

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

February 29, 1968

FOR THE FILES

On Wednesday, February 28, 1968, at 1:30 p.m., the following people had lunch with the President at the Mansion to discuss the copper strike:

Secretary of Labor W. Willard Wirtz
Secretary of Commerce Alexander B. Trowbridge
Secretary of Commerce designate C. R. Smith
Deputy Attorney General Warren Christopher
Assistant Secretary of Defense Thomas D. Morris
Director of the Office of Emergency Planning
Governor Price Daniels
Chairman of the Council of Economic Advisers Arthur M. Okun
Member of the Council of Economic Advisers Merton J. Peck
Special Assistant to the President Joseph A. Califano, Jr.
Staff Assistant Stanford G. Ross

The President had shortly before presented an award to Secretary McNamara and indicated how touched he was by the Secretary's comments.

The President welcomed Secretary Smith hardily and asked him to become involved in a number of meetings, including the Governors conference tomorrow.

The President then made a series of remarks about the problems of having an effective jobs program. He pointed out his personal experience with running this kind of program in Texas in the 1930's. He told Secretary Wirtz it was very important to get this job done in spite of all the difficulties, and it was also important to be as clear as possible about who the unemployed are, where they are, why they are not employed, and what they need to become employed.

The President asked Secretary Wirtz several questions about the State Employment Commissions and emphasized the need to work with them. The President expressed concern that a good program

could be sustained if the case for it was not clear. He referred to the NYA and CCC programs of the 1930's. He said that the numbers that are coming in from the states--as in Medicaid--have been wrong and that more careful management is required of these programs if they are to be sustained.

The President then turned to the problem of the copper strike and asked whether the people at the table were in agreement.

Mr. Califano acted as spokesman for the group and said that there were basically three alternatives, of which one was to seek a Taft-Hartley injunction action now.

The President immediately asked what has changed since the time he was briefed on this situation and was advised that a Taft-Hartley action would not be legally justified. After some confusion, it became clear that the President had in mind an opinion that was rendered very early in the copper strike before it had gone on very long.

Mr. Christopher explained that stocks of copper had run down, that our balance of payments position had worsened as was pointed out by the emergency actions taken on January 1. Also, the tieup of imports by the dock workers was now creating an urgent situation.

The President said that what he understood his advisers to be telling him was that the situation had changed because of "the length of time the strike had run" and "the snowballing of the evils" of the strike.

Mr. Christopher said that the Taft-Hartley statute required a threat to the national health or safety and that the Justice Department's view was that a combination of the balance of payments problem, the general economic disruption, and the severe damage to the economies of the western states, would meet the tests of the statute. He said "the case is a new one, but we ought to prevail." He said that because the case would be "breaking new ground" and the strike had gone on for over eight months, he did not think they would want to request a temporary restraining order which is granted without a hearing. He felt that they would request the injunction itself so that there would be a hearing.

The President asked why this procedure would be followed. Mr. Christopher said there would be a substantial chance they would not be able to convince a court to issue a temporary restraining order and the loss of this preliminary motion might prejudice the case for the injunction itself. He felt that it was better to seek the injunction itself and make the basic case before the judge.

The President asked what would happen if the court denied the injunction.

Secretary Wirtz said that he agreed with Mr. Christopher that the case would be won. He said if it were not, the Administration would have to seek new legislation, perhaps legislation that was broader than the copper strike itself.

The President asked Secretary Wirtz if he thought such legislation would pass at this time.

Secretary Wirtz said he did not think it would pass, but there was no alternative to seeking it. Secretary Wirtz said that if the injunction were sought and the action failed, there would be a worse situation than now to deal with.

The President asked whether all the departments with a stake in this problem were represented and that no one had been left out. The group unanimously acknowledged that this was so.

Mr. Califano said that the second alternative would be to have the companies and the unions brought in for a briefing at the Defense Department and be put under great pressure to bargain the matter out. He said the group did not feel this alternative of putting a public spotlight on the parties would be an effective way to proceed. This alternative received no further comment or discussion.

Mr. Califano said the third alternative would be for the President himself to talk privately to the parties and attempt to influence them to bargain the dispute to a settlement. The first step under this approach would be for the President to telephone George Meany and say that his advisers, other than Secretary Wirtz, were pressing for a Taft-Hartley injunction; that the Taylor Panel, which was considered pro-labor, had recommended a reasonable basis for settlement which was rejected by the unions; and that time was running

out and the union leaders had to know this. The second step would be for the President to talk to Mr. Abel and Mr. Molony of the steelworkers union to urge them to bargain and to offer the assistance of the Secretaries of Labor, Commerce, Defense, and the Director of the Office of Emergency Planning in helping them to reach a settlement. Mr. Califano said the thrust of this approach would be to place the union leaders under great pressure to talk before a Taft-Hartley action was taken.

Secretary Wirtz said that he was strongly in favor of this alternative.

Secretary Trowbridge said he thought the President should make it clear if he followed this approach that the recommendation for compromise of the Taylor Panel, that is the division of the workers into three categories as a step toward company-wide bargaining, was a sound basis for compromise.

The President asked how the parties felt about the Taylor Panel's recommendations.

Secretary Trowbridge said the companies had accepted it in principle as a basis for bargaining and that they basically regarded this as a reasonable compromise under the circumstances. He said the unions had rejected it out of hand. He informed the President that he and Secretary Wirtz already had strongly recommended it to the parties as a basis for compromise.

The President then recalled that labor had asked for the Taylor Panel, that George Meany had called him personally, and that the composition of the Taylor Panel was pro-labor. The President then asked who was behind the rejection of the Taylor Panel recommendations.

Secretary Wirtz replied that it was Joseph Molony. Secretary Wirtz said that Mr. Molony was a very shrewd and competent person who had brought the unions together into a coalition to bargain with the copper companies.

Secretary Wirtz said that he thought Mr. Meany and Mr. Abel were "ready to go away" from the dispute and to have it settled on the basis of the Taylor recommendations. However, Mr. Molony had gotten backing independently from other unions, including Roy Siemiller and the machinists, and had "boxed in" Mr. Meany and Mr. Abel.

Secretary Wirtz said he admitted that his prior judgment that the Taylor Panel would give the unions enough to settle the dispute was wrong. He stated that they had "thrown away" that opportunity and that Mr. Molony was now "going all the way." Secretary Wirtz said he felt that the other union leaders were supporting Mr. Molony but could go either way on whether they would continue to press for complete victory.

The President asked whether there were any politics behind the situation.

Secretary Trowbridge said that he thought there was, that the Republican Governors of the western states were hitting him very hard. Governor Daniels disagreed with Secretary Trowbridge and said he thought the Republican Governors had been acting fairly with a difficult problem and that the telegrams had been restrained. Part of this was their desire to have a united front with Governor Rampton who was a Democrat. Governor Daniels said that Governor Rampton now agreed with the Republican Governors that a Taft-Hartley injunction was needed by the weekend. Governor Daniels said the Governors at the 5:30 p.m. meeting with the President would be very reasonable in their approach.

The President said he wanted the Governors to meet with the people in the room first so that they would have "walked up all the steps" before talking to him. He said it would be helpful to him if they had worn themselves down beforehand. The President asked Secretary Wirtz what labor would say about a Taft-Hartley action.

At that point, before the Secretary could answer, someone brought the President a dispatch that Governor Romney had withdrawn from the race for the Republican Presidential nomination. The President read the dispatch, jokingly said that was "one down and two to go," and turned back to Secretary Wirtz for his answer.

Secretary Wirtz said there would be a "storm of opposition" from labor. He said Mr. Molony would be very strong against it and that Mr. Meany and Mr. Abel would also have to speak out against it.

The President said we must "explore every other possible thing before ordering men" to go back to work. The President said we must not lose sight of the fact that "it is one thing to tell men to go to hell and another thing to make them go there."

Governor Daniels informed the President that Senator Mansfield had made two statements in the past few days calling on the President to "lock up the parties" in a room at the White House until they settled the dispute. Governor Daniels expressed his opinion that the Administration was being hurt publically "by not being able to take action on the strike while others were calling for action."

The President asked Secretary Wirtz whether labor wanted to meet in a room and negotiate. Secretary Wirtz replied he did not think they did. He said, however, that labor continued to be very anxious to get the dispute into the White House. He said Mr. Molony had emphasized that the Taylor Panel had not been appointed by the White House. Secretary Wirtz said he believed if the "added element of White House participation" were present, the dispute could get bargained through. He said this was needed "to take some burden of criticism" off of the union capitulation. Secretary Wirtz said he believed if Molony were able to say that he was "forced" to make a settlement by the White House, he could compromise. Secretary Wirtz said he felt a settlement could make the unions look good. He pointed out that under the Taylor proposal the unions would go down from 64 bargaining units to 12. He said they had done well under the Panel's approach and there was room under that approach to make a compromise.

Secretary Wirtz said as he viewed the situation the "time to move is now." He said "if there is no settlement in the next period, we are in trouble." He explained it was his opinion that there would be "no settlement during the Taft-Hartley period." He said there was more chance for a settlement now. He said it would be bad to go to Congress in May when the Taft-Hartley injunction expired. He said in the current political situation, he did not think a bill could be passed. He pointed out there were large independent companies that had made settlements, that this would mean there was 25% to 30% of domestic capacity in production which was several times the amount of copper needed to fill defense orders. He said given this situation where defense orders could be filled, it would be hard to get legislation.

Secretary Smith pointed out that none of the settlements involved the company-wide bargaining issue.

Secretary Wirtz acknowledged that this was so and said the economic issues had generally been settled at 5 1/2% to 6% and this seemed to be what would settle all the cases apart from the company-wide bargaining issue.

The President asked what is the recommendation of the group.

Secretary Wirtz said that although he had once before urged the President to become involved in a labor dispute and "it had been a mistake and he had vowed never to do it again," he felt the best approach here would be for the President to call George Meany and tell him he wanted Mr. Abel and Mr. Molony to negotiate; that the President should make it clear there were "three or four days here in which a settlement must be worked out"; that the Administration was willing to do what it could to make bargaining effective; that it associated itself with the Taylor Panel's recommendation; and that it would issue a statement asking the people to come to Washington.

The President asked what other people thought and everyone in the room agreed with this approach.

The President then instructed the group to go over to Mr. Califano's office and write it up for him. He emphasized he would call Mr. Meany and see what happened and that he was not committing himself to anything beyond that.

Mr. Califano asked whether the President wanted the Senators and Congressmen from the copper states to be at the 5:30 meeting with the Governors. The President said yes, but that he strongly preferred that others talk to them first and not leave the entire burden on him.

The meeting then terminated and the group prepared a list of talking points for the President's conversation with Mr. Meany.

Stanford G. Ross