participation with the other unions in the coordination of such issues as insurance, pension and other fringe benefits.

$$3.37 = -1.71 + 2.07(2) + .94(1)$$

D. Finally, if the local which is invited to join the coordinated bargaining committee is part of a multi-plant employer and it does follow a pattern established by another international union, then the regional representative will recommend participation with the other unions in coordinating wages, insurance, pension and other fringe benefits.

Summary and Conclusions

It is now time to reevaluate the contributions of these two surveys to the understanding of the coordinated bargaining process. There is a pervasive and persistent criticism of coordinated bargaining which goes as follows:



Coordinated bargaining is a process of centralized decision making, which leads to the loss of power and autonomy of local union officers. This being the case, the local union officers should be in opposition to coordinated bargaining since it is against their interests and the interests of the rank and file that they represent. Such a position is taken by William N. Chernish in his book, Coalition Bargaining:

The use of a coalition for bargaining, however, can bring about a fundamental change in the operating power structure of the union. By necessity, where a coalition is to be effective, it becomes essential to shift the focus of power and the decision-making responsibility not only from the local leadership to the international, but actually from the international to the federation--usually the I.U.D. This is not to imply that ultimate decision-making power rests with the I.U.D. coordinator, but rather with the I.U.D.-guided president's committee composed of designated staff members of the international unions, or in some cases, the presidents of the participating unions. Such a move naturally tends to remove it to a point which is, in reality, beyond the grasp of the rank and file to change except when the coalition fails to produce results, and the rank and file are spurred to revolt.¹

The survey of local union presidents indicates that the respondents understand the realities of the contemporary collective bargaining scene. They understand the changing nature and power of management, and they understand that where these changes occurred unions have to adjust their actions and tactics in order to fulfill

¹Chernish, Coalition Bargaining, p. 260.



their mission. The attitudinal response of the respondents revealed their awareness that the adjustment which unions will have to make might cause the transfer of some of their powers to higher union officials. Yet they also expressed the realization, that in order to serve their constituency they would have to band together with others to reestablish union bargaining power on a company-wide level. The positive attitudes toward coordinated bargaining come from both groups of local union presidents, those that had experience with coordinated bargaining and those that did not. Management positions, such as the claim that coordinated bargaining enhances the possibility of inflationary settlements, were not accepted by the local union presidents.

Perhaps the most significant implication of this survey is the fact that the positive attitudes toward coordinated bargaining are so pervasive among the presidents of the local unions. It would be hard to claim that coordinated bargaining is just another ploy of big union bosses to grab more power when such attitudes are displayed at the grass roots level. These conclusions are reinforced by the results of the second survey conducted among the regional representatives. The regional representatives did not think that the intrusions of the national officers in the affairs of the local union outweighed the benefits of coordinated bargaining.



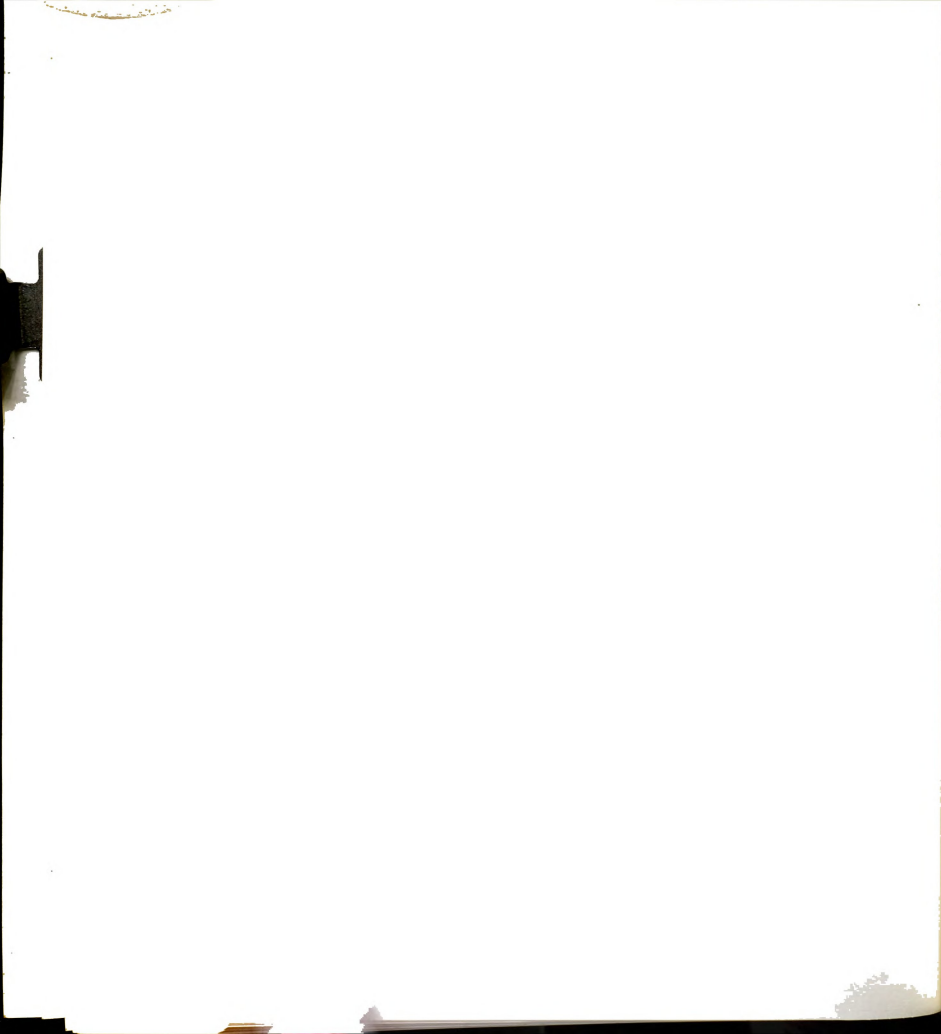
The more significant contribution of the second survey is the establishment of the weights of the significant factors which simultaneously influence the decision of a regional representative to join a coordinated bargaining effort. The knowledge of the simultaneous effect of those factors on the decision making can improve future planning and result in wiser allocation of resources by the international union. This advance knowledge can also eliminate the frustration associated with raising expectations which cannot be attained. If advance information is available about the different locals, the union leadership can plan their selective educational campaign about coordinated bargaining so that local unions which lack those characteristics would not be approached. This, in turn, would reduce the chances that some union members would develop illusions that coordinated bargaining can solve all the problems they have in their relations with management, when they do not meet the basic prerequisites that would lead them to be involved in coordinated bargaining.

In summary, the results of these surveys can help move the analysis of coordinated bargaining from the guesswork level to the methodological level.



APPENDICES

CHAPTER VII



APPENDIX A

QUESTIONNAIRE FOR SURVEY OF LOCAL
UNION PRESIDENTS

1537-I Spartan Village
Michigan State University
East Lansing, Michigan 48823

July 6, 1973

Dear President,

Enclosed you will find a questionnaire which you are kindly asked to complete and return in the self-addressed stamped envelope.

This questionnaire is part of a study which I am conducting for my doctoral dissertation under the guidance of Professor Albert A. Blum at Michigan State University. This study is concerned with issues involved in coordinated bargaining. It is my special interest to explore the union and its membership's point of view in this process in order to illuminate these positions and put them in proper perspective.

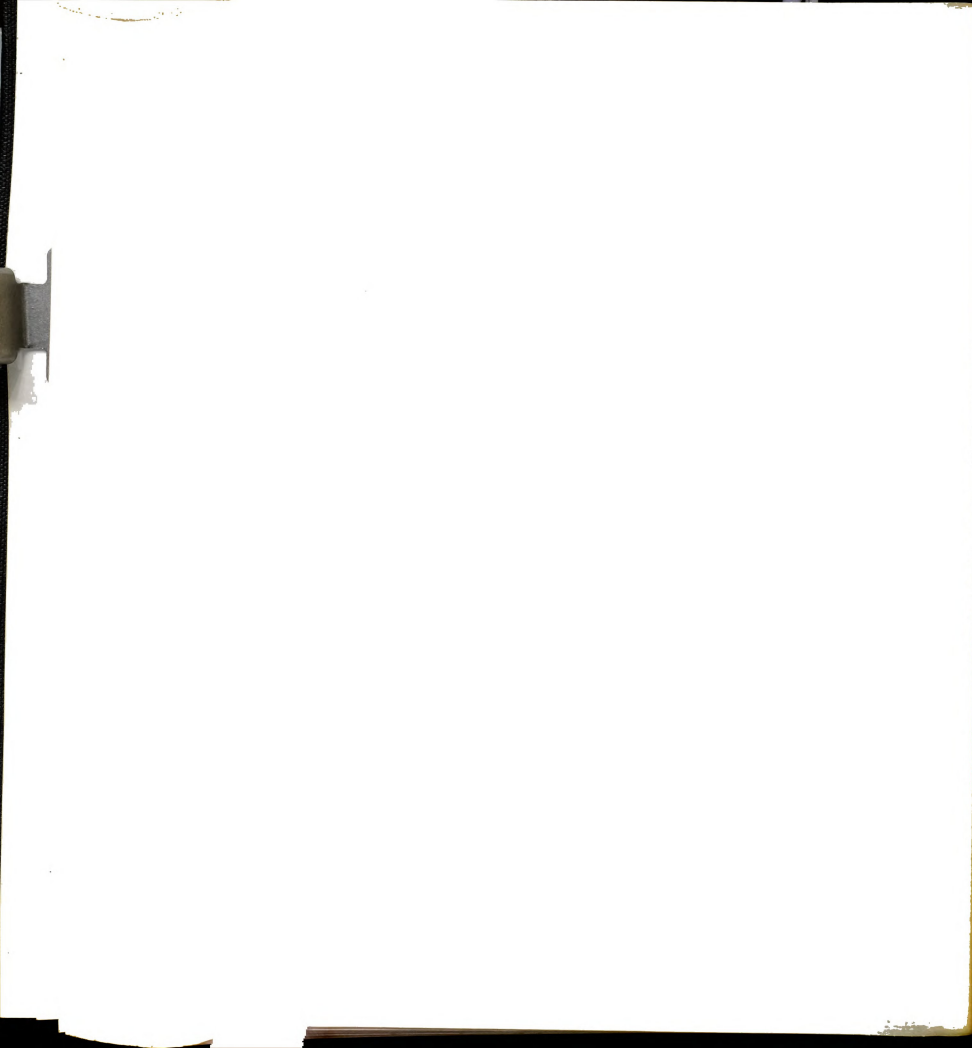
The analysis of the answers which you will provide will be combined with those of all other respondents; thus anonymity of your responses is assured. You are not asked to identify yourself in any way.

I wish to urge your cooperation, and I stress the vital importance of your response to the completion of this study and the better understanding of the coordinated bargaining process.

Thank you very much for your help.

Sincerely yours,

Gedaliahu Harel



INTERNATIONAL UNION

Allied Industrial Workers OF AMERICA

AFFILIATED WITH THE A.F.L.-C.I.O.

Telephone
414-645-9500

GILBERT JEWELL
INTERNATIONAL PRESIDENT
DOMINICK D'AMBROSIO
INTERNATIONAL SECY.-TREAS.



A.I.W. BUILDING
3520 WEST OKLAHOMA AVE.
MILWAUKEE, WISCONSIN 53215

June 28, 1973

Local Union Presidents
AIW, AFL-CIO

Dear Sir and Brother:

Enclosed is a questionnaire prepared by Gedaliahu Harel, a Ph.D. candidate of Michigan State University. His research project concerning coordinated bargaining has been endorsed by the Industrial Union Department of the AFL-CIO.

I have met with Mr. Harel and discussed his research project with him. It is hoped that the results of his study will be of major significance to all of us for a better understanding of our efforts in coordinated bargaining activities.

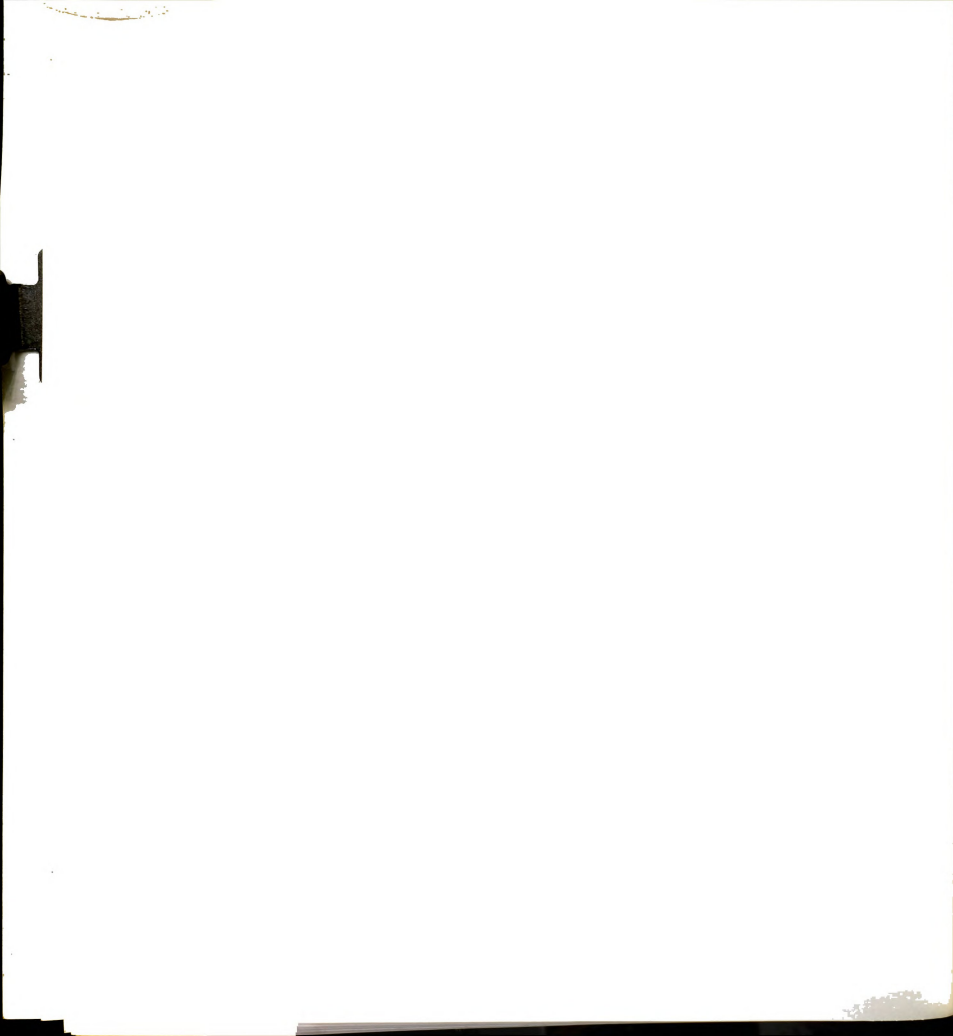
I urge you to cooperate with Mr. Harel and to return the questionnaire to him as soon as possible.

Fraternally,

Gilbert Jewell
GILBERT JEWELL
International President

GJ:mas
opeiu#9/afl-cio

Enclosure



On the following pages you will read 7 short paragraphs on issues related to the collective bargaining. Below each paragraph please check ☐ the statement which best indicates your opinion of the ideas expressed in that paragraph.

Bargaining with a big centrally run corporation requires a lot of savvy and strength. Coordinated bargaining can muster the economic resources unions need for such an encounter.

Code

- 5 ☐ Strongly agree
- 4 ☐ Agree
- 3 ☐ Neither agree nor disagree
- 2 ☐ Disagree
- 1 ☐ Strongly disagree

Coordinated bargaining submerges the varying needs and concerns of employees in the local plant. Thus coordinated bargaining increases the danger of local strikes even after national issues have been settled.

- 1 ☐ Strongly agree
- 2 ☐ Agree
- 3 ☐ Neither agree nor disagree
- 4 ☐ Disagree
- 5 ☐ Strongly disagree

Unified, multi-plant companies, operating from a single headquarters, have been known to whipsaw unions by dealing with each one separately. Coordinated bargaining eliminates this kind of "divide and conquer" tactic.

- 1 ☐ Strongly agree
- 2 ☐ Agree
- 3 ☐ Neither agree nor disagree
- 2 ☐ Disagree
- 1 ☐ Strongly disagree

Code By forcing multi-plant agreements, coordinated bargaining enhances the possibilities of inflationary settlements.

- 1 ☐ Strongly agree
- 2 ☐ Agree
- 3 ☐ Neither agree nor disagree
- 4 ☐ Disagree
- 5 ☐ Strongly disagree

Large corporate empires are capable of withstanding the bargaining pressure of single unions. A union working alone does not have much of a chance. Coordinated bargaining reestablishes union bargaining power on a company-wide level.

- 5 ☐ Strongly agree
- 4 ☐ Agree
- 3 ☐ Neither agree nor disagree
- 2 ☐ Disagree
- 1 ☐ Strongly disagree

Management is well-supplied with resources, technical information and directions from the head office. Through coordination, unions can also achieve better access to data, material and technical information often unavailable to single unions.

- 5 ☐ Strongly agree
- 4 ☐ Agree
- 3 ☐ Neither agree nor disagree
- 2 ☐ Disagree
- 1 ☐ Strongly disagree

An important reason for the formation of the coordinated bargaining committees lies in the continuing drive for power on the part of some large international unions and their leaders.

Code

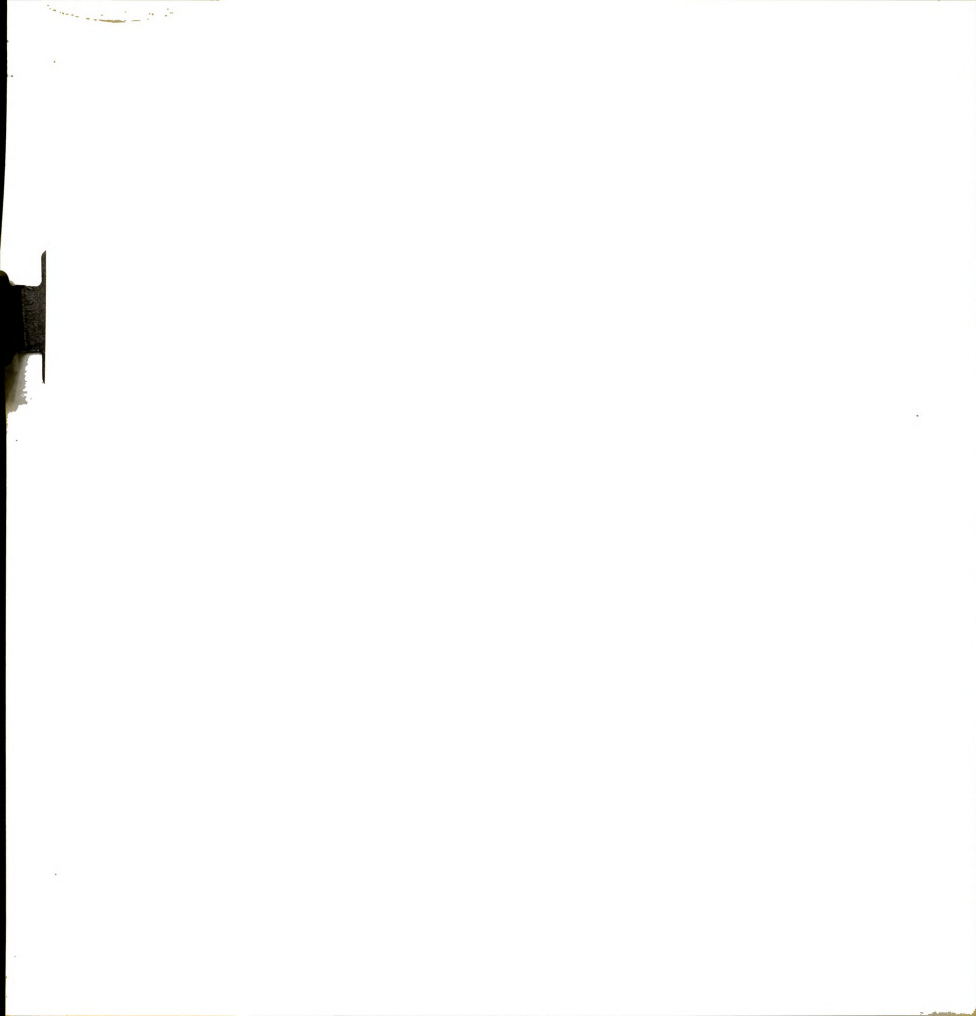
- 1 ☐ Strongly agree
- 2 ☐ Agree
- 3 ☐ Neither agree nor disagree
- 4 ☐ Disagree
- 5 ☐ Strongly disagree

To help us analyze the data your responses have provided, please answer the following questions about yourself and the local.

How many dues paying members are there at this time in the local? _____

How old are you?

- 1 ☐ Under 30
- 2 ☐ 30 - 39
- 3 ☐ 40 - 49
- 4 ☐ 50 and older



Appendix B.--Analysis of variance tables for the local presidents survey.

Statement	Source of Variance	Sum of Squares	Degrees of Freedom	Mean Square	F Statistic	Approx. Significance Probability of F Statistic
First	Between categories	1.62	1	1.62	2.26	.135
	Within categories	104.56	146	.72		
	Total	106.18	147			
Second	Between categories	9.07	1	9.07	7.72	.006
	Within categories	171.66	146	1.18		
	Total	180.73	147			
Third	Between categories	1.87	1	1.87	2.59	.110
	Within categories	105.18	146	.72		
	Total	107.05	147			
Fourth	Between categories	.89	1	.89	.72	.398
	Within categories	181.00	146	1.24		
	Total	181.89	147			
Fifth	Between categories	3.46	1	3.46	4.11	.045
	Within categories	122.99	146	.84		
	Total	126.45	147			
Sixth	Between categories	7.71	1	7.71	8.46	.004
	Within categories	132.97	146	.91		
	Total	140.68	147			
Seventh	Between categories	2.52	1	2.52	2.09	.150
	Within categories	175.48	146	1.20		
	Total	178.00	147			



APPENDIX C

QUESTIONNAIRE FOR SURVEY OF REGIONAL REPRESENTATIVES

In the following questions you are asked to identify the locals with which you work by their local number (in the horizontal column) and to check the most appropriate answer for each local (in the vertical column).

1. Coordinated bargaining is the appropriate method for this local to use in dealing with its employer.

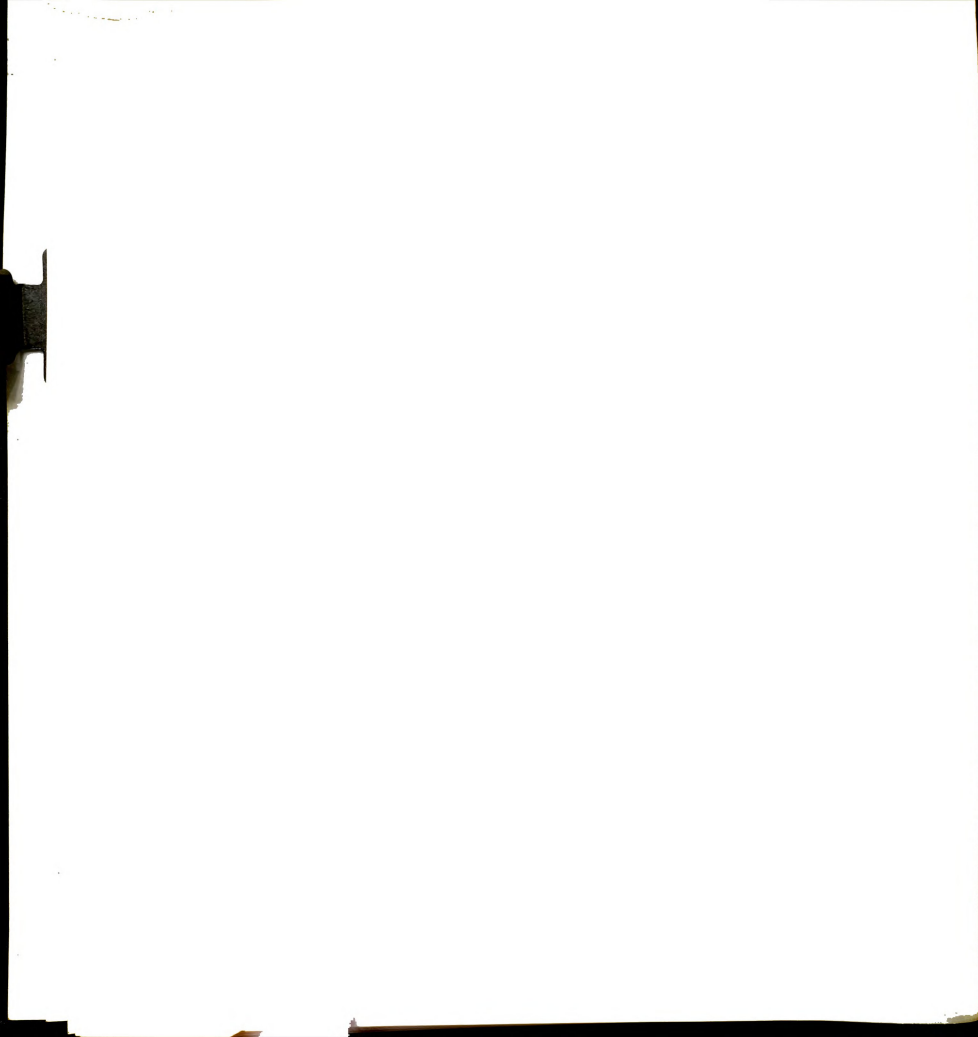
Code	Local #	Local #	Local #	Local #	Local #	Local #	Local #	Local #
5 Strongly agree								
4 Agree								
3 Neither agree nor disagree								
2 Disagree								
1 Strongly disagree								

2. Please indicate the number of union members in each of the locals with

	Local #	Local #	Local #	Local #	Local #	Local #	Local #	Local #
Number of members in the local								

3. Please indicate for each of the locals with which you work whether the local is part of a multi-plant employer or single-plant employer.

	Local #	Local #	Local #	Local #	Local #	Local #	Local #	Local #
2 The local is part of a multi-plant employer								
1 The local is part of a single-plant employer								



4. In most of the cases the important issues in the collective bargaining process are settled with the corporation's executives and not with the plant's executives.

Code	Local #	Local #	Local #	Local #	Local #	Local #	Local #	Local #
5 Strongly agree								
4 Agree								
3 Neither agree nor disagree								
2 Disagree								
1 Strongly disagree								

5. For each local with which you work, please specify how many employees work in the entire corporation (all its plants). If you don't know the number, please specify the name of the corporation.

	Local #	Local #	Local #	Local #	Local #	Local #	Local #	Local #
Total number of employees in the entire corporation								

6. Please indicate which of the locals follows a pattern established by another international union in its collective bargaining agreement.

	Local #	Local #	Local #	Local #	Local #	Local #	Local #	Local #
2 Follows a pattern								
1 Does not follow a pattern								

7. At this time, the local's membership opposes coordinated bargaining.

	Local #	Local #	Local #	Local #	Local #	Local #	Local #	Local #
1 Strongly agree								
2 Agree								
3 Neither agree nor disagree								
4 Disagree								
5 Strongly disagree								



8. If coordinated bargaining would be initiated and a local with which you work is asked to participate, indicate which level of participation you would recommend to the local to venture. (Indicate only one choice for each local.)

Code	Local #	Local #	Local #	Local #	Local #	Local #	Local #	Local #
2 Exchange of information								
3 Insurance, pension and other fringe benefits								
4 Wages and fringe benefits								
5 All the areas of collective bargaining contracts								
1 Refrain from participation in coordinated bargaining								

9. True cooperation among unions through coordinated bargaining is hard to achieve because of the historical rivalry among international unions.

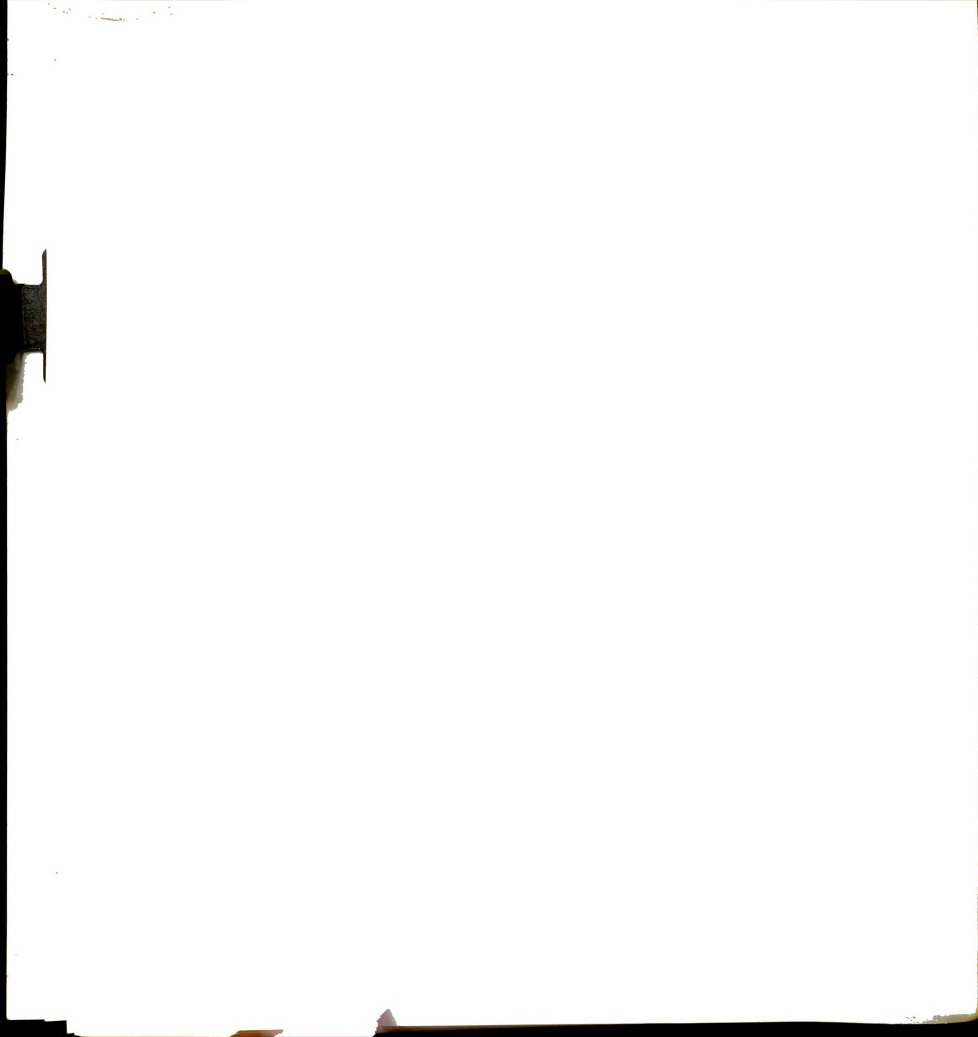
- 5 ☐ Strongly agree
 4 ☐ Agree
 3 ☐ Neither agree nor disagree
 2 ☐ Disagree
 1 ☐ Strongly disagree

10. The benefits of coordinated bargaining are outweighed by the intrusions of the national officers in the affairs of the local union resulting from coordinated bargaining.

- 1 ☐ Strongly agree
 2 ☐ Agree
 3 ☐ Neither agree nor disagree
 4 ☐ Disagree
 5 ☐ Strongly disagree

11. How old are you?

- 1 ☐ Under 30
 2 ☐ 30 - 39
 3 ☐ 40 - 49
 4 ☐ 50 and older



CHAPTER VIII

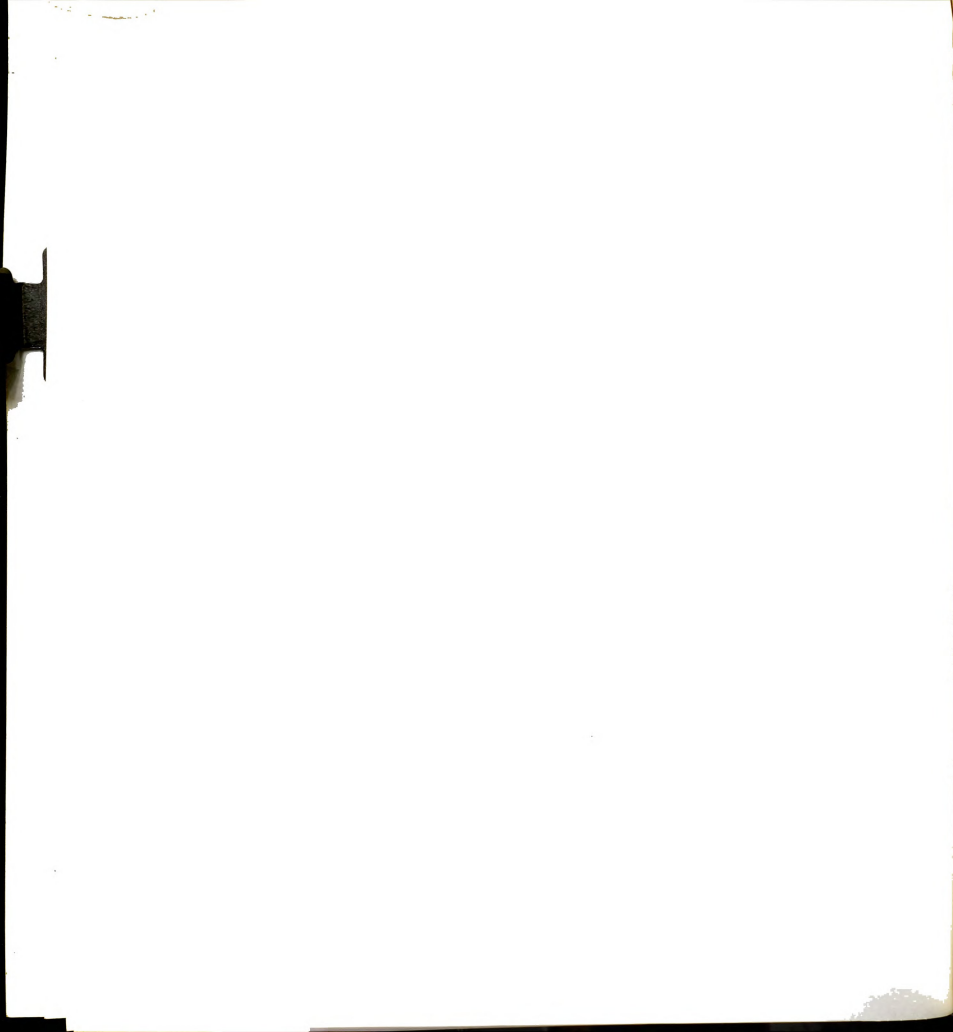
SUMMARY AND CONCLUSIONS

At the outset of this study, John R. Commons' theory concerning the evolution of collective bargaining in the United States was proposed as a framework for evaluating the phenomenon of coordinated bargaining. It was suggested that it is possible to evaluate the labor-management relations in this country in terms of action, reaction and accommodation. The actions initiated and undertaken by management, which bring changes in the status quo, force labor unions to react in ways which correspond to the new status. In the words of Neil W. Chamberlain:

Management acts, the union reacts. In a private enterprise economy such as the United States (even allowing for the familiar "blurred line" between private and public sectors), labor unions are the dependent variable in the set of economic relationships. Business holds the initiative, making the decisions that ultimately count most, as to product line, plant locations, pricing policy, and even continuing corporate existence.¹

Unless and until management and unions match their actions and reactions in new forms of accommodation, it is fair

¹Neil W. Chamberlain, "Collective Bargaining in the Private Sector," in The Next Twenty-Five Years of Industrial Relations, ed. by Gerald G. Somers (Madison: Industrial Relations Research Association, 1973), p. 19.



to assume that the relations between these two groups will be turbulent.

The objective of this research was to examine and evaluate the coordinated bargaining process as it materializes in the context of the international union. The emphasis was on looking at the problems and solutions as the members and officers of Allied Industrial Workers union perceive them. The emphasis on analyzing the coordinated bargaining process from the standpoint of the union does not presuppose that the union's positions and perceptions were necessarily the "right" ones or that they represent the "complete and objective picture." It is important to investigate the issues and realities as they are perceived by the parties involved. Admittedly, these perceptions may not always match the real facts and issues under consideration, but they are nevertheless relevant because they form the basis on which union members and their representative make their decisions. It does not matter whether in reality a corporation intends to whipsaw one union against another. The significance in terms of union attitude to collective bargaining is the fact that union leaders perceive management action as intended to whipsaw one union against another. Union leaders' perceptions of a given situation will therefore necessarily influence their attitudes and resultant actions.



Reexamination of the Process

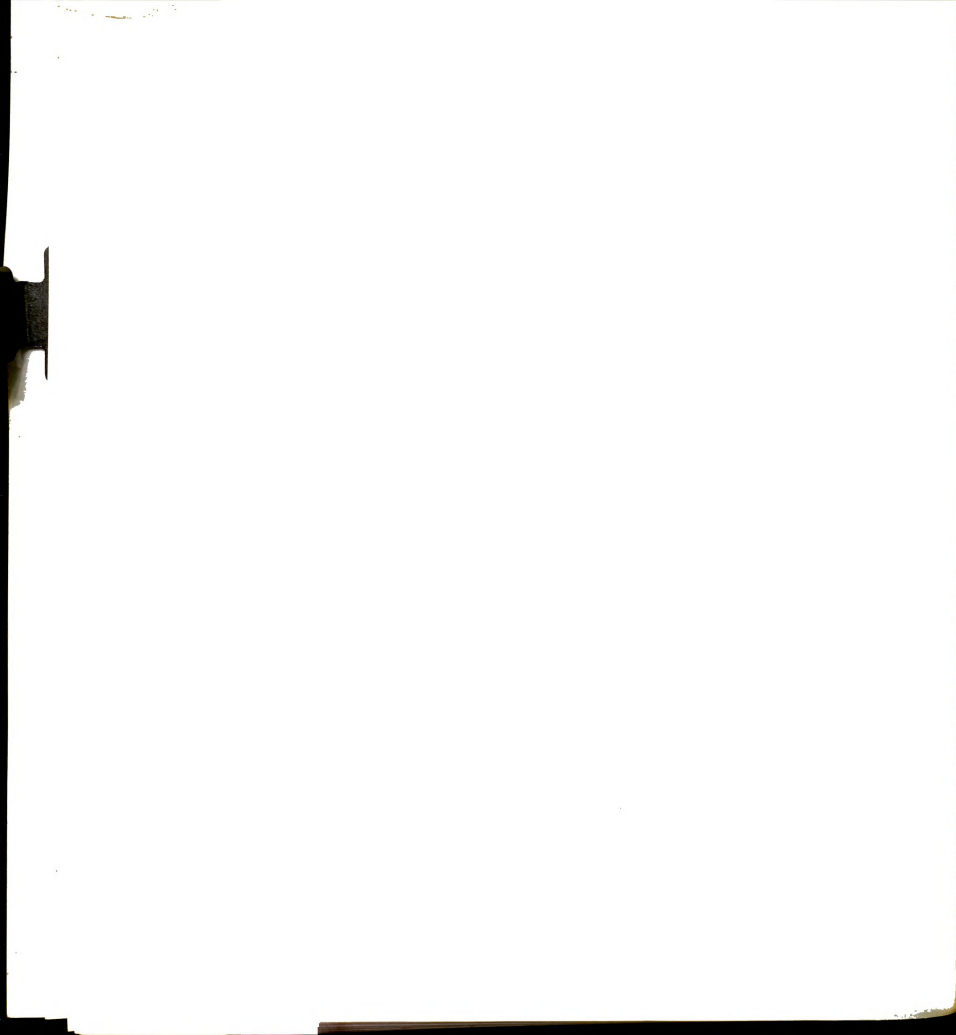
The idea of collaboration among unions for the purpose of collective bargaining is not new in the United States. Examples of cooperation among locals and even international unions are well documented and have existed for a long time. Such cooperation is known among the building trades, the metal trades, the railroad shopcraft unions, the meatpacking unions, and the paper and pulp unions. While the general scope of the cooperation in the above cases and the scope of the cooperation discussed in this study are similar in the sense that they constitute unions' adaptation to management actions and market conditions, there are some important differences. The first difference is the greater number of workers involved in the coordinated bargaining efforts of today, ranging in the hundreds of thousands. Second is that most coordinated bargaining today has the blessing and active support of the AFL-CIO and its leadership. This support involves financial, technical, political and, sometimes, leadership resources. The third and most important difference is that coordinated bargaining is not a one-shot deal in one particular industry or region, but rather exists as a viable means of coping with a changing economic world. Its goals are not temporary, but rather geared to long-run perspective; its scope is not limited, but rather all-encompassing with the intent of effecting a change in collective bargaining structure.



As mentioned in the first chapter, coordinated bargaining is: "The circumstance where two or more unions representing separate bargaining units negotiate jointly for individual unit contracts containing common terms."¹ This definition was adopted because it is applicable to all the various attempts at coordination. It describes the efforts conducted under the auspices of I.U.D. as well as those that were not, as well as union efforts within one corporation and those that are industry-wide.

This definition also deals with the various parts of the process. Accordingly, coordinated bargaining is an effort of collaboration between or among two or more unions that represent separate units that may or may not be members of the AFL-CIO. It is a cooperation between separate unions with the help of the I.U.D. or without such help, such as in the cooperation described earlier in the wet corn milling industry. The cooperating unions might ask management to institute coalition bargaining, but this is not their prime goal. The primary aim is to negotiate jointly for individual units' contracts containing common terms. The extent of the common goals to be jointly negotiated is a function of the maturity of the collaboration among unions. As discussed in the first chapter, the status of the law and the NLRB decisions permit this kind of cooperation, and thus, it is up to the

¹Wagner, "Multi-Union Bargaining," p. 733.



unions to determine the extent of this collaboration. In reality it can extend anywhere from exchange of information to full coordination of demands for wages and fringe benefits.

The process of establishing coordinated bargaining begins when the bargaining agents of two or more separate local unions feel that the balance of power at the bargaining table has been disturbed. This imbalance is felt when union representatives perceive that their economic power no longer has an adequate impact on management decision making. For example, if a company has two plants producing a similar product, and production can be transferred from one plant to another, the threat of a strike in one plant would have very little impact on management decision making in negotiations. The economic imbalance is especially accentuated in a conglomerate corporation where the product and market diversification further reduce management dependence on the profitability of its separate operations.

The feeling of imbalance might also be caused by management's centralization of decision making with respect to collective bargaining. If management transfers decision making from local management to the corporate headquarters, union bargainers will, through coordination, attempt to meet on an equal level with those managers who have the power to make decisions.

Another reason for a specific local union to be interested in participating in a coordinated bargaining committee occurs when that local follows a pattern in collective bargaining established by another union. Following a pattern established by another union leaves very few issues which such a unit can influence through its independent collective bargaining. If such a local joins a coordinated bargaining committee, it can influence the list of demands presented by the committee. In addition, most coordinated bargaining committees arrive at their decisions as a result of consensus of all the participants, thereby resulting in an increase of power for the union that previously followed a pattern (and, as a corollary, perhaps lessening the power of others). This kind of consideration was made by the A.I.W. locals in their participation in the coordinated bargaining committee of G.E. When a pattern making union decides to join coordinated bargaining and is willing to share with other unions the decision making on the list of demands presented to management, there is some loss of independence in the goal setting process. This, however, is compensated by the increased power achieved through the creation of a broader front of workers facing management.

Once the need for collaboration is perceived among the local unions, a process of searching for partners begins. This process is usually delegated to the officers of the



international union who have broader contacts with other unions. At this stage of the process, the technicians of the collective bargaining section of the I.U.D. have an important function as facilitators in searching for and bringing together the parties. Even at this preliminary stage problems surface, such as historical rivalry among unions and debates over location of meetings.

When a group of international unions agrees to investigate the possibility of participation in such a cooperative venture, the process of securing the commitment of all the participating units begins. This is the most crucial and lengthy element in the whole process of coordinated bargaining. It might take years of work, repeated setbacks and complicated strategies until commitment to coordination is achieved. The issue of full commitment is never really settled, since the participating units are political groups who manage their affairs in such ventures like parties in political coalitions. The participants are first and foremost responsible to their constituencies; thus, if a leader of a union considers it advantageous from the standpoint of his career or of the union to participate, he will make such a commitment. If at another time the circumstances change, the union leader might withdraw his commitment, as was true of the coordinated bargaining effort at Eaton Corporation in 1973.

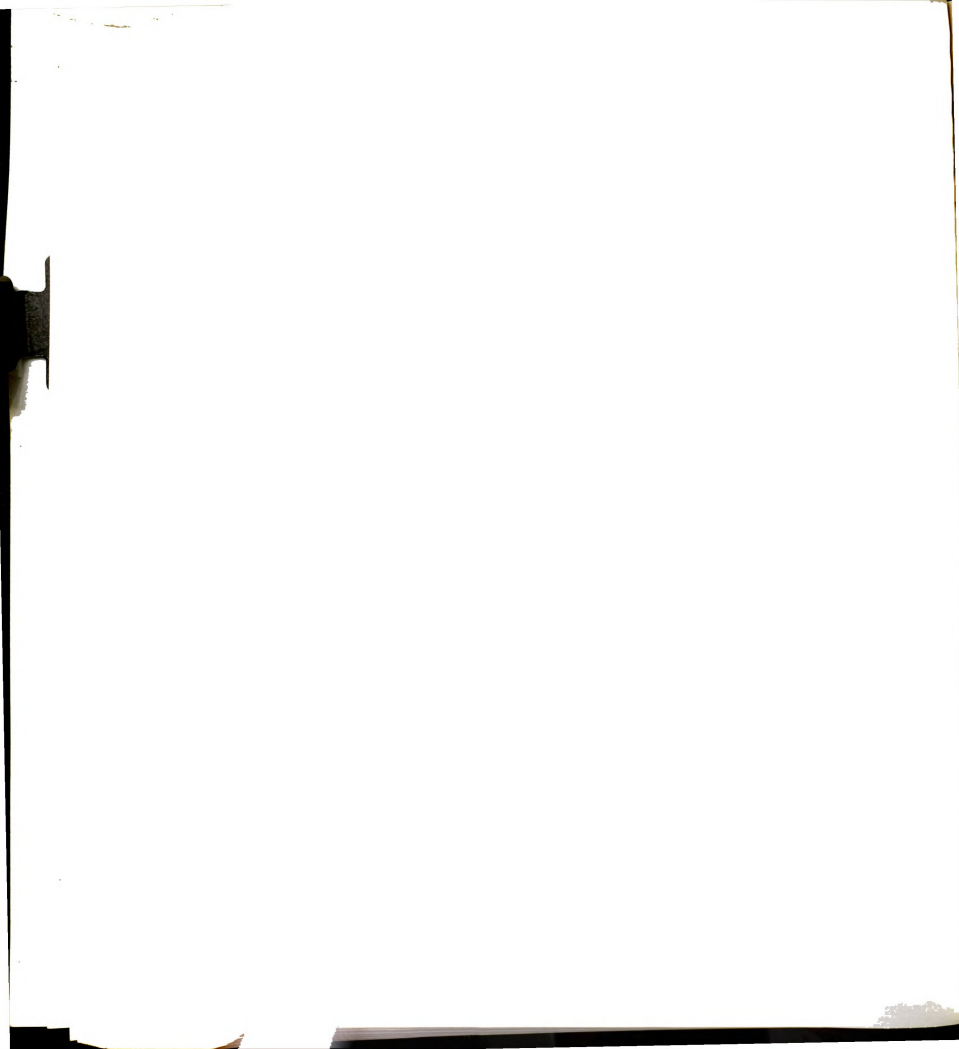
A participating unit may withdraw its commitment when a short-run advantageous alternative is made available.



For example, if a local union with low-paid membership is offered an exceptionally attractive contract in exchange for withdrawing from the coordinated bargaining committee, the leadership of this union will be hard put to keep its commitment to the other collaborating unions. This kind of situation repeatedly frustrated the efforts in the Essex International coordination attempts. Because there is no legal or other means of permanently securing the commitment of the participating units to the coordination effort, and because the combination of events and variables is almost infinite, the possibility of breaching the commitment is always existent and the collaboration is in a constant state of fluidity.¹

When the commitment of the participating units is achieved for a given goal, i.e. coordination on fringe benefits for all the participants or coordination of wages, the task of reaching a consensus is undertaken. Arriving at a consensus has technical facets as well as political and economic aspects. In the technical area are the problems of collecting and analyzing all the pertinent data from the different labor contracts of the participating

¹For a more detailed analysis of the issue of collaboration among political units see: William H. Riker, The Theory of Political Coalitions (New Haven, Conn.: Yale University Press, 1962); Mancur Olson Jr., The Logic of Collective Action (Cambridge, Mass.: Harvard University Press, 1965); and Charles E. Lindblom, The Intelligence of Democracy; Decision Making Through Mutual Adjustment (New York: Free Press, 1965), especially Parts 2 and 4.



units and the problems of securing and interpreting the relevant information about the corporation and its operation. The problem of securing the pertinent information about the company presents a major challenge in the case of conglomerates which have disclosed very little detailed economic information about their intricate operations.¹

The political and economic problems which encumber the process of reaching a consensus concerning actions which the coordinated bargaining committee should undertake are numerous. Among the political problems which the committee faces is how much power each unit should have in determining the goals of the committee. Should each unit have equal power irrespective of the size of the unit, or should the number of union members be considered when the decision is made? Another political problem is the determination of the leadership of the committee. Should it be a combined leadership of all the units, or should it be composed of the leadership of the big units; or should the leadership be entrusted to the I.U.D. coordinator? A related problem is determining how much power this leadership should have. The problems of leadership and its power surfaced in the G.E. coordinating committee and in the Globe-Union committee.

¹For a detailed discussion of the problems of availability of economic data from conglomerates see: David Norr, "Divisional Reporting by Diversified Corporations: An Analyst's View," Conglomerate Mergers and Acquisitions: Opinion & Analysis, 44, St. John's Law Review (Special ed. 1970), 946-949.

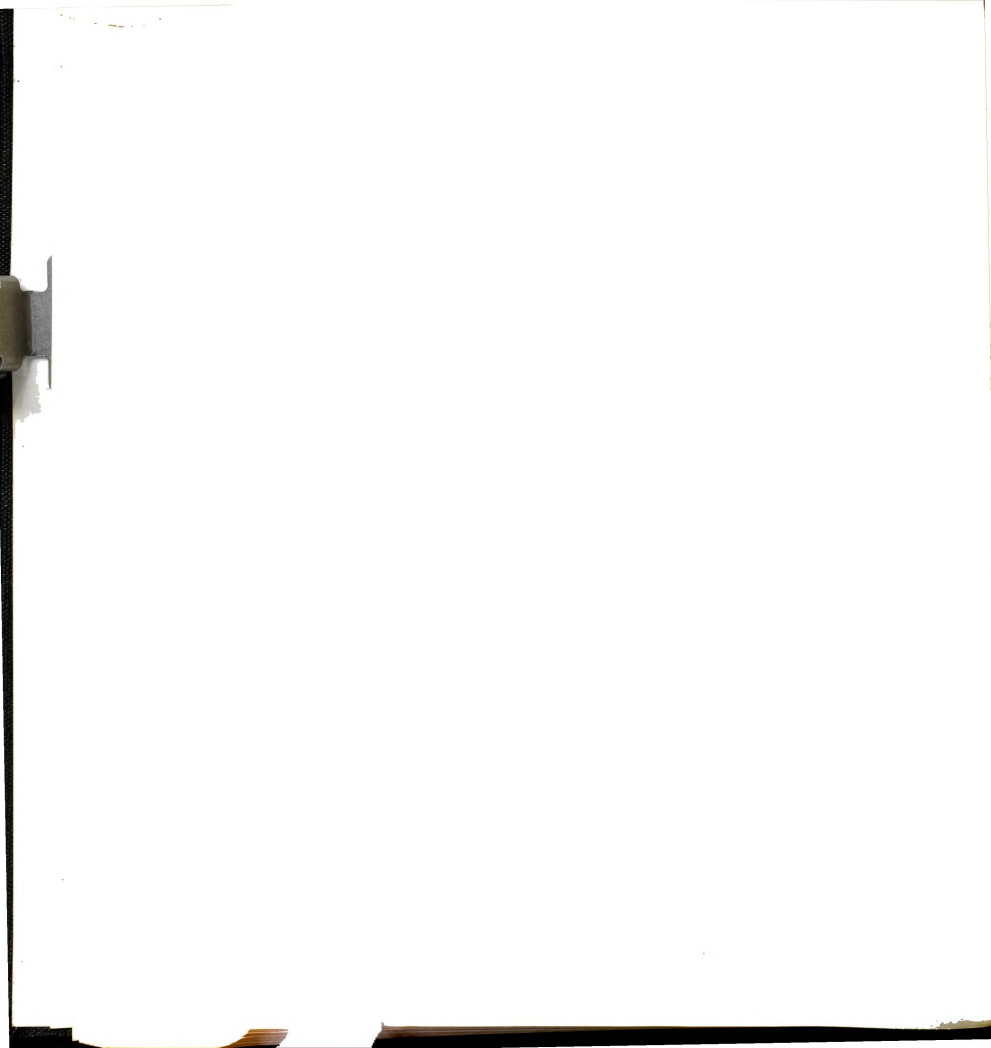


Yet another political problem is the formation of pressure groups within the coordinated bargaining committee, i.e. the small unions versus the large unions, as in the G.E. case.

The economic problems which these committees have to face in their search for consensus are also numerous. Should the highest paid unit set the minimum or the maximum standard for the demands? This issue was discussed in the wet corn milling council.¹ Should the wage demands be in cents per hour or percent increase? This issue was very important to the A.I.W. delegates in the G.E. coordinated bargaining committee. Once a compromise or consensus on the plan of action is achieved by representatives in the coordinated bargaining committee, it must be acceptable to and supported by the rank-and-file.

The culmination of the process is obviously at the bargaining table with management. The problems which the coordinated bargaining group faces at this stage vary from problems of communication to problems of financial support. How should communication among the different units be maintained? Should a teletype system be installed at all the bargaining units so that the information on the status of negotiations can be made available instantaneously to all the units, as in the G.E. case? Should a "flying

¹For a theoretical discussion on goal setting in coalitions see: Theodore Caplow, Two Against One: Coalition in Triads (Englewood Cliffs, N.J.: Prentice-Hall, 1968).

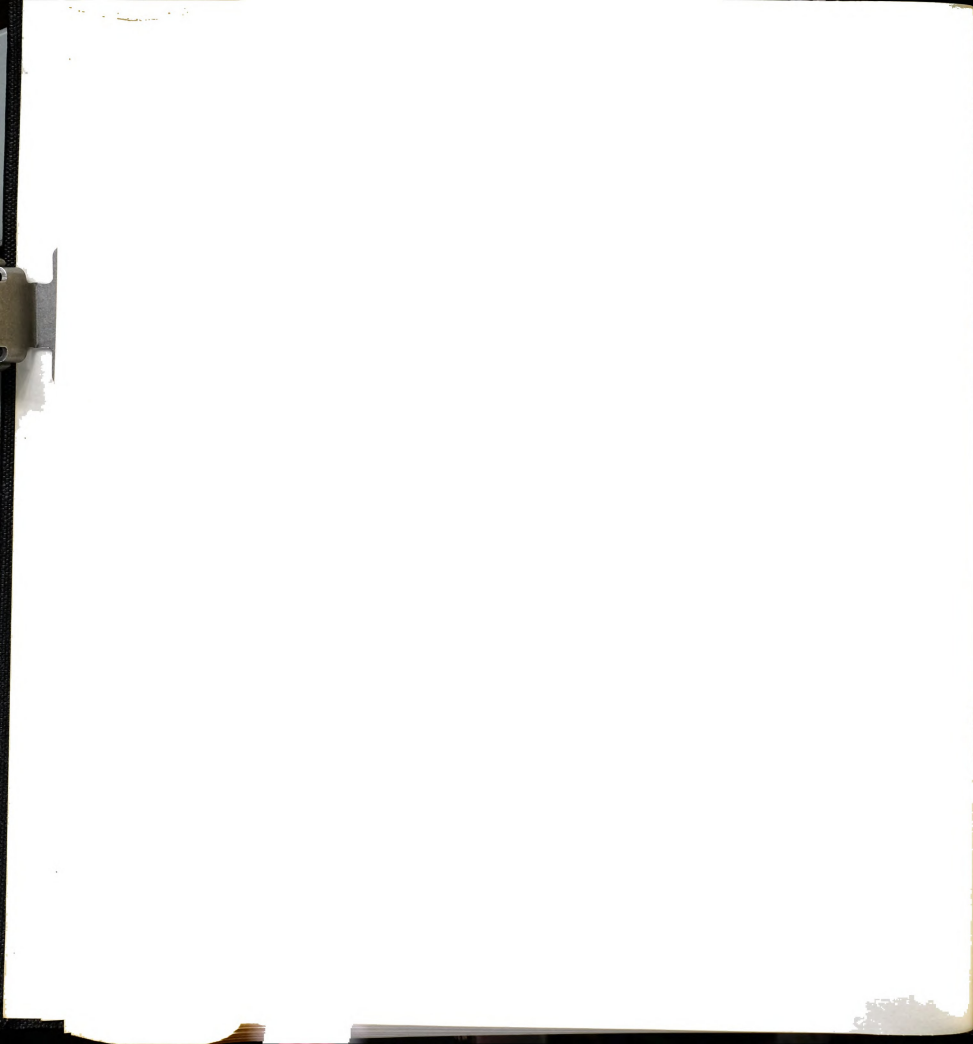


circus" be created for the entire coordinated bargaining committee that will travel to the different negotiations to ensure the flow of accurate information and the support of all the participating units for the one that is bargaining?

The issue of economic support for the participating units is one of the most crucial factors in the success of a coordinated effort. Should a local union that is locked out or on strike in order to achieve the goals established by the committee be solely responsible for the economic consequences and draw funds only from its own strike funds? If a fraternal responsibility for the economic consequences of coordination is established, should the participating units voluntarily contribute to the needy union, such as in the case of Globe-Union? Or should a compulsory strike fund of the coordinated bargaining committee, independent of the strike funds of the different international unions, be established, the kind of arrangement considered by the wet corn milling council?

Another problem which the collaborating unions face is how much support in local negotiations should be rendered by the committee after the major issues are settled with the company on the national level, such as in the G.E. coordinated bargaining committee.

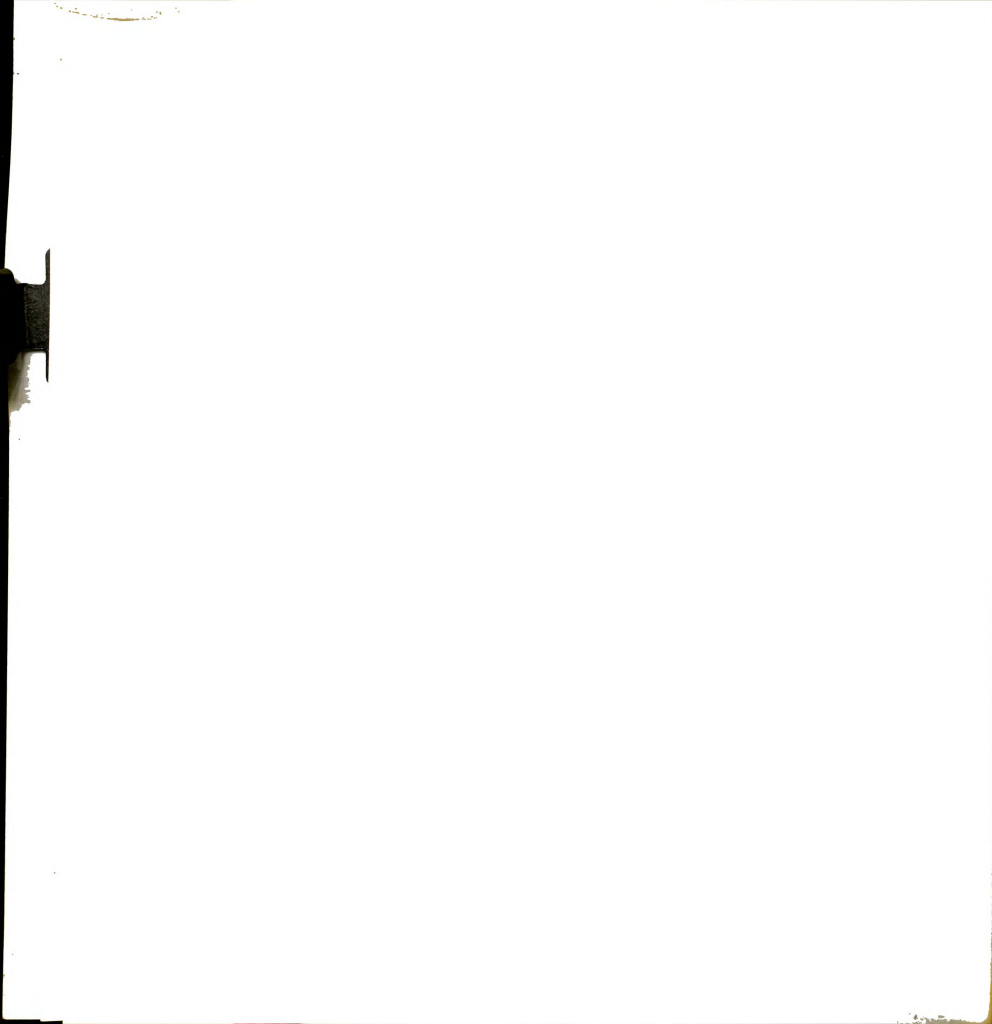
Upon completion of the negotiation stage, the functions of coordinated bargaining are not over. There



is still the need to keep the different units informed about the administration of the contracts. There is the need to cooperate in organizing non-unionized plants as is done in the G.E. coordinated bargaining committee. Finally, there is the need to make the necessary preparations for the next round of negotiations.

Evaluating Coordinated Bargaining

The usual procedure of evaluating the results of the collective bargaining process is to look at the economic consequences as they are reflected in the negotiated agreements. Thus it is common to find in the literature dealing with coordinated bargaining attempts to ascertain the economic impact resulting from those efforts. This approach is both a dangerous and inappropriate tool of analysis. It is dangerous to use this approach because of the difficulty of accurately measuring the causes and effects and controlling the variables involved. It is very hard to ascertain whether a given improvement in wages or fringe benefits established in a labor contract is a result of the general economic conditions and market competition or is a result of increased union power achieved through coordinated bargaining. The proponents of coordinated bargaining like to identify the improvements in negotiated contracts as the result of increased union power. The opponents of coordinated bargaining obviously discount the economic achievements resulting from increased union



power and attribute the improvements to business conditions.

A more important reason for rejecting this tool of analysis is that it is not the most appropriate measurement scale for the problem at hand. As outlined from the outset of this study, coordinated bargaining is a reaction of unions in an attempt to find a response to business conglomeration and the change in the locus of decision making. The major goal of unions at this stage is to devise the appropriate mechanism of reaction and to institute it. Only when the reacting mechanism is institutionalized and the accommodation between the parties achieved will it be appropriate to attempt to measure the achievements of coordinated bargaining in economic terms.

It is quite possible that even during the reacting stage unions are making economic gains, as indicated in the analyses of the case studies, but these are side effects of the main function. Indeed, as Chernish points out from his findings in different case studies, there were economic gains achieved through union collaboration:

Although it is impossible to separate gains by coalitions from gains attributable to other causes, such as general economic conditions and comparable industry settlements, evidence supports the contention that determined coalitions have been successful in winning somewhat more costly packages than would have been otherwise possible.¹

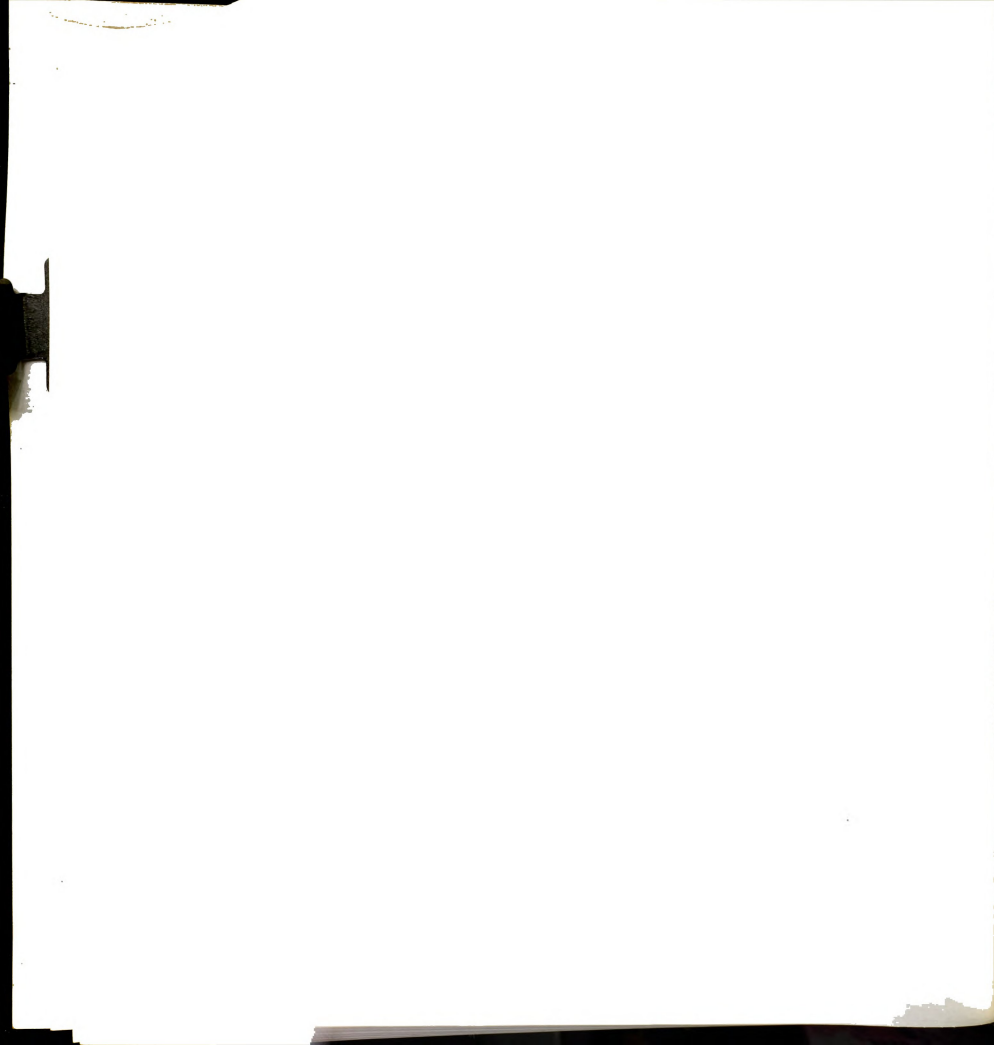
¹Chernish, Coalition Bargaining, p. 270.

The concomitant evaluation offered by the opponents of coordinated bargaining is that, despite these economic gains, the cost associated with coordination ventures outweighs the achievements. Those writers¹ identify three major cost areas:

1. The dissatisfaction at the local level with the transfer of the locus of power in collective bargaining.
2. The increased incidence of government intervention.
3. The increased incidence of longer and costlier strikes.

1. Dissatisfaction at the local level with the transfer of the locus of power in collective bargaining-- The results of the study conducted among the local union presidents of A.I.W., reported in the static, cross-sectional analysis chapter, do not support those contentions. In fact, the responses of the respondents indicate that they understand the changing nature and power of management, and they understand that where these changes occur unions have to adjust their actions and tactics in order to fulfill their mission. The attitudinal responses of the local union presidents reveal their awareness that

¹James G. Davis, "A Management Point of View," in "Coalition Bargaining: Three Views," *Arizona Review*, XVII, 4 (1972), 6-12; Northrup, "Boulwarism v. Coalitionism," p. 10; and Engle, "Coordinated Bargaining."



the adjustment which unions will have to make might cause the transfer of some of their power to higher union officials. Yet they also realized that, in order to serve their constituency, they would have to band together with others to reestablish union bargaining power vis-à-vis management.

2. The increased incidence of government intervention--The issue of increased government intervention is almost always mentioned next to the issue of the danger to the general public from the clash between management and the coordinated bargaining committees. The solution to increased government intervention offered by the opponents of coordinated bargaining is complete withdrawal from the collective bargaining scene by changing the NLRA. Since government has long been active on the collective bargaining scene along with management and labor, and since the collective bargaining scene is changing, government chose to maintain its role by adapting to the new environment. The role which government adopts should not be considered an attempt to increase its power or functions, but rather an adaptation to the new realities for the purpose of accommodating free collective bargaining.

3. The increased incidence of longer and costlier strikes--This issue is considered the most damaging effect of coordinated bargaining. The reasons given by the opponents of coordinated bargaining for the increased incidences

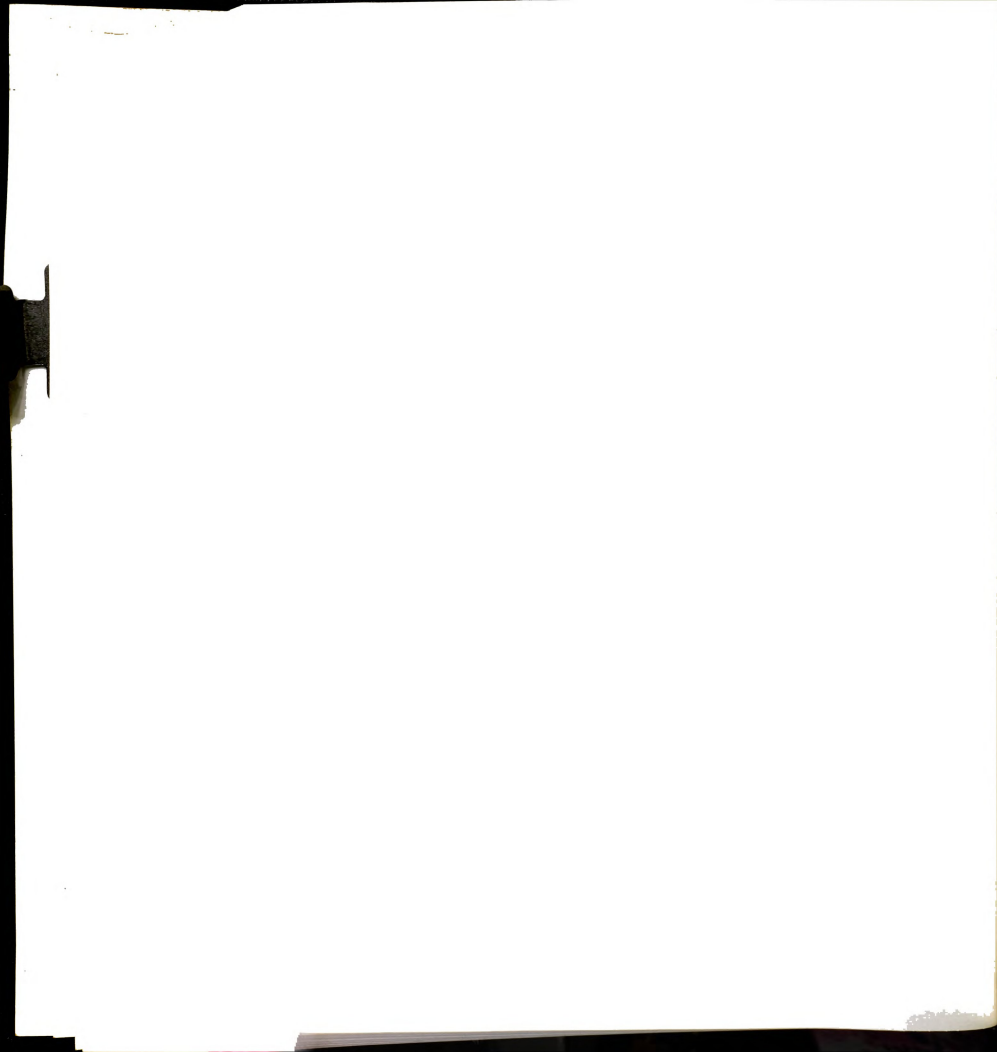


of strikes are twofold: first, the revolt of the rank-and-file against their leadership for removing the locus of power in collective bargaining; the second reason given is that enlarged union power coupled with the increased number of workers involved increases the chances for more strikes and more damage to the public welfare.

The evidence from all the cases and interviews reported in this study does not support the proposition that rank-and-file discontent with the change in the locus of power has caused any strikes. In fact, those strikes which were reported here indicate membership support of their leaders' attempt to achieve the goals of coordinated bargaining.

As for the second reason, namely that increased union power increases the chances for strikes, one should remember that strikes and lockouts are recognized as legitimate tools of labor and management in their collective bargaining relations and that coordinated bargaining purports to reestablish the effectiveness of this tool.

John T. Dunlop, one of the most astute scholars of labor relations in the United States, discussed in a recent article on the reasons for labor disputes that the desire to change the structure of collective bargaining is one of the major causes of the most serious and longest work stoppages in this country. Dunlop asserts that these strikes are caused by:



. . . controversies over the range of plants or companies or employees to be included, formally or informally, within the scope of the negotiations. In cases of rivalry among unions, managements are often seeking to expand the scope of bargaining with a group of craft unions. In coalition bargaining it is typically the union which seeks to expand the effective coverage of the agreement and enlarge the scope of possible future strikes.¹

It is not the intent of coordinated bargaining to cause more strikes, but rather the attempt to establish coordinated bargaining causes these prolonged strikes. Dunlop goes on to say:

Disputes over bargaining structure often lead to prolonged work stoppages and substantial money settlements without ultimately resolving the underlying structural issue. Since adjustments in bargaining structure are not readily negotiated, higher money settlements are simply a rough compromise to postpone the ultimate day of reckoning.² [Emphasis added.]

Finally, Dunlop concludes that prolonged stoppages persist until an accommodation is reached between labor and management as to the new bargaining structure:

As a result, disputes over bargaining structure can persist over many years, with an accommodation in bargaining arrangements being made bit by bit through negotiations that are often characterized by prolonged stoppages.²

In summary, the underlying reason for the establishment of coordinated bargaining is to attempt to change the structure of collective bargaining, and management

¹John T. Dunlop, "Structure of Collective Bargaining," in The Next Twenty-Five Years of Industrial Relations, p. 16.

²Ibid.

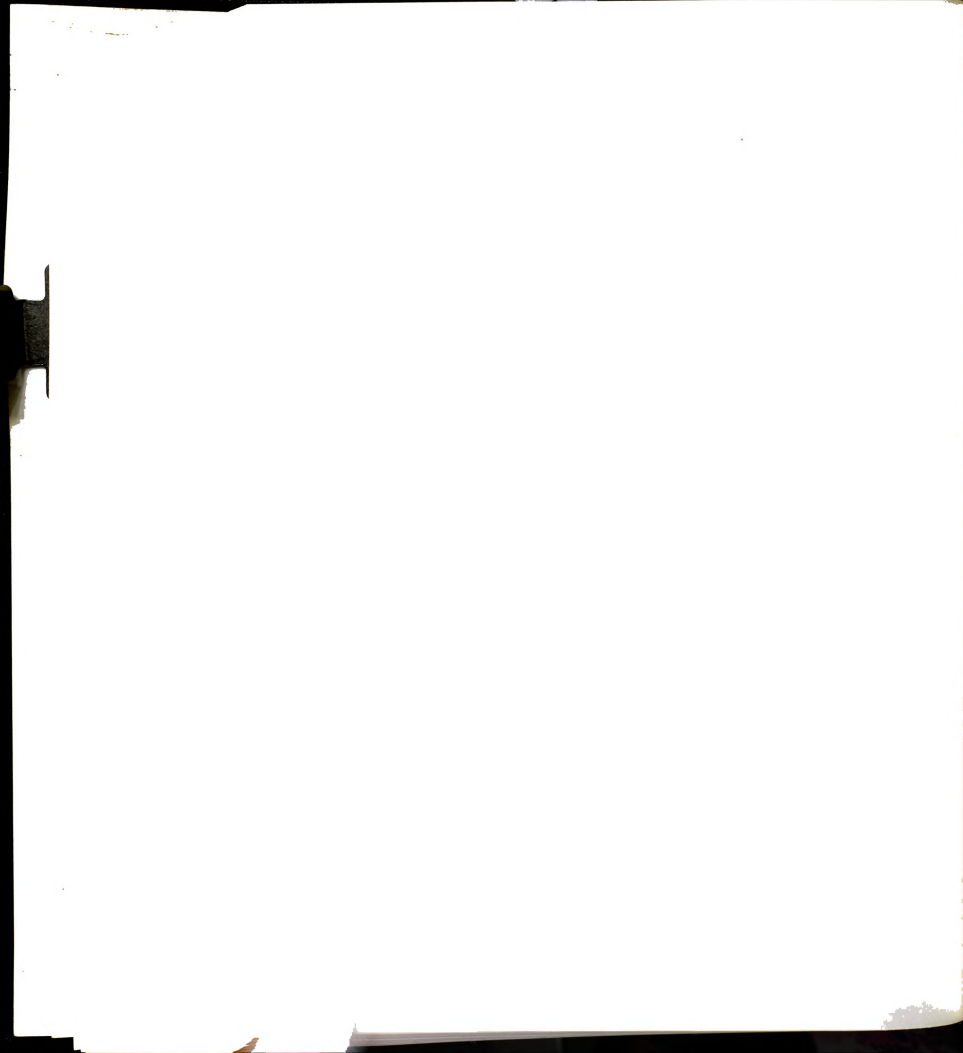
³Ibid.

attempts to resist the inevitable change and the procedure of arriving at a final accommodation results in the prolonged and costly strikes.

Since the goal of unions in establishing coordinated bargaining is to devise the appropriate mechanism to react to the new conditions created by management, the appropriate criterion of evaluation should be the degree of success of unions in meeting this challenge. Some of the tools of evaluation which this research employed were:

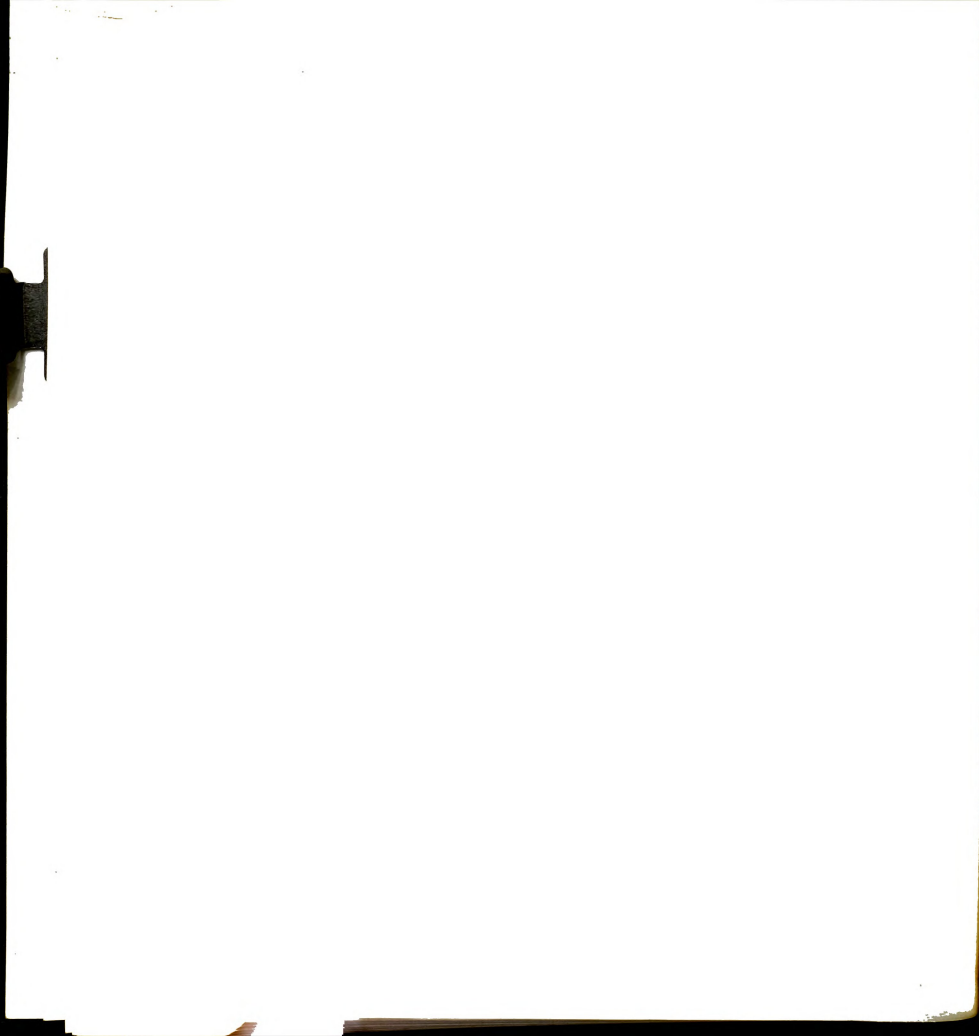
1. Whether the mode of coordination adopted by the unions was an appropriate and successful mode--Corporate-wide coordination in the G.E. case was the appropriate mode, while in Essex International it did not work. Coordination among unions on a limited array of issues was effective in the Globe-Union case, while it had a stifling effect in the Eaton Corporation case. Knowing the adamant opposition of management to the introduction of a common pension fund should have made the unions aware of the need to establish a broader basis for their coordination, so that the viability of the coordinated bargaining committee will not be dependent on the success or failure of one issue.

2. How skillful were the unions in identifying and dealing with the factors which enhance or debilitate the chances for successful coordination--One factor which has a negative effect on establishing a viable coordinated



bargaining committee is the existence of too large a number of international unions which must coordinate. Coping with this factor is a prerequisite for successful coordination. In the G.E. case, the problem was overcome in two ways: first, by enlarging the group of international unions gradually, and second by establishing a very effective network of communication. In the Essex International case, unions were unable to establish a viable coordination because, among other things, they were unable to cope with this problem. Another problem which has to be identified and dealt with is interunion rivalry. In the Globe-Union case, unions identified the problem and allotted the I.U.D. coordinator an active role in the decision-making process, thus reducing the amount of interunion confrontation. In the Eaton Corporation case, the unions did not utilize effectively the coordinator to overcome the damaging effects of interunion rivalry.

3. Another way to evaluate coordinated bargaining is to ascertain whether the attitudes of the local union leadership toward the process are congruent with the activities of the international union leadership to accomplish the task. Judging from the results of this study, the efforts of the Allied Industrial Workers leadership to work toward the establishment of coordinated bargaining were in congruence with the needs and attitudes of the local union leadership.



The above are the kinds of tools of analysis which are suggested for the purpose of evaluating the coordinated bargaining process. To try to evaluate coordinated bargaining at this stage with economic tools is to miss the central issue. The issue at stake is how successful unions are in establishing the structural change which will lead to the necessary accommodation between labor and management in the changing environment.

The Future of Coordinated Bargaining

No researcher should be held responsible for predicting the future of any socio-political institution or process since it is beyond his professional capability. What might be expected from a researcher is to outline present conditions with their underlying causes which could form a basis for future inference.

The underlying reason for the establishment of coordinated bargaining is the attempt by unions to react to the changes introduced by management on the collective bargaining scene. Those management actions, outlined previously in this research and by other studies, were:

1. The expansion of business in terms of size and product markets--This expansion was particularly accentuated by the wave of business conglomeration during the past 20 years through mergers and acquisitions. This wave of conglomerate mergers tilted the balance of power at the collective bargaining table in favor of management.



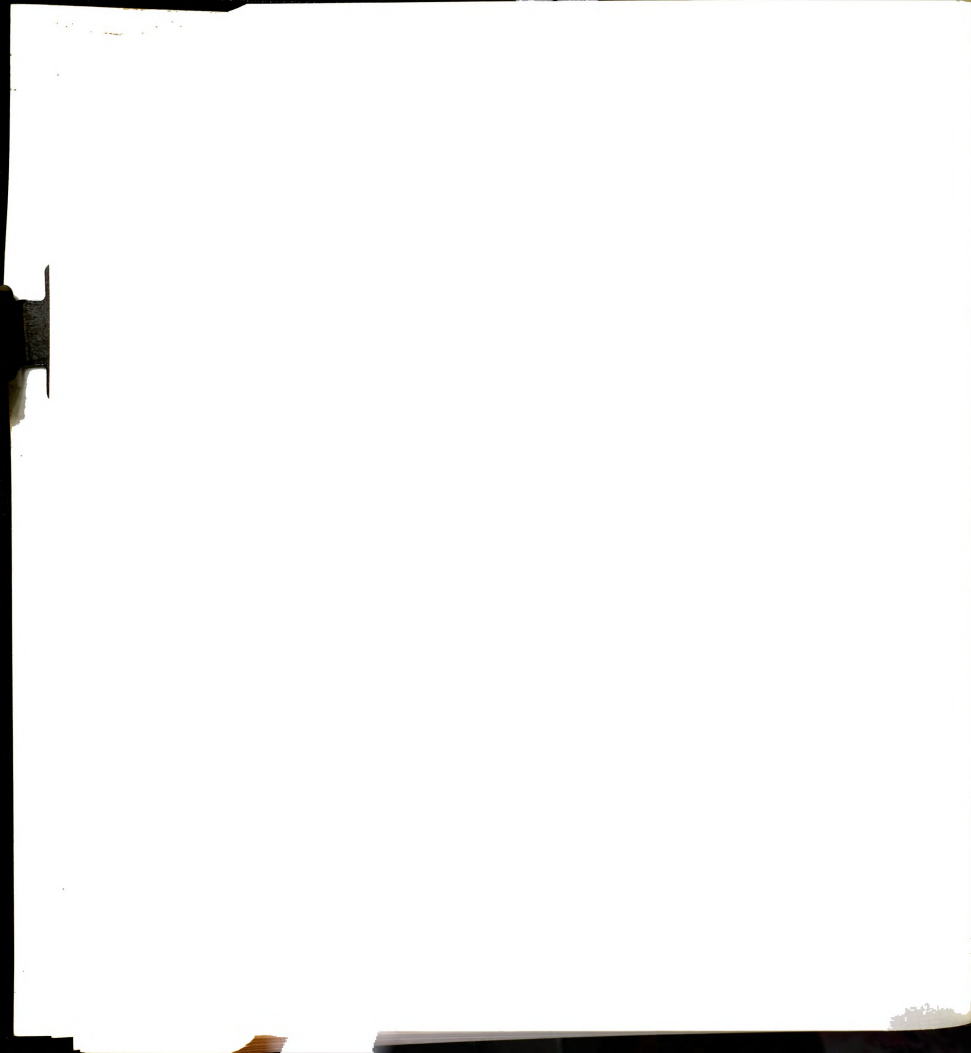
Because of management's ability in the conglomerate firm to cross-subsidize between industries and plants, it can whipsaw different unions at its varied plants.

2. The transfer of the decision-making process from the plant level to the corporate level--Since the most important managerial decisions in the conglomerate are guided by financial considerations pertaining to the corporation as a whole, the important decisions which affect the single operation are determined by top management at the corporate level and not at the plant level.

Under these conditions the ability of the local union to perform its functions at the bargaining table has been diminished and the relevant bargaining unit altered. In order to counteract those developments, unions devised the coordinated bargaining method. This method is obviously not the only one which could have met this need. Alternative actions could have been a wave of union mergers to correspond to business mergers, a political campaign to amend the NLRA which would have legalized coalition bargaining, a legal-political campaign to stop conglomerate mergers, and others. Because of the structure and philosophical orientation of the labor movement in the United States, those alternative modes of action were not undertaken.

Some writers have suggested that coordinated bargaining is a step toward future mergers among unions.¹

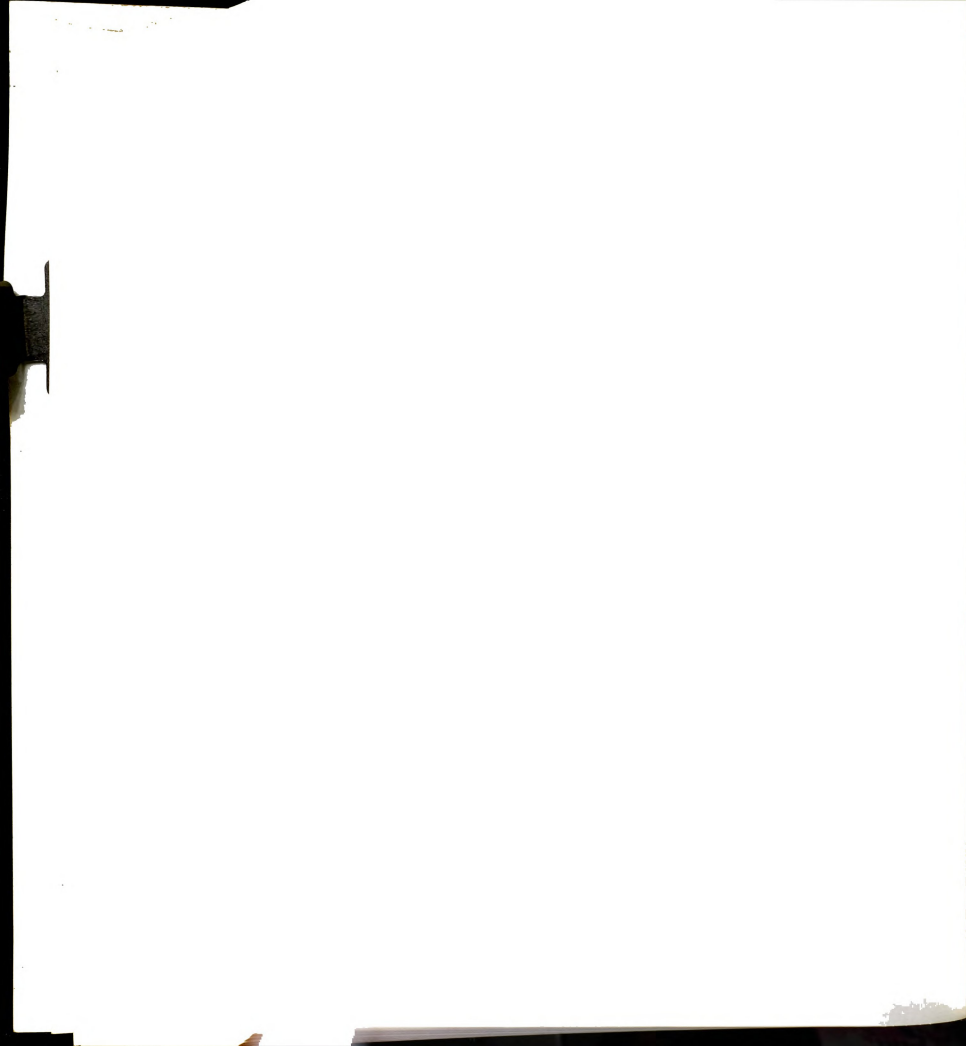
¹Lahne, "Coalition Bargaining," pp. 353-359.



The evidence presented in this study indicates the opposite. Coordinated bargaining is a substitute for mergers, it is an attempt to adapt union jurisdiction to a changing environment. International unions continue to maintain their independent identity and control over their local unions, but agree to cooperate in order to be able to fulfill their function. Indeed, the prerequisite for participation in any coordination under the auspices of the I.U.D. is the agreement of all international union presidents. Yet coordinated bargaining might serve as a catalyst for future mergers because it creates a forum where different unions cooperate and promote mutual consideration and understanding. In the final analysis, coordinated bargaining is entrusted with preserving the independence of the participating unions in their cooperative actions in collective bargaining.

As was pointed out in the various case studies, unions are experimenting with various forms of coordination, from coordination of some of the plants of a corporation, such as in the Eaton coordinated bargaining committee, to the industry-wide coordination in the case of the wet corn milling council. These experiments are bound to continue until the right response to management action is devised. In this process of adaptation, management is also bound to find ways to adapt to and accept coordinated bargaining. This assertion is based on two reasons:

- (1) Management will find certain circumstances where it is



profitable and convenient from the standpoint of its operations to deal with a coordinated bargaining committee. Such areas might be corporate-wide bargaining over pension and insurance policies, as exemplified in the Globe-Union case. (2) A more important reason for management's acceptance of coordinated bargaining in the future is for the promotion of tranquility in its labor relations operation. In order to obtain the support of the rank-and-file for the establishment or resurrection of a coordinated bargaining committee, the union leaders have to advance issues which will create enough militancy to carry them through the test of withstanding the pressure of management. Every time that union leaders have to reestablish the support of the rank-and-file for coordinated bargaining efforts, they will have to promote a new and higher level of militancy. Since the underlying reasons for the first attempts to establish coordinated bargaining are not bound to disappear in the future, it is fair to assume that union leaders will attempt again and again to establish coordinated bargaining. If management will understand the damaging effects of the escalation of union militancy and accept coordinated bargaining, accommodation will be achieved and the damaging labor disputes over bargaining structure eliminated.

Suggestions for Further Study

The study of the changes in bargaining structure and the study of coordinated bargaining as an example of adaptation in the collective bargaining institution present important opportunities for research.

This study attempted to analyze some of the issues involved in coordinated bargaining by using quantitative measurements, and even though quantitative tools per se do not insure the quality of research, they might improve good studies.

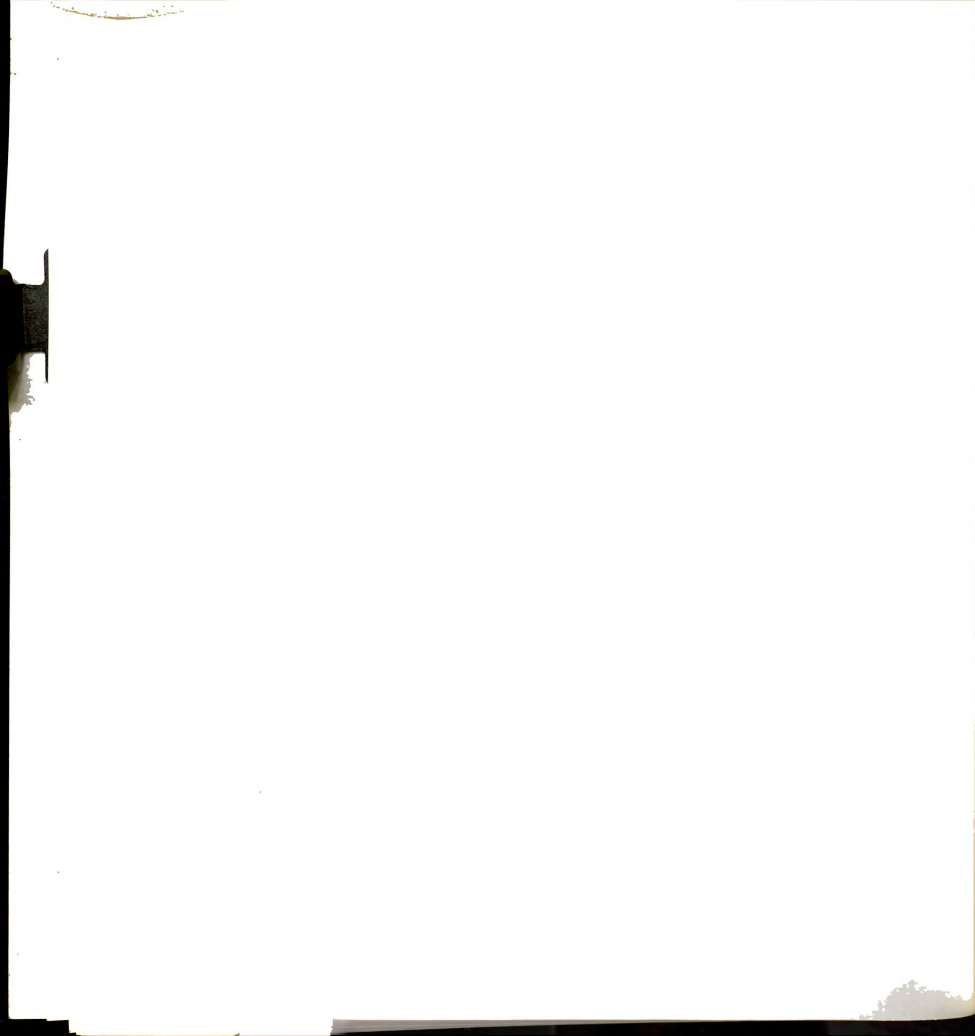
Some of the issues which await further research are:

1. How can the factors that contribute to the stability of a coordinated bargaining committee be quantitatively measured?
2. What are the factors that make one company a target for a coordinated bargaining effort?
3. What impact does coordinated bargaining have on internal union structure?
4. What is the impact of union leadership on the success or failure of coordinated bargaining?

Conclusion

This study started from the basic premise that the process of collective bargaining is in a constant state of evolution. Coordinated bargaining was identified in this context as organized labor's reaction to contemporary

changes in the balance of power at the bargaining table. This union antidote to management actions was identified as one factor which strives to change the structure of collective bargaining in this country. It was also suggested that the efforts to establish coordinated bargaining will continue despite management opposition and interunion factionalism until a new way of accommodation between labor and management will be established.



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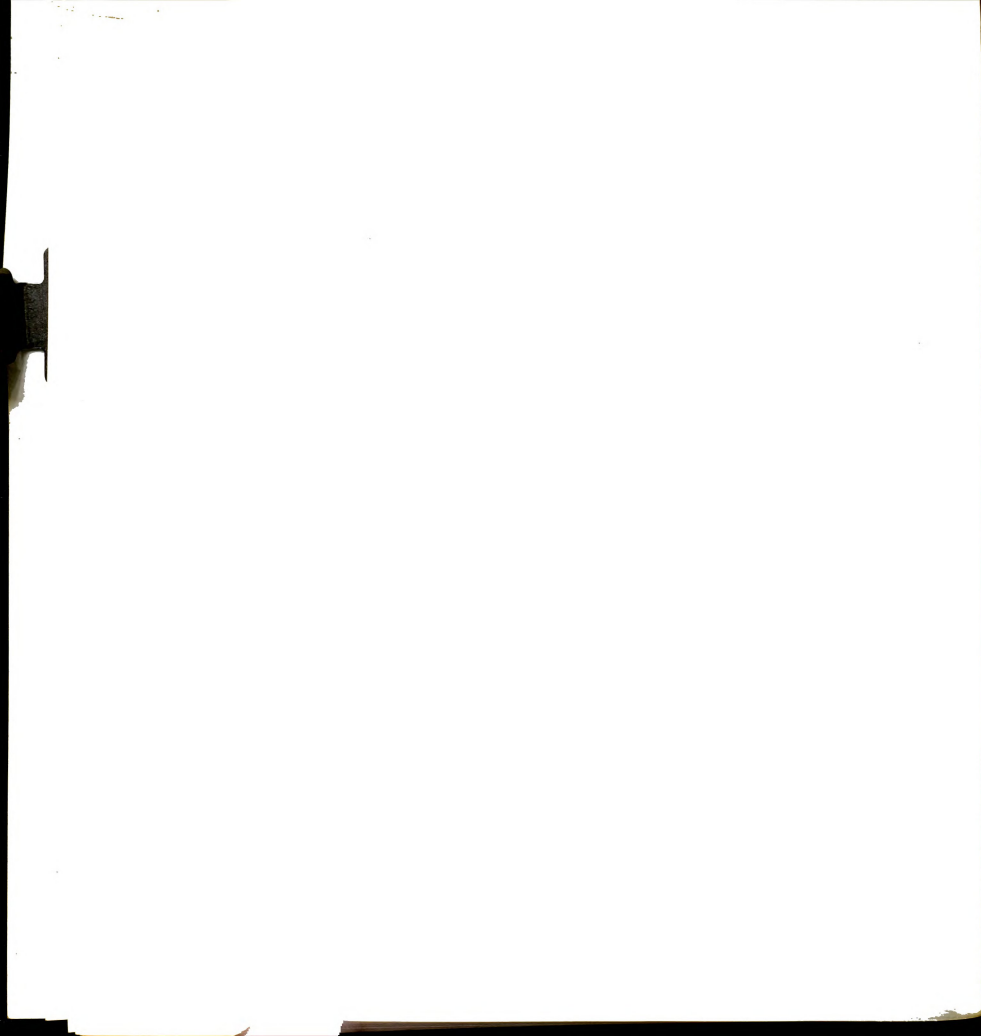
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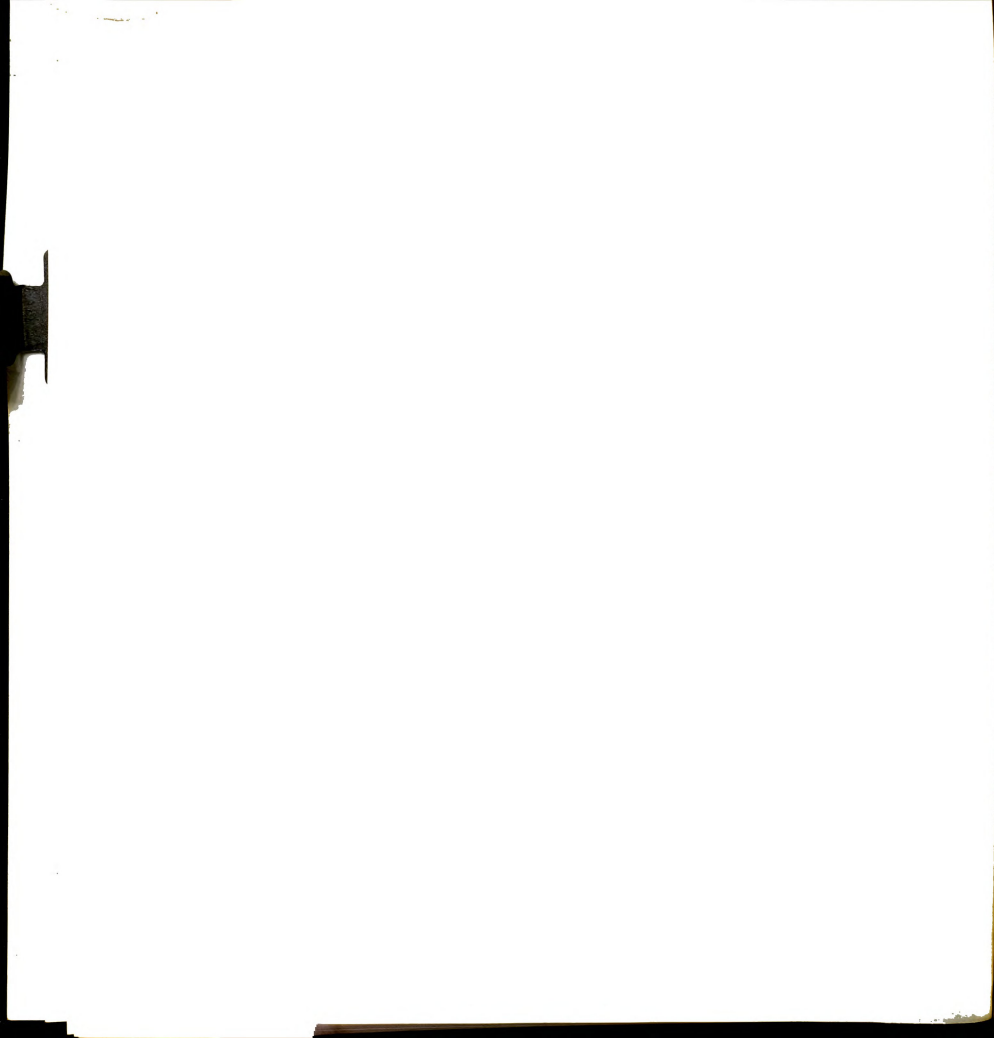
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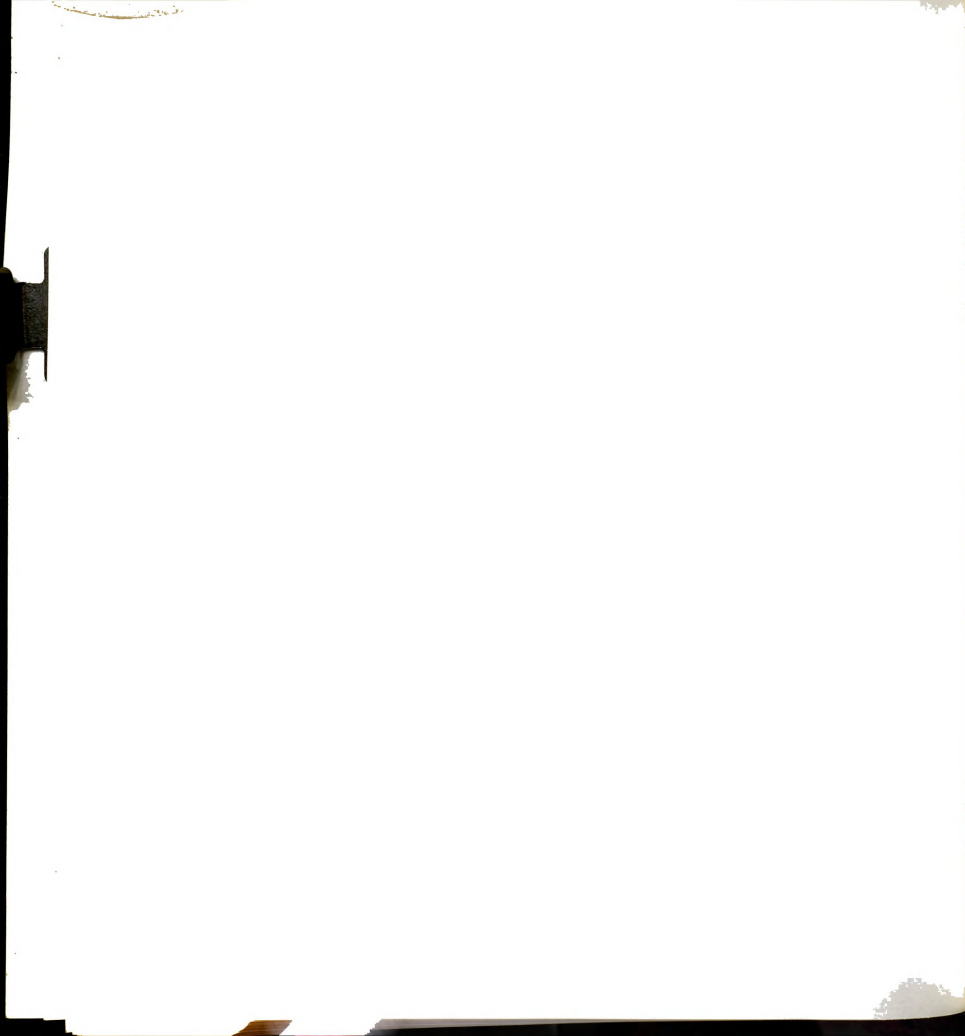
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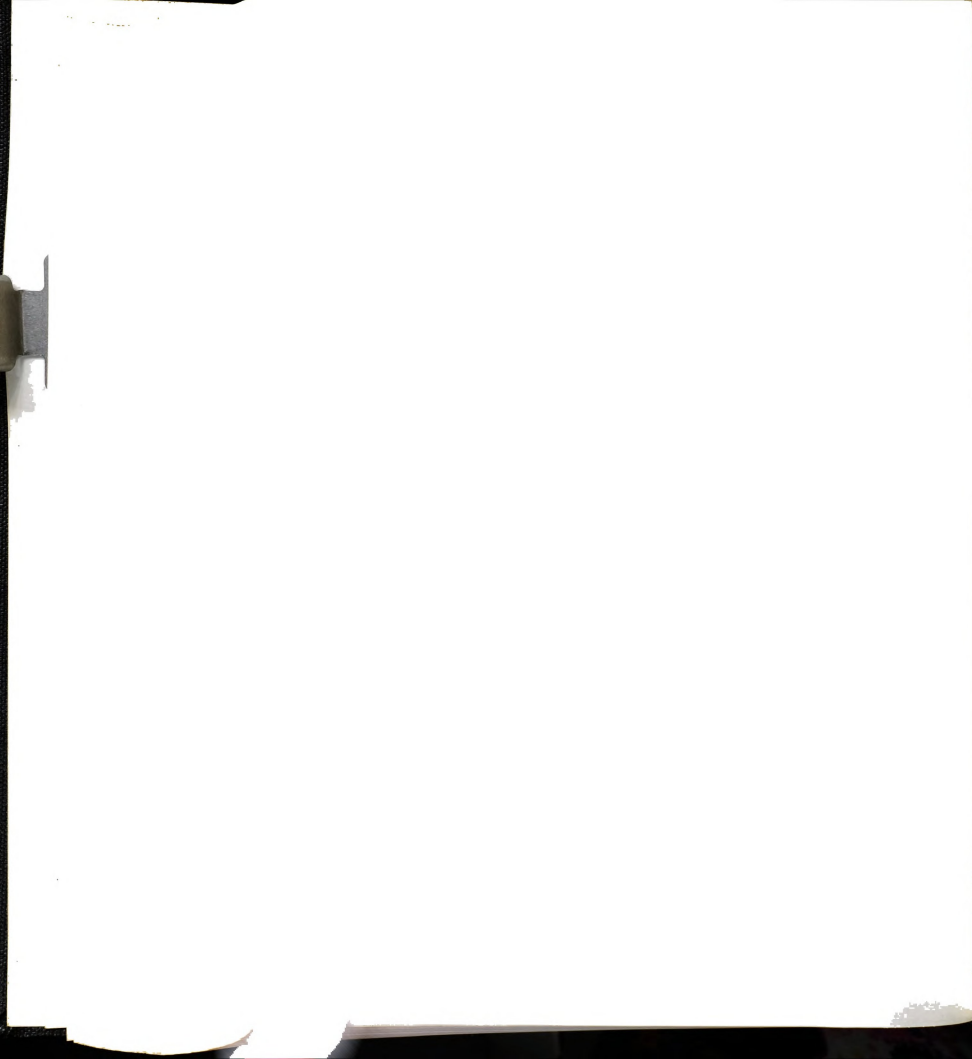
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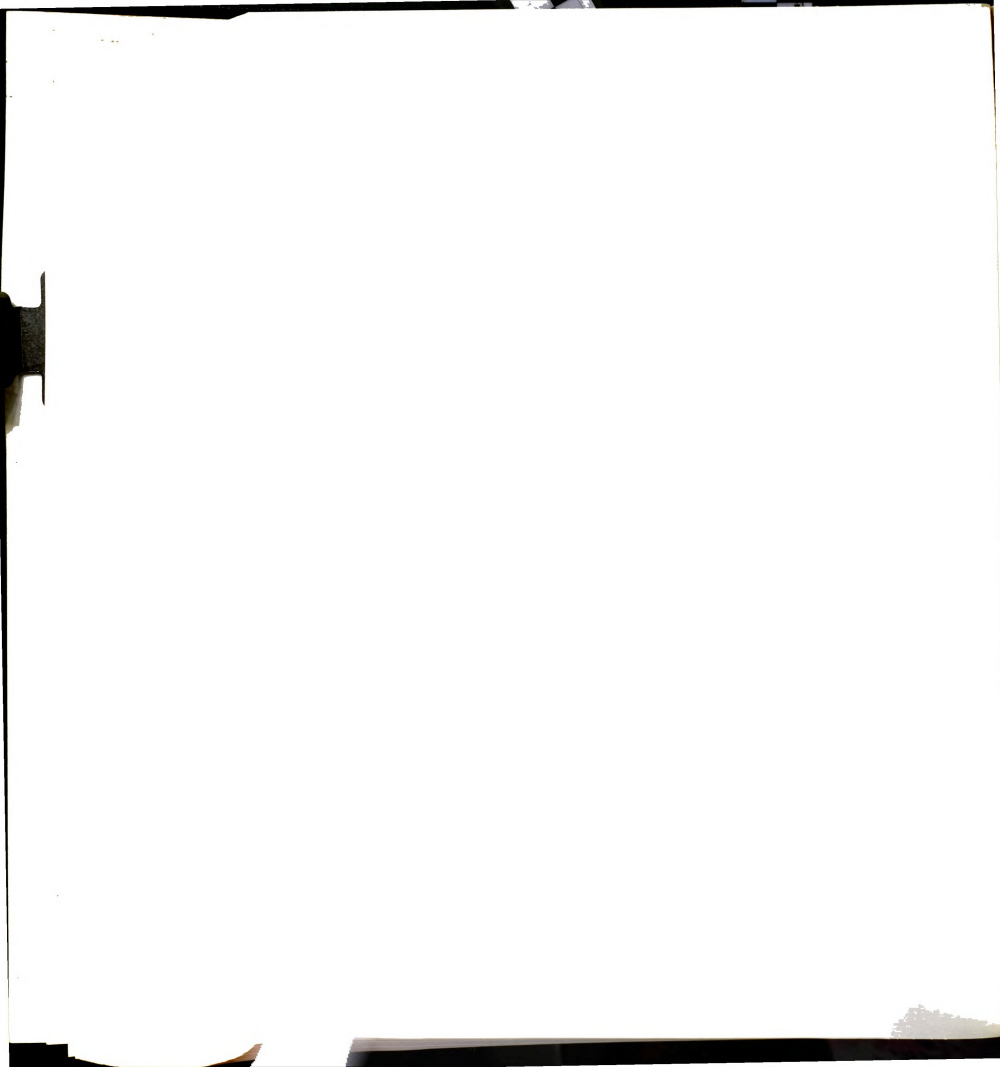


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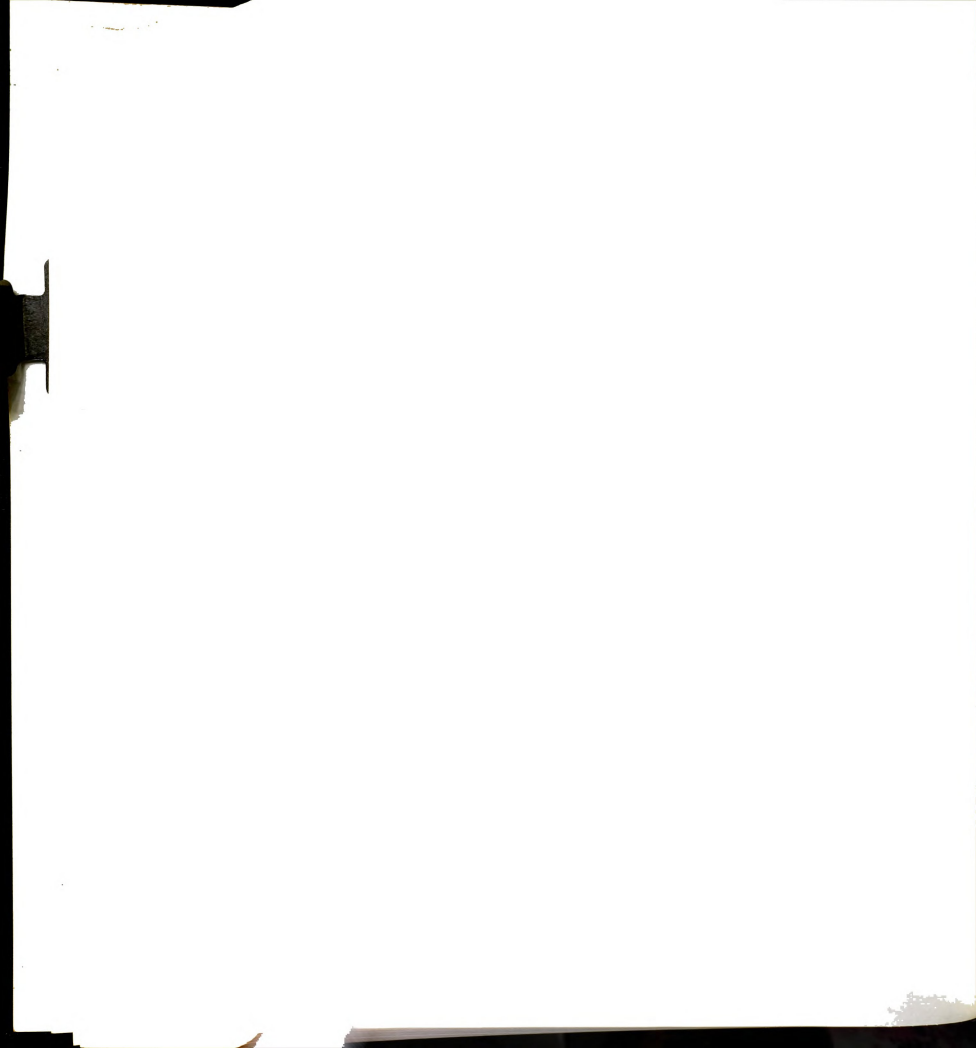
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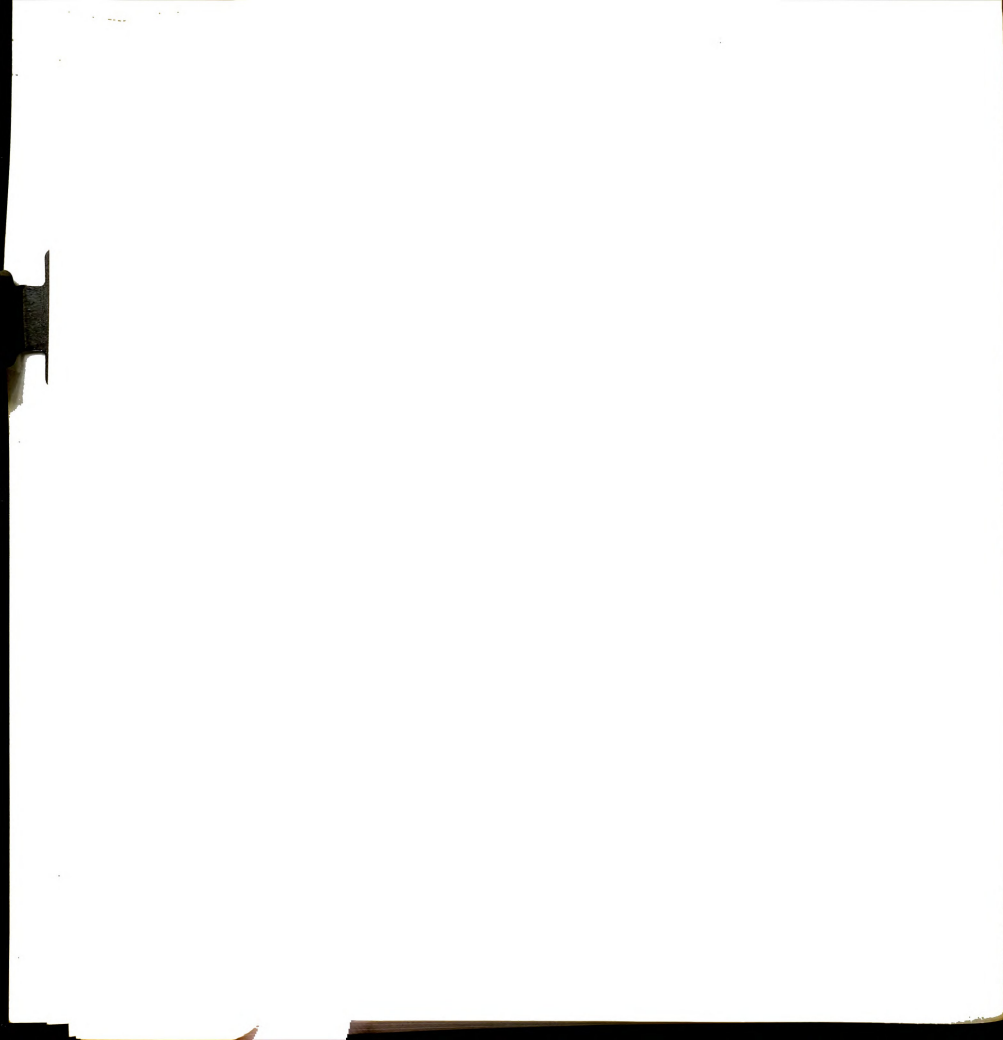
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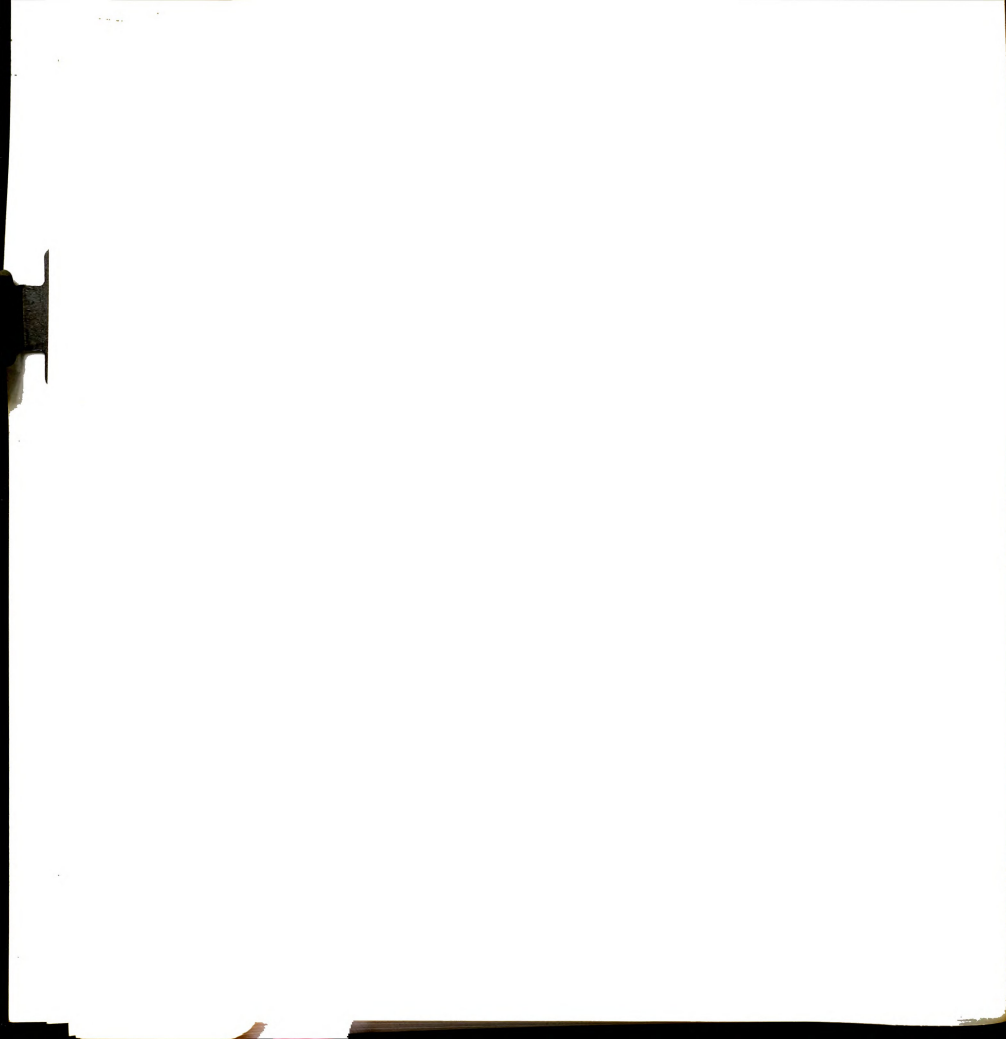


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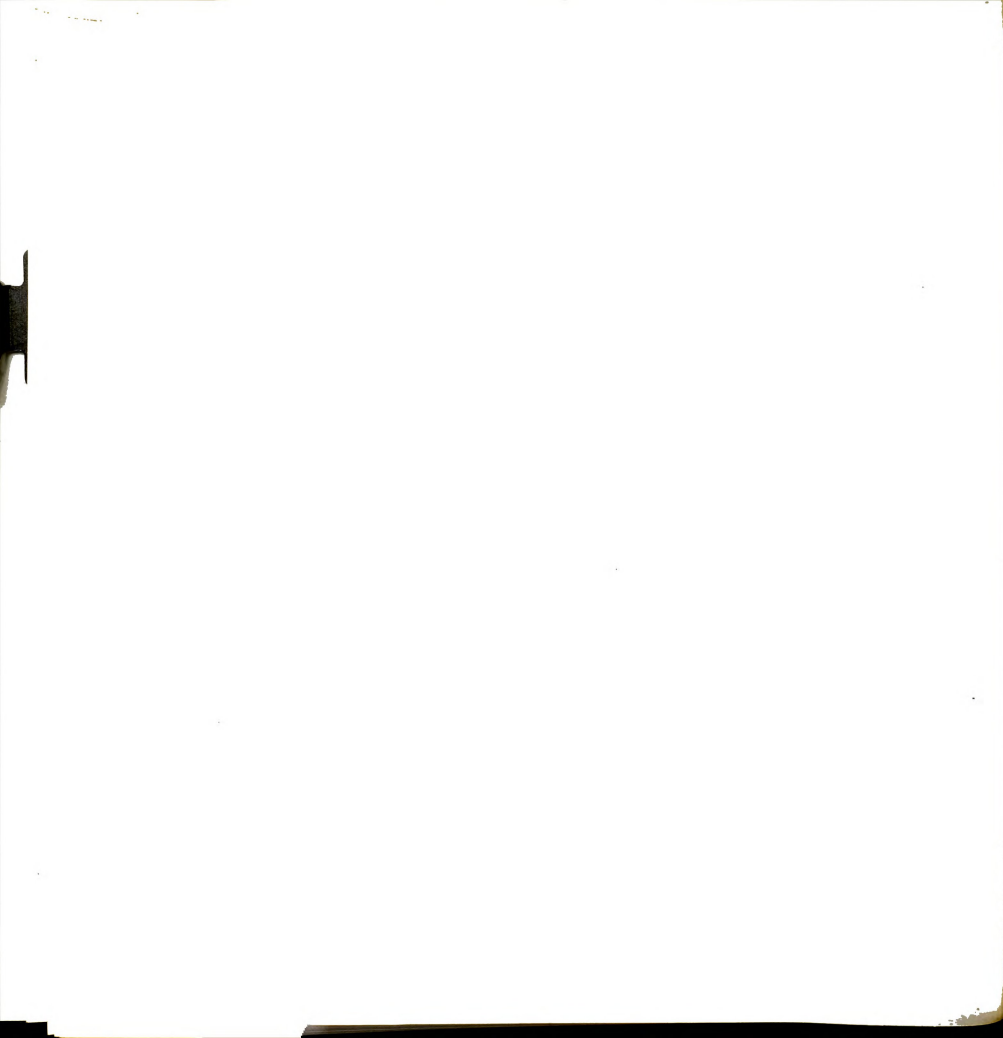
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